

25<sup>th</sup> May, 2026**The BSE Limited**

Department of Corporate Services  
Floor 1, New Trading Ring  
Rotunda Building. P.J. Towers  
Dalal Street, Fort  
Mumbai 400 001.

**Scrip Code - 520057****National Stock Exchange of India Ltd.**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E)  
Mumbai 400 051.

**Symbol – JTEKTINDIA****Sub : Transcript of Analysts' and Investors' Call.**

Dear Sir,

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Analyst and Investors' call held on 20<sup>th</sup> May, 2026 on the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2026. The said Transcript has been uploaded on the Company's website also, the link of the same is given below:

<https://jtekt.co.in/Menu/OpenFile?fileId=aaf1a7b9-5dc2-4603-b5a2-afa43cdd2289&fileName=Transcript.pdf&fileType=pdf>

This is for your information and record.

Thanking you,

Yours faithfully,

For **JTEKT India Limited**

**Saurabh Agrawal**  
Company Secretary



**“JTEKT India Limited  
Q4 FY 2025 '26 Earnings Conference Call”  
May 20, 2026**



**MANAGEMENT: MR. YOSUKE FUJIWARA – WHOLE-TIME DIRECTOR –  
JTEKT INDIA LIMITED  
MR. RAJIV CHANANA –DIRECTOR – JTEKT INDIA  
LIMITED  
MR. A. DHANUNJAYA RAO – TECHNICAL ADVISOR –  
PART OF MD OFFICE – JTEKT INDIA LIMITED  
MR. ASHISH SINGH – DIVISIONAL HEAD, STRATEGIC  
DIVISION – JTEKT INDIA LIMITED  
MR. VIKAS GOEL – CHIEF FINANCIAL OFFICER –  
JTEKT INDIA LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 FY 2025-'26 Earnings Conference Call of JTEKT India Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing star and then zero on your touchtone telephones. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajiv Chanana, Director, JTEKT India Limited. Thank you, and over to you, sir.

**Rajiv Chanana:** Good afternoon, ladies and gentlemen. Let me introduce the team here from JTEKT India site. We have with us Mr. Yosuke Fujiwara San, he is the Whole-Time Director. We have Mr. Dhanunjaya Rao. He is a Technical Advisor and part of the MD office. Mr. Ashish Singh is Divisional Head, Strategic Division; is responsible for Sales and Marketing as well. Vikas Goel, Chief Financial Officer of the company; and I'm Rajiv Chanana, Whole-Time Director.

I will hand over the call to Mr. Fujiwara San for the opening remarks. Thank you.

**Yosuke Fujiwara:** Good afternoon, everyone, and welcome to the JTEKT India Limited Annual Earnings Call. My name is Yosuke Fujiwara, Whole-Time Director of JTEKT India Limited. I would like to thank all participants for joining this call and the organizers.

For the FY '25-'26, Passenger Vehicle segment achieved sales of 5.54 million units compared to 5.07 million units sold in FY '24-'25, thereby achieving annual growth of 9%. This was an unexpected achievement, particularly considering the fact that during the first half of the year, the passenger vehicle segment registered a growth of only 1.6% in September '25.

The Indian government announced a major indirect taxation reform, which lowered the GST rate from 28% to 18% for smaller vehicles and from 50% to 40% for larger ones. This change improved vehicle affordability, particularly for the small-sized segment in the second half of FY '25, '26, the passenger vehicle segment registered a growth of 16.7%, which was quite significant.

Now I'd like to discuss with you the company's financial results. During the financial year '25-'26, JTEKT achieved a sales growth of 11% compared to passenger vehicle market growth of 9%. The growth in sales at JTEKT was supported by SOP of e Vitara and Victoris by Maruti Suzuki, where we are supplying demand for certain vehicle like Alto, MS Gear, CEPS and CVJ. Due to reduction in GST rate, there was an increase in demand for the certain vehicle like Alto, Jimny, Baleno, Ertiga and Brezza, where JTEKT is supplying components to Maruti Suzuki.

Okay. Further, our sales to Mahindra & Mahindra and Tata also increased by 17%. With the improvement of sales, the EBITDA margin for the second half to a level of 8.48% compared to 7.71% achieved last year. Despite this improvement, we are short by 0.1% as the full year margin declined from 7.60% last year to 7.5% in the current FY '25-'26.

JTEKT continues to exercise strict control of fixed costs. In the category of the employee cost and administration costs, we achieved a saving of 0.28% as a percentage of sales. Variable cost was higher by 0.38%, mainly due to product mix, increased rate of state electricity power and reciprocal tariff paid on export to the U.S.

As we conclude, I wish to convey my deepest gratitude to our shareholders. Your trust and support have been instrumental in making our maiden rights issue during the year a great success. Our promoters, JTEKT Corporation Japan and Maruti Suzuki participated fully in the rights issue and the participation from our public shareholder was overwhelming with appreciations exceeding twice the number of the shares offered.

With this, I'd like to thank you for your participation and open the conference for questions. Thank you.

**Moderator:** The first question is from the line of Tushar from Peace Wealth. Please go ahead.

**Tushar:** Yes, hi. Thank you for the opportunity, sir. My first question is regarding the gross margins. So if we see the gross margins from last 2 years, they have been continuously declining from 29% to 27% now. Can you just highlight what are the key factors behind this? And how should we see the gross margin from here on? That is my first question.

**Rajiv Chanana:** Sure, Tushar. Thank you for arranging this conference call and asking the question on margins. Yes, we are equally concerned about that. So let me take a little time to explain the change point, which has happened over the last 2 years. I will not be restricting myself to the current year. I will try to correlate it with a year before that also.

So, you are aware that 2025, '26, it started with a weak note. We saw passenger vehicle market growth just 1.6% in the first half. Now this is lower-than-expected sales and EBITDA margin for the first half of '25-'26 declined to 6.3% compared to 7.6%, which we achieved first half of the previous year.

Now as the sales improved due to reduction in GST rates in September 2026, the margins also started improving and the second half was 8.48% compared to 7.71%. Despite this improvement, like we're touching 8.48% still when we look at the full year margins, they were down by 0.1% from 7.5% previous year to 7.6% in '25-'26.

Now let me start my explanation with analysis of the fixed cost. JTEKT, we always mentioned, continues to exercise strict control on fixed costs. The employee cost as a percentage of sales declined by 0.18%, almost 0.2% compared to last year. Similarly, admin cost as a percentage of sales declined by 0.1%. This reduction in admin cost was particularly important for me to mention because during the year, we had a rights issue and the rights issue expenses were also booked, which was about a good amount of INR8.2 million.

This explains our management focus on exercising strict control on costs, which are controllable at our end and thus fixed cost reduced by 0.28% as a percentage of sales. Now coming to variable costs. There was an increase of 0.38% as compared to reduction of 0.28% in fixed cost. And this

includes, as you said, margins i.e. material cost was up by 0.18%, manufacturing 0.1% and selling 0.1%.

And that altogether, this resulted into reduction in our EBITDA margin by 0.1% -- so let me explain the change point in the variable cost segment. Material cost, as I said, was high by 0.18%. So, there was a mix of positive and negative factors, which resulted into the net change of 0.18%. So let me explain the positive factors first. The positive impact was as high as 0.38%.

And this was due to improvement in our business condition, which impacted us very badly in the previous financial year, which I'm talking about '24-'25, where the margin fell very, very -- in a very high manner about 1.4% was decline in our margins when we compare last year, '24-'25 vis-a-vis the previous year.

So, one major improvement point was increase in exports. During '25-'26, we were able to increase our export sales by 20% from INR551 million to INR664 million. And this improved our margin by 0.15%. However, when we compare these export sales with '23, '24, which I'm trying to compare 2 years back, 2 years back, our exports were INR867 million. So we are still below our benchmark level of INR867 million by as high as 22%. And this is still impacting our profitability during '25-'26. We expect this should improve in future.

So further, there were some other factors which were positive, like which impacted us in '23, '24, like inward freight cost. You recall, we mentioned about the Red Sea issue. There were a lot of testing happening because we were moving into several vehicles like e Vitara, Victoris and one more MPV, which is now under launch. So we were doing a lot of testing jobs for new product development and the new lines were being installed.

So we had 2 manual gear line installed at our Dharuhera 2 facilities, CPS line, CVJ line. So all these lines were getting established. So the testing charges were very, very high. And then the settlement of provisions, which we mentioned last year. So these improvements gave us -- during '25, '26 compared to the previous year, we improved by 0.23%. So overall, there was an improvement in margins by 0.38%.

Now coming to the negative factor about which impacting our profitability -- sorry, the positive was 0.23%. Now coming to the negative factors. These negative factors was about 0.56%. There were 2 major reasons for this negative factor, which we faced during '25, '26. The first reason was change in the product mix due to major decline in sales to Honda, which was about 33%, sale to Renault Nissan for the export models, which was about 16% and a small decline in Toyota also by about 4%.

The profit margins for these customers are better for the sales which we do to them. On the other hand, we saw a lot of change in the business mix, where sale of steering systems to Maruti Suzuki for cars like Alto, Jimny, Baleno, Ertiga and Brezza that increased primarily because of the GST cuts, which gave them a positive impact. Margins in these models are slightly lower. When we compare with Honda, Toyota, Renault, Nissan for export models, I think the margins are slightly lower.

And this change in mix costed about INR88 million, which is approximately 0.33% impact on the margins. So we expect that the Honda sales in the future years will improve. We are waiting for the launch of another vehicle, which is an SUV EV by Honda, which will be launched from their Tapukara plant during maybe around December '26.

Now just to reconfirm, I think the point which is relevant for you to note is that the raw material price settlements with customers are back-to-back, albeit with some time gap. So the reduction in gross margins happen only when we have a product mix, which is negative for us or then there are some other factors like inward freight changes or there is an increase in the new product development cost.

Remember, new product development cost is taken as part of the material cost as per the accounting norms. We do not -- we just simply added into the material cost. So this is one major reason which is impacting our profitability during '25, '26. The second reason, which is more of an accounting issue. If you look at my financial results, which we have published, you will notice there was a big foreign exchange gain of about INR26 million or so -- INR62 million -- so this -- when we realized this positive forex gain at the time of payment to our overseas suppliers.

So when the effective payment for our imports were actually lower compared to the liability that we booked at the time of purchases. So what happens is that when you record the liability for imports, you record it at a certain forex rate. And when you make the payment, you pay at the actual rate.

In fact, the material cost should be booked at the actual forex rate. Unfortunately, that's not the accounting practice, which we have to follow. We need to record any forex gain on purchases as other income. So therefore, imports were booked at a slightly higher price, which costed us about INR62 million, 0.23%. So 0.23% of forex and which is 0.33% of product mix.

These 2 together costed 0.56% as a negative factor, which offset our improvement of 0.38%, which we achieved compared to the previous year. And therefore, there was a net negative impact of 0.18%.

Now these factors, both the factors which I've just mentioned, are looks, in my opinion, are temporary, and we should not be getting hit by the same kind of a drastic product mix change next year or we will not get any forex hit, even though it was an income getting added into income, but we will not have this kind of an accounting issue in future. So considering that, these are the temporary factors.

Now coming to -- just to explain a little bit on the other category of variable costs. Manufacturing cost was higher by 0.1% -- this was mainly because of the power tariff change during the year. And then another major factor was that increase in power utilization for the new production lines, which are under trial and implementation. Again, this is onetime factor. So once we -- once our lines are ready, we don't have to incur additional power cost in trial and implementation of these lines.

Coming to -- this was an impact of 0.1%. So coming to last impact, which is selling cost, again, 0.1% impact. And this was mainly -- so there were -- again, there was a positive and a negative factor. The positive factor was that -- we had a positive warranty cost change. So warranty cost was down. As you recall, just to sell -- just to inform you again, we had a recall situation in the earlier year.

This year, the warranty was much under control. So warranty cost was almost down to half, and that gave us a positive of 0.15%. However, you are aware about the U.S. tariff, the reciprocal tariff and penalty tariff, which U.S. imposed on our exports that costed us about INR63 million, which was 0.24%. So together, a positive 0.1% and negative 0.24%, there was a net negative of 0.1%.

Again, this is onetime factor. You are aware that the order of Supreme Court, this tariff has been now withdrawn in U.S. So futuristic little bit, we expect some improvements in business situations. Number 1 is that reduction in U.S. tariff from 50% to 10%, we expect U.S. exports will increase. And further, these exports will be at a lower tariff and thus will help improve profits as well.

Second, we expect sale of new models of Maruti Suzuki, where Jimny has started supplying during '25, '26 will increase. Maruti Suzuki is expected to launch another MPV, which is EV from Gujarat plant expected in October '26, and we expect that this will help us to increase our revenue and improve margins.

Again, for this model, we are supplying all complete steering MS Gears, CPS as well as CVJ. Cost of testing, as I just told you, will reduce in future. And this will help us because most of the SOPs will now start. Export to Brazil will start. We told -- we informed in our previous meeting is that we got an next purchase order from Brazil. And this -- I'm happy to announce that we will be starting dispatch from this month. From May month, we'll be starting dispatch.

And this volume will continue to grow up to maybe 5 lakh units, we expect this will grow. And lastly, our efforts to continue to maintain fixed cost under control. So these are the various things where the management will be working to continuously improve the margins in future years. I hope I've been able to answer your question in detail.

**Tushar:**

Yes. That was very helpful, very detailed. Thank you for that. Really appreciate it sir. If I can go to my next question -- my next is regarding the Toyota Bidadi plant. So as we know, they were putting up a third line in Bidadi and that was to be commenced this year itself. And from what I have been reading in the public articles is that this has already commenced.

So can you just confirm this if that has commenced? And if yes, then how should we see the revenue mix from Toyota for us, which has been traditionally about 12% in this quarter to 15%, 16% in the near term?

**Rajiv Chanana:**

Sure. So let me tell you about the breakup of our sales. So Toyota was 12% last year and was 10% this year. And one of the reasons why Toyota slightly declined by 2% because Maruti Suzuki went up from 56% to 60%. Others were more or less same. Honda declined from 8% to

5%. Mahindra & Mahindra and Tata remained at together at 10% level. So -- and exports slightly improved from 2% to 3%. So this was a somewhat breakup of our sales to different customers.

Coming to your question about Toyota. Toyota is -- you are aware is that part of the group of JTEKT. They hold about 20% equity in JTEKT Corporation Japan and JTEKT Corporation Japan is the largest promoter of JTEKT India Limited. So, we are connected with them. So in India, most -- we are involved with most of the developments, like, for example, like all the current manufacturing is happening using our steering systems.

And one of the reasons our moving to Western reason was is to -- because we are aware that Toyota possibly will be setting up new facilities in Maharashtra. We are hoping that these facilities set up as early as possible because we will be ready for that. And that was the main reason for our setting up a plant in Gujarat, primarily to support Suzuki, which already has a plant and they are expanding in Gujarat. And we will -- we expect Toyota to expand in Maharashtra.

But these are all new things. We do not have the exact information at this point of time. And now we will not -- even if this happens, this will happen sometime in '28 and '29 in our understanding about the Toyota thing, which you are saying will happen sometime in '28 and '29 as per...

**Tushar:** I'm asking about the Toyota's Bidadi plant, which is their existing plant where they were putting the third line with an investment of INR3,300 crores where they were increasing the capacity by another 1 lakh. I think that has already commenced?

**Rajiv Chanana:** No, no. That has not already commenced. The new facility in our understanding is set to begin in the first half of '29, which will increase their capacity to about 1 lakh vehicles per year. This is our understanding.

**Tushar:** Yes. That is for Maharashtra. But for Bidadi, where their existing plant is housed, there also they expanded that capacity by 1 lakh. It's okay, sir, I'll maybe check on that later on with you next time...

**Rajiv Chanana:** The most important thing is that we are attached with Toyota for all their steering requirements. And you are aware that we are supplying for Hyryder, etcetera, for CVJ also, we are already supplying to them. So we are the only supplier at this point of time for them, and we hope that we'll continue to be the only supplier for Toyota in future as well.

**Tushar:** Yes, yes but just a follow-up on that since now Toyota is also putting up a plant in Maharashtra, they have officially announced this. On the driveline segment of JTEKT Corp, as I understand, there are multiple products that are there and not just CVJ or Hub unit bearing that we do or it is something that we will do. But other than that, also there's a whole catalog of different items like driveshaft, drive plates, and there is this LST, IDPC and clutch plates. So is there any plan for JTEKT Corp to do these products also under JTEKT and they are on the line? Do we have any intent of doing that other than CVJ or Hub unit bearings?

**Rajiv Chanana:**

So these new products, like, for example, when we introduced CVJ, Constant Velocity Joints into the Indian market. This was actually a step towards company aspiration to increase product portfolio. You're rightly so. And we always wanted to gain the share of important driveline segment of auto components. So while steering, we have a complete assembly, complete system supplier, but we are not a system supplier when it comes to driveline products. So our aspiration is to keep increasing our capacity in this particular segment and keep introducing more projects.

However it takes time. We need to see that we first reached to a certain level of growth in CVJ. We told in the last meeting is that our first-ever target is to touch about 15% market of CVJ. So just to give you a little bit more information on CVJ. So during the current financial year, we -- the second CVJ line came into operation from November '25 and this has increased our production capacity by 7.54 lakh units per annum, which is equal to 3.8 lakh vehicles because CVJ is supplied in sets.

And '25-'26, the total sale was about INR1,300 million only. That was just about 67% or 65% of the total capacity utilization. So what's happening is that the third vehicle of Maruti Suzuki, which will be launched now and we will start supplying, and we expect that the capacity utilization for that will increase to 90%. And this sale will touch about, say, INR250 crores or more than that.

Currently, we are only supplying for Grand Vitara and Toyota Hyryder. And then in August '25, you are aware that we started supplying for e Vitara and Victoris, which Maruti Suzuki introduced. And so that we are there. So the idea is that we need to capture the market of -- which is a huge market and can be bigger than a MS Gear market, which we are currently serving in the steering category. We are -- competition is there.

MTN and other people are already there. They already have more than GKN more than 60% of the Maruti business. So we need to enter that area. There's a huge competition and we are targeting that business to reach a level of at least 15% to begin with. The third line will start working now. So CVJ third line will give us about a production capacity, which can help us to touch about 15% market share.

And then when we move to Gujarat, yes, we will expand further in the CVJ category. So this is one area where we have just introduced and we are still working very hard because there are various versions and various specifications, which we need to cater over a long -- bigger vehicle and a smaller vehicle. We call it a long stem technology. So many, many things we have to do in this particular area.

So give us some time. I think you will be the first person to know whenever we plan a similar activity in the future. Yes, we have in sight a few things, but nothing at this point of time, which has crystallized because we need to do a lot of work on CVJ first and maybe then move to another segment.

**Tushar:**

Okay. My last question, sir, now is about this JTEKT Brazil order that we got was the first of its kind from JTEKT Group do we -- are we in discussion with other JTEKT entities also? Do we have a plan in future to cater to other JTEKT entities...?

**Rajiv Chanana:** Yes. So if you recall, during its presentation to investors, while announcing its financial results for '24, '25, JTEKT Corporation Japan, they expressed its intention about strengthening Indian sites by promoting India as a global site. This was not just a statement because when JTEKT Corporation Japan is informing something to the investors, they have a lot of weight behind it. And we expect that to strengthen our operations to meet the expectation of our good prices. So this activity of Brazil will now start.

And we expect that about 70,000 units will be supplied during the current year. The first shipment will happen this year, this month itself, May, we'll start supplying to them. And this business can be used. We already set up -- as we informed you, we already set up a line, manual gear line, Rack and Pinion line at our Chennai unit with an installed capacity of approximately 4 lakh units.

And this will -- this business will go very fast as per our understanding because there will be many, many variants which will be launched by Stellantis in Brazil on the same platform. And we have a few details that this business can rise up to 5 lakh units per annum.

And once we are able to establish ourselves with the group entities by performing well, supplying on time, supplying the best quality products at the right cost. Once we are able to establish ourselves, I think there will be more business waiting for us. We just have to be a little patient, keep working hard and then see that the next order will come.

**Tushar:** That's great to know. It's very heartening to know sir. Thank you so much. Just before I wrap up sir, are we supplying to Duster? Are we supplying for Duster also or not?

**Rajiv Chanana:** No, we are not supplying to Duster. Most of the model which we are supplying to Renault Nissan is on the export models, Sunny and all those models. That's where we are mostly...

**Tushar:** Okay. Thank you so much sir. And all the best.

**Rajiv Chanana:** Thank you Prashant. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Aman Vora from Premier Capital. Please go ahead.

**Aman Vora:** Hi. First of all, many congratulations on a strong fourth quarter performance. I actually just wanted to get some understanding from you on our revenue trajectory. So in the previous quarter, you had explained that by F27, we would look to add about INR1,000 crores to top line because of these -- all the new capacities that we have commissioned in the last 6 to 9 months. So given -- so could you just update us on that?

Where are we on that guidance? And also, given all the initiatives around the new capacities from all our clients, the opportunity of export to the promoter group as well as the CVJ ramp-up, can we look to double our revenue in the next 3 to 4 years?

**Rajiv Chanana:**

So let me explain you where are we now. Future, I will leave it for you to decide. So I will explain you where we are. So let me start with '25-'26, that just completed financial year. So JTEKT India, as Fujiwara San in his opening remarks mentioned that we touched a growth level of 11% compared to the passenger vehicle market segment growth of 9%. So, we performed better than the market.

So now out of this 9%, when we look at the overall passenger vehicle market growth of '25-'26, the share of Maruti Suzuki and Toyota was 5%. So, when we say that the passenger market vehicle grew by 9%, Maruti Suzuki and Toyota grew by 5%. So, this taxation reform, you are aware about GST reduction, etcetera, etcetera, this actually sparked optimism. And we saw a significant increase in demand for several models of Maruti Suzuki, where we are present like Alto, Jimny, Baleno, Ertiga, Brezza. Because of our presence in these models, during the last 2 quarters, we were able to get a huge business from these.

And therefore, as I told during my previous -- answering the previous question that our share with Maruti increased from 56% to 60%. Again, the new business of Maruti Suzuki, e Vitara, Victoris, they gave us an additional share of INR173 crores -- INR174 crores because we are supplying almost every product, like we are supplying manual gear, we are supplying CPS and we are supplying Constant Velocity CVJ Joints also.

Still, this was not good enough because there was a huge delay in the SOP of these models. We expected these models to start from June and then they finally started from August and then mainly for export models and then launch in Indian market was further delayed till possibly October, November. So, what we expected for these models, we did not achieve that. But still, despite that, just a few months and then we touched about INR200 crores kind of a sales turnover from these 2 models.

And now we are waiting for the third model, which Maruti Suzuki will be launching. This is an MPV EV from Gujarat. And we are again a complete supplier for all the 3 products, Manual Gear, CPS and Constant Velocity Joint. So, we expect that this can give us good business. Now coming to the negative points. We had a negative growth of approximately -- if you look at the impact on the market side first, that gave a 1% negative growth to the market, like Honda and Nissan, these people. So, when we look at Honda stand-alone, their business in the passenger vehicle segment declined by a massive 30%.

And we are almost 100% supplier to Honda and this negative growth impacting our overall sales. However -- and that was a major reason. Otherwise, our sales could have been even -- maybe we could have touched 12% to 13% compared to 11%, which we actually touched. Now again, for the Honda, we are optimistic that once they will be coming up with their new SUV, which is an EV, and we expect that they will be able to capture part of the market, which their people have lost.

This business is expected to be around on the optimistic side, about 40,000 numbers, which Honda is planning. And this can be a INR100 crores business for us. If everything materializes good, this can be a good business for us. Now coming to CVJ. As I said, we've been supplying to Vitara, Toyota Hyryder. We will not -- we started supplying to -- sorry, we were supplying to

Grand Vitara and Toyota Hyryder. We will now start supplying to e Vitara and Victoris. And this sale, which is about INR130 crores this year, we will touch about INR250 crores on a full 2-line capacity, which we are very hopeful that once the MPV, EV of Maruti Suzuki will be launched in October '26, we'll touch 90% capacity utilization of our 2 CVJ lines.

And we are now working on the third line. We already started working on the third line. Now coming to Brazil, this is a start and a small 70,000. And we will start touching about -- next year, we will touch about may say 100,000 to 150,000, which can be about INR50 crores, INR60 crores kind of business, and then it can touch 5 lakh units over a period of time. So, this is something the direction of export, like one thing is that we are getting witnessed where we are now supplying not only steering, we are supplying driveline products as well.

Our exports will continuously increase. We expect U.S. exports to improve, and we expect export to Brazil to improve. We expect Honda business to come back to some reasonable levels. They have actually lost a lot of market share. I think they should come back and the product mix will be positive. Now if you have seen the presentation, which we filed on stock exchange yesterday, we have put our new capacities, which we have set up, and we mentioned about the capacity utilization in '25, '26. So, if you look at CVJ Line 2, which was set up in November '25 with a capacity of around 370,000, is just 27% utilized today.

CVJ line 1, which was installed previous year is about 83%. MS Gear Line 5 Dharuhera, which we installed in last year is already touched 106% capacity utilization. About the new 6-line, MS Gear line is just 21% utilized at this point of time. Similarly, MS Gear Line 4, which we have set up at Chennai for export business is SOP has yet to start, so practically not utilized. Similarly, CPS Line 4, Line 3 at Bawal is about 50% utilized.

So, when you look at the capacity which we have already created in the last 1 year over '25, '26 because most of the models like Vitara -- e Vitara and Victoris started in between the financial year. Therefore, these lines could not be fully utilized. So, over a period of '25, '26, the utilization, for example, the CPS line was just 50%.

But now with the new models coming in and now for the full 1-year production of e Vitara and Victoris these production capacities will be fully utilized. So, we expect that whatever capacities we have set up will be 100% utilized over the next 1 year or maybe 1.5 years, depending upon the market. So, I've given you all the data which I already have. But I'm trying to tell you is that we are the market growth. At the end of the day, if the market grows, we will grow better than the market. And that's what we have demonstrated over the last 3 years.

So, let's see if your projections about the market are 20%, I can assure you that we'll have to grow by 20%. But let's wait for the market to shape up in the next 3, 4 months. I think we'll have a better picture emerging. And you can link my growth with the market growth very easily because I have production capacities which are not fully utilized. We have already committed for additional production capacities, and we are all ready now to capture any new share of business, which we'll get from our customers.

**Aman Vora:** Sir, when you mentioned that over the next 12 months, you will move to full capacity utilization on these new capacities that are added, how much revenue can we get on full utilization from the current capacity? Let's -- it's difficult to pinpoint 12 months or 18 months. But once this current capacity is fully utilized, how much revenue would be able to get? Would it be INR1,000 crores of incremental revenue, INR800 crores, INR1,200 crores?

**Rajiv Chanana:** We already got INR300 crores increase this year. So, from INR2,300 crores to INR2,600 crores, INR300 crores, we already got in this year. Export will be additional. I suppose whatever market growth next year, say, let's talk theoretical now. Let's not talk what my numbers will get me.

I give you a different way of calculating my growth is that suppose the market grow by 10%, okay? So, we will be able to grow by INR400 crores, -- and if we are able to grow our export by, say, INR100 crores, we can get another INR500 crores. We got INR300 crores this year, INR500 crores next year. So, we'll be talking about INR800 crores additional. You are saying INR1,000 crores, I'm saying conservative INR800 crores. I will not be able to share my next year business plan. I'm sorry for that. We don't share that. I can give you some way of calculating it, yes.

**Aman Vora:** Yes. No, no, sir. So, if you see our financials, our return on capital employed was 16% in F '24, which is now down to 10%. This is because we've done about INR800-odd crores of capex in the last 3 years. At the same time, my fixed asset -- our fixed asset turnover is down from 4 plus to about 2.2. So, we have added significant capacity in the last 3 years.

Now if we have to improve our ROCEs, which is the mode of adding these capacities or get back to where we were originally, we have to have a revenue ramp-up and as well as improved margins. So that is where I'm coming from, how we see this ROCE trajectory moving back to our historic levels of F '24, where we were doing 16%, 17%, which will be a factor of revenue growth as well as margin improvement. That is where I'm coming from, not a special guidance for next 12 months, but maybe for next 3 years, the trajectory.

**Rajiv Chanana:** So, we are 100% aligned with what you are saying. We have exactly the same thinking, which you have. We have a capacity and we need to utilize that. And I think, as I said, we expect that our capacity will be 100% utilized within 1.5 years -- that's what our understanding is based on the new orders which we have.

So just coming to your return on capital employed thing, maybe you do not have the balance sheet with you at this point of time. It will be published in the next few days' time. Our CWIP, which is the assets which are not yet operationalized is about INR411 crores. So, if I simply remove it, because these assets are at this point of time, not generating any revenue. So, if I remove that, the return on capital employed improves to more than 11% from -- yes, whatever number you just told.

So that's where we are is that -- but then yes, once the full capacity utilization is achieved, this return will further improve because the profit will improve, numerator will improve, denominator will remain the same. So, this will again touch back to the same numbers as we touched about 2 years, 3 years back.

- Aman Vora:** Just last question from me, sir...
- Rajiv Chanana:** CWIP is a major thing which you must keep in mind. So you are in analysis, so I would always request you that whenever you read my balance sheet, please continuously read the CWIP, that will continue to impact my ratios for the next maybe 1 year or 2 years, yes.
- Aman Vora:** Right. Got it, sir. Sir, just last question from me. So, this year, we've done close like a INR400 crores plus capex. What would be our expected capex for F '27? We've seen a slight increase in debt also. So, any guidance on the capex for F '27?
- Rajiv Chanana:** So definitely because most of the expenditure on line setup has already been completed. The one activity which is currently going on is our setup of our Gujarat location plant, where again, we have already -- we have committed about INR250 crores for that particular unit, and we have already spent about INR112 crores from the rights issue and maybe some money from our own pocket.
- So maybe INR130 crores we have already spent there. So overall capex for that particular location is about INR250 crores. So maybe another INR100 crores for that location and then other normal capital expenditure. It will not be as huge as we have done in the last 2 years. But yes, Gujarat is one location where we need to spend the money going forward over the next 1 or 2 years.
- Aman Vora:** Got it, sir. Perfect. Thanks a lot, sir. Thank you for the opportunity.
- Moderator:** Thank you. The next question is from the line of Manan Poladia from MKP Securities. Please go ahead.
- Manan Poladia:** I have 2 questions for you. One on -- again, following up from what the previous participant was saying. If on the driveline side, you could give us some more color on what other products are in the near-term launch pipeline?
- Secondly, how are margins or when you say pick the turnover, how does that differ? And as to the INR750 crores of capex that you've done, I understand that your previous assets were well depreciated. So, I just want to understand what sort of FATR you can look forward to going from here when you make new investments as well?
- Rajiv Chanana:** Okay. Good. So, I think on the driveline product, which was your first question, I think we have already explained our CVJ strategy. Our aspiration to touch market share of 15%. And maybe long term, will include our further increasing this capacity from Gujarat location.
- So currently, at our existing Dharuhera location, we already have 2 production lines with a capacity of around 7.54 lakh units, which translates to about INR250 crores kind of volumes of value -- sales value. And we will be up about 90% capacity utilized when we will be -- we'll get the third EV model of Maruti Suzuki, which will happen sometime in October, say October '26.
- So, this is where we are for our existing -- there are 4 models where we are supplying, as I said, Grand Vitara, Toyota Hyryder, e Vitara and Victoris. And now the fifth model will be added.

And we are up and running. The next challenge will be that moving to other customers, once we are able to establish ourselves with Maruti Suzuki and Toyota, the next challenge will be to move to other customers and establish our product with them.

So, this can be a huge business. This is a driveline business and can be a huge business, which can be equal to or more than the manual gear business, which we currently have. We have more than 45% -- 40%, 45% share of the manual gear business. And we can continuously would like to increase our CVJ business also in the same direction.

Coming to other products, we will not be able to inform at this point of time because there's no concrete plan, which has already been finalized along with JTEKT. This will happen, but not immediately. We will -- it will take time because we first need to stabilize in the CVJ market, which is a huge market. And we know that there are opportunities also to supply overseas also. So certain parts of CVJ, the certain force part, etcetera, there's a big opportunity that we can supply -- we can export to our group entities also. So this is a big strategy which we have and we will keep on reporting back to you as and when we take more actions on that.

Give us a year or 1.5 years to complete our strategy on CVJ side, maybe then will be the right time to move to the next strategy, maybe introducing another product in Indian market. This is one thing. So coming to your next question about investments, which we have done. So I think if you have seen the -- if I would request you to see the presentation, which we submitted to stock exchange yesterday, which talks about all the capacities which we have built.

So when you look at the turnover ratio, for example, if I just give you an example of CPS, the fixed asset turnover ratio for CPS can be as high as 2.5 to 3x. When it comes to manual gear, the ratio can be, say, 2 to 2.5x. CVJ can be lower. CVJ can be 1.5x. So it depends on the capital expenditure, which is required for setting up that kind of a line.

So fixed asset turnover ratio will be different from product to product, but the target which we always take is 3x. So we've been doing more than 3x in our past. And we hope that once these capacities are fully utilized, we should touch a reasonable level, which should be upward of 3x. So that's what is our estimations are, but then it will depend on product to product.

As we'll be having more CVJ in our product line, the capacity -- the fixed asset turnover ratio may be slightly lower side compared to, but that does not mean that the profitability will be low. So these products have good profitability. Just I think we informed last time also is that CVJ is one product, where we have almost 100% localization. It's all local products.

There's absolutely nothing which is imported at this point of time. We've been able to -- there was certain part which was being imported earlier, but I think we've been able to localize all those parts. And so this can be a good model for us as we'll be moving towards lower depreciation over the period of a few years, I think these can be very good profitable products for us. So this is where we are. I hope I have answered your question. If I missed any part of your question, you can repeat it, please.

- Manan Poladia:** So you've answered most of my questions, sir. Again, as far as the FATR is concerned, just one clarification I'd like from you. When you say FATR, what is the fixed asset number you are taking because you have a number that goes into the factory and there is balance of materials, EPC, etcetera?
- Rajiv Chanana:** Everything. I consider furniture and fixtures, office equipment, CWIP, I think this is a balance sheet number only. So ideally, I should have removed CWIP because that is not generating any revenue at this point. We don't do that. So whatever number we have published yesterday is on a gross asset basis, covering every asset so all directly from the balance sheet.
- Manan Poladia:** Understood, sir. And just on the CVJ margins, if you could tell us how they're different from the consol margins?
- Rajiv Chanana:** So better than what we get on manual gear. Good thing is that, as I said, it is 100% localized product. EBITDA margins are better than even most of the MS Gear product we have. MS Gear, over a period of time, there have been huge competition. And we feel that CVJ is one product, where we can perform -- where we can have a little competitive edge.
- It's a very good product, which we have set up with a lot of innovative design and a lot of quality parameters we have. I think the testing, etcetera, took almost 2 years' time to dwell this product for the Indian conditions. We are very sure that we will be -- there may be little hiccups.
- It's a start for us and we are just maturing in this area. But we are very sure that over a period of time, we will -- there are a lot of opportunities for backward integration also, for example, forging, etcetera. So many, many opportunities to keep strengthening our supply chain, strengthening our production facilities and performing better than other products which we are supplying. So margins are good.
- Manan Poladia:** Right, sir. Thank you for answering all my questions.
- Moderator:** Thank you. The next question is from the line of Kevin Gandhi from Capgrow Capital. Please go ahead.
- Kevin Gandhi:** Hello. Sir I hope I am audible?
- Rajiv Chanana:** Just one minute. We are almost completed the time. So we'll take it as a last question if you kindly permit.
- Kevin Gandhi:** Sir, just wanted to understand that, sir, how much would be the total sales estimated total sales potential once the entire capacities are utilized. And just a follow-up back on that question, like how much is the business that you are expecting from the Maruti EV Gujarat, which is going to get released? So that's the first question? My second question was that the CWIP of INR400 crores. So where would that be used for like how many lines for CVJ and MSG? Those are the two questions and I would ask subsequently as a follow-up.

**Rajiv Chanana:**

So on the sales side, I think I've already answered that question to my -- to the previous. We should not -- there are two things. One is our capacity data, which I already submitted with you. This was part of my presentation, which talks about all the new production line which we have set up. So, for example, at Dharuhera two facilities, we have set up the sixth manual gear line.

So capacity is around 3.5 to 4 lakh per line. That's the overall capacity which we have for the MS Gear line. CPS, we have set up the third line now at Bawal. Capacity is around 5 lakh units per line. CVJ, we have set up the second line. So capacity is around 370,000 per unit. So these are the three main products.

I've given you a capacity number. And based on that if you can estimate a little bit on the sales side. But now coming to -- let me repeat the answer which I gave to the previous callers is that this year, we were able to achieve a INR300 crores extra turnover, which was from -- coming from the new capacity which we set up.

For example, the Line number 5, which we set up at Dharuhera and CVJ line, which we set up at Dharuhera. So mainly the production came from that -- the sale came from that. Now coming to the next year, what I told the previous caller is that suppose we consider a 10% growth this capacity which we already set up is good enough to cater to that 10% growth for the next year, which means another INR400 crores business if we add to our sales.

And another maybe INR75 crores to INR100 crores of exports, we can touch about INR500 crores additional sales based on our existing setup, the production facilities we already have at Chennai and at a Dharuhera and Bawal. We can cater to approximately in terms of INR500 crores, which means INR300 crores of this year and INR500 crores of next year, we can touch -- we can easily cater about INR800 crores of extra business from this.

So my answer to the question was that we just need to wait for the market to shape up in the next 1 or 2 months, I think we'll have more clarity as to where are we heading. Currently, it looks good. There are good numbers for April and there are good forecast for the month of May in terms of sales by passenger vehicle segment. And we expect that if the market grow like this, this number is achievable, what I told you on a theoretical basis. This is one thing. Now coming to your second question about Gujarat EV.

So we already have, E Vitara, which was the first model launched by Maruti Suzuki. And we got the entire system, which means MS Gear, CPS and CVJ. And the new vehicle, which Maruti Suzuki will now be introducing sometime in October, which is MPV, which is a multi-utility vehicle, which is again an EV model, we are again there.

Again, we will be supplying the complete set like manual gear, CPS, CVJ. So our line, CVJ that second line will be 90% utilized. So the entire 7,40,000 capacity which we have for the first 2 line will be fully exhausted once we have this new business. So this is where we are. So we are currently supplying to 100% of Maruti EV business at this point of time. I hope we have answered your question.

- Kevin Gandhi:** Okay sir. Got it. And sir, just like one little kind of clarification. On the MS Gear Line 6, that shall be utilized once the Maruti EV car comes, right, if I'm not mistaken?
- Rajiv Chanana:** So the line which we set up, we -- this could cater only for part of the year because we got this E Vitara and Victoris business started in between the year. It was not for the full year. So the current capacity utilization of this line, which is about, say, 30% will increase to 60%. And then the new model will be added. So we'll be touching about 80% to 90% of this line.
- Kevin Gandhi:** Okay, sir. Got it. And sir, my last question was that like what do you see like what as a company do we see the potential of expanding into the areas of U.S. and Europe? Because JTEKT Corporation, Japan, they are actually making losses there. So there might be potential of us supplying there or exporting there. So what is the strategy which company is actually forecasting for those regions because that's a huge market as compared to India?
- Rajiv Chanana:** So we are moving in that direction. I think India has the capability to cater to the world market. We will be starting with Brazil. I think this is a big order which we have got, even though we'll be supplying with, say, 70,000 units this year and maybe 150,000 units next year, but it's got a huge potential to continue to supply.
- So Stellantis model and Stellantis will be supplying in Brazil as well as nearby countries. And we expect that this -- once we are able to establish ourselves as a good quality delivery supplier at a competitive cost, I think then we can expect another order coming up very fast from other goods. So let's wait.
- We are moving in the right direction. We've been waiting for this opportunity from the global entities for almost 2, 3 years. And now that has materialized. Now we need to demonstrate that, yes, we are the best suppliers for the world market. I think we are very hopeful for that. And we have a brand-new Chennai line ready and people are emotional and people are very, very ready to take this challenge. And we hope that this will establish ourselves in our overseas other OEMs.
- Kevin Gandhi:** Okay, sir. Got it. And sir, just one last thing, sir, on the CWIP.
- Rajiv Chanana:** We are out of time. You just call me, please? I'm sorry.
- Kevin Gandhi:** Okay, sir. I'll take this offline.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the floor back to the management of JTEKT India Limited for closing comments.
- Yosuke Fujiwara:** Okay. Again, I would like to thank everyone for joining this call. I hope we have been able to respond to your questions adequately. We are very positive about growth in the automotive sector and would continue with our effort to expand to meet industry requirements. Thank you very much. Stay safe, stay healthy and thank you once again for joining us.
- Moderator:** Thank you very much. On behalf of JTEKT India Limited, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines. Thank you.
- Rajiv Chanana:** Thank you, everyone. Thank you so much.