



“Olectra Greentech Limited Q3 FY26 Earnings Conference
Call”

February 03, 2026



NOMURA



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MODERATOR: MR. SIDDHARTHA BERA – NOMURA



*Olectra Greentech Limited
February 03, 2026*

Moderator: Ladies and Gentlemen, Good Day and Welcome to Olectra Greentech Limited Q3 FY26 Earnings Conference Call hosted by Nomura.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddhartha Bera from Nomura. Thank you and over to you, sir.

Siddhartha Bera: Yes, thanks. Good afternoon, everybody, and thanks for joining the call.

We have with us Olectra Greentech's Management, Mr. Mahesh Babu – the Managing Director, Mr. B. Sharat Chandra – CFO and Mr. Hanuman Prasad – Company Secretary & Legal with us to address your queries.

So, I will pass on to the Management for the initial opening remarks and then we can open the floor for question-and-answer. Over to you, sir.

Mahesh Babu: My name is Mahesh Babu. I am the Managing Director of Olectra Greentech. Good afternoon, everybody.

I would like to give you a global brief of what is happening on the EV industry both globally as well as in India and particularly what is happening in Commercial EV Segment and then I give my Views on the Olectra Greentech Performance.

So, globally EV fleet is projected to be about 115 million vehicles by 2026. It is growing at 30% CAGR year-on-year. The global commercial EV-CV market is also growing at about 20% CAGR in the past few years and expected to keep up that pace in the future as well.

The EV adoption is expected to displace about 5 million barrels of oil demand per day globally by 2030. That is overall a positive news of electric adoption both in all the segment as well as commercial vehicle segment globally.

In India landscape, Indian EV industry is expected to grow at 45% CAGR, much higher than global average up to 2030.

In India, the EV volumes are expected to reach about 5 million units by 2026 and about 15 million units by 2030.

EV adoption will reduce about US\$14 billion of import. It will offset if we continue to grow at this rate by 2030.

The commercial EV segment have been clearly a growing spot in India, in fast-growing segment, particularly EV buses are fast-growing. Today, we have about 16,000 electric buses already deployed in India, and the electric commercial vehicle segment has grown about 120% year-on-year.

The policy support from Government of India like PM-eBus Sewa and also PM E-DRIVE Scheme launched by the central government have given multiple tenders on electric buses to be bought by state transport undertaking and that is one of the businesses where we are in and that plays an important role.

Where we stand as Olectra? Olectra so far from inception deployed about 3,600-plus buses on roads and 116 tippers. We still have a very high order book in hand. We have run about 500-plus million green kilometers reinforcing our sustainable leadership in this segment.

We have been #1 in the market last financial year.

Recently, CESL have released a tender and we have become L1 in 1,785 vehicles. We are working with the authorities to convert this into order in the coming month.

If you look at Olectra's performance, in the last two quarters we have been consistently delivering quantity; our numbers have gone up by 37% from Q3 previous year to this year Q3 from 282 to 385 vehicles.

Our revenues have gone up by 30%. Our EBITDA has gone up by 17% and our PBT is about 5% and so on.

So, I would say that we have a strong delivery performance as well as financial performance in Q3. The key is consistent quarter-on-quarter delivery profitably.

If you look at the market share of our products in the electric bus segment, in Q3 we have about 29% market share with No. 1 position of 399 vehicles registered in the market and year-to-date we have about 912 vehicles registered in the market with a market share of (+24%). So, we continue to be No. 1 in the electric bus segment.

If you look at our EBITDA margins are around to the tune of 14.1% which is the best in the EV industry so far and we continue to grow consistently quarter-on-quarter and we look forward to improve going forward as well.

So, with this, I hand over the Financial Performance to Mr. Sharat Chandra, our CFO.

B. Sharat Chandra:

Good evening, everyone and thank you for joining us. We are pleased to report that company has continued to deliver steady growth in consolidated revenue and profitability for the Q3 and the nine months ended December 2025 as compared to the previous fiscal year.

Before I take you through the financial performance let me briefly highlight a few key developments:

As indicated in our earlier earnings call, we began to see strong traction from Q2 with a meaningful ramp-up in Q3 and this momentum has continued into Q4.

The company has delivered healthy operating margins across both the business segments. The EV segment, the ramp-up in deliveries has driven year-on-year top line growth of approximately 23%. Margins in this segment have seen some compression primarily due to product mix changes.

As we had highlighted earlier, with increasing volume, historical margin percentages are not sustainable, though we continue to maintain healthy absolute margins. Fixed cost particularly employee costs have increased in line with the scale-up of operations.

The financial highlights for Q3:

Electric vehicle deliveries stood at 385 units compared to 282 units in Q3 of last year representing a growth of 37%. Revenue for the quarter stood at Rs.663.6 crores, registering 29% year-on-year growth driven by strong performance across both the segments.

EBITDA is at Rs.97.1 crores, reflecting a growth of 19% year-on-year.

PBT was Rs.64.1 crores, up by 3% compared to Rs.62 crores in the corresponding quarter last year.

PAT at Rs.46.7 crores is broadly flat year-on-year.

Earnings per share for the quarter was Rs.5.65 compared to Rs.5.64 last year.

For the financial highlights for nine months:

Revenues stood at Rs.1,067.5 crores, reflecting 23% year-on-year growth.

EBITDA increased to Rs.246.1 crores, up by 13% compared to the same period last year.

PBT was Rs.166.3 crores with growth of 5% year-on-year.

PAT stood at Rs.122.1 crores registering 3% increase over the previous year.

Overall, our performance reflects strong execution, improving scale and sustained demand particularly in the EV segment even as we constantly invest in people and capacity to support future growth.

Thank you for your time. I will now hand over the call to Nomura team for the Q&A session.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Aniket from C.R. Kothari & Sons Stock Broking. Please go ahead.

Aniket: Thank you for letting me into the queue, sir. Hello! My question is regarding the working capital cycle and how we can expect it going ahead into Q4 and for FY26?

B. Sharat Chandra: The working capital cycle we have been working consciously, and it is improving quarter-on-quarter. The net working capital days is around 42 days with a good improvement compared to the previous quarter of the corresponding year. We are working to reduce inventory levels, optimizing the stock level. The receivable position is improving as our associate companies have got financial sanctions for the major projects. So, we are working on all aspects of working capital and we keep improving on the working capital cycle. Consistently, around two months is what the cycle we are looking at overall in the mid-term.

Aniket: Okay. My second question is regarding the delivery of the buses. We are on track to deliver 2,000 buses for FY26 whereas currently the nine-month number is only around 881. So, any suggestions regarding the 2,000 mark delivery, any changes to that number sir?

Mahesh Babu: This is Mahesh Babu here. We have taken a very ambitious target of 2,000 vehicles. As I told you, we are already No. 1 in the market. The delivery of vehicles depends on market absorption, our capacity and also other ecosystem development. We continue to aspire to deliver so much vehicle looking forward. But as you know, I have already given an interview in the media telling that we are looking at between 1,500 to 2,000 vehicles. That would be the reality in the last quarter.

Aniket: Thank you. It is regarding the supply chain issues. Are we facing currently any supply chain issues rather than the ecosystem issues which were already highlighted in the previous quarter?

Mahesh Babu: At least in the last quarter, we have not had any supply chain issues and we do not expect that to happen in the coming quarter as well.

Aniket: Understood sir. Thank you so much for the input sir.

- Mahesh Babu:** Thank you.
- Moderator:** Our next question comes from the line of Preet from InCred AMC. Please go ahead.
- Preet:** Good evening sir. Thank you for the opportunity. Sir, first I would just like to understand more about the business. I just want to understand how does SPV actually works? What would be the unit economics for the SPV? And there are different percentage ownership in the different SPV. So, what determines exactly how much percentage will you keep in that particular SPV?
- B. Sharat Chandra:** See, as far as SPV is concerned, generally, our philosophy is to manufacture, supply and take care of the maintenance of buses. But in certain tenders, the conditions are that where OEM is also required to have a stake. So, accordingly, in such scenario, we invest. So, we have about eight associates where we are having a 26% stake and one subsidiary where we have 51% stake and one JV where we have 100% stake. Other than this, we continue to work on this model. Unless there is a necessity in the tender where Olectra is required to participate in the SPV.
- Preet:** About unit economics, are SPV profitable or how is the typical unit economics for the same?
- B. Sharat Chandra:** Generally, as a group, unless it is profitable, we do not enter into any new tenders. With a minimum IRR of more than 15% is what we look at the SPV level.
- Preet:** Okay, thank you. And next question is on the numbers. I am seeing that your insulators business is growing rapidly and EBIT margins of the same which you report, it was earlier 26% which has increased to 32%-33%. So, just wanted to have what kind of growth do you expect coming forward and are these 32%-33% sustainable?
- B. Sharat Chandra:** See, basically insulators division, again, the margins we have concentrated on exports. So, exports are giving healthy margins. So, due to product mix in this quarter, the margins have improved, but we continue to strive to improve margins. Consistently, we are seeing growth and I think margins will stabilize around these levels. Again, it depends on the mix between domestic and export.
- Preet:** What is the difference between domestic and export in insulators business?
- B. Sharat Chandra:** So, currently about 40% is export now in the turnover what we have done. About Rs.250 crores is the top line in the insulated division. So, I do not have the breakup of... I am not able to dwell into the details.
- Mahesh Babu:** So, generally what CFO is saying is, the margins on this quarter are due to some export specific because it comes under tender and we win with competition. So, it goes by competition-to-competition. So, between last quarter and this quarter, our margins will remain between the two

quarters. It is not expected that it will go further and will not be retained same margins on insulators quarter-on-quarter. So, we are very happy this quarter, we are able to realize good EBITDA margins due to some few export margins. So, we will strive towards it, but the expectation is that the market will give margin between 25% to 30% region.

Preet: Got it. And what would be your order book in the insulators business? And what kind of growth do you expect in the next two years?

B. Sharat Chandra: Yes, about Rs.300 crores surplus is the order book as of now, and we continue to grow in this business. Compared to last year, we did about Rs.180 crores top line, this year, we are expecting about Rs.300 crores top line. So, with a 15-20% growth year-on-year is what we are targeting.

Preet: Thank you, sir. I will join back in the queue.

Moderator: The next question comes from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.

Aniket Madhwani: So, firstly, I just want the clarification on the financials. So, here I can see despite growing 28%-29% top line year-on-year if we compare the same quarter last year, and coming down to the bottom line, we can see here the numbers are flat. So, what are the reasons behind? Are you facing any challenges to maintain the margin?

Mahesh Babu: This is Mahesh Babu. I will explain the business strategy perspective. So, last year, if you look at it, we were primarily being in the 12-meter bus segment. And if you look at this year, we are entering into nine-meter. We have delivered about trucks. So, this quarter, we have about 24 trucks delivery, 50-plus 9-meter delivery, and remaining is a 12-meter bus, while the primary product last FY25 Q3 was related to 12-meter bus. So, basically, what happens is in a stabilized segment, while you look at bus or the division has 12-meter, 9-meter, and you have now trucks on pilot basis we have deployed. So, each one will have different margin. So, some of the products are for the future. It is just entering into the new segment of EV. So, the margins will be less. When it is stabilized like a 12-meter bus product, then we will get a reasonable margin. So, that is why I would say that we are still growing at 30% revenues, EBITDA is good, 17% for us, growth in EBITDA, so that is almost 20% growth in EBITDA is there. While the bottom is we have to work on the new products, then hence depreciation will come into picture. And we borrow for the plant what we have to do and then interest accretive to it.

Aniket Madhwani: Sir, can you just give me the bifurcation of 282 buses delivered -- I mean, I just wanted to know how many 9-meter buses are delivered, how many 12-meter buses are delivered and the margins that you maintain in each of your products?

- Mahesh Babu:** So, very specifically, I will not have in hand, but generally I will tell you, out of 282 last quarter, 272 was 12-meter bus, only 9-meter was 10, whereas this quarter out of 385, 24 trucks and about 51 9-meter was delivered apart from 300 12-meter. So, that does make the proportions differently, just to give you a reasonable numbers right in front of you.
- Aniket Madhwani:** Okay, got it. Previously, you mentioned that you have around 10,900 bus tender. So, is there any date regarding that?
- Mahesh Babu:** So, the 10,900 bus tender were already concluded and we have become L1 in 1,785 buses. That is what I told in the brief, and this will have to work with the authorities to convert into order. It is expected for another three months this process will continue and we are hopeful that we will get that order going forward.
- Aniket Madhwani:** Okay. What is your current capacity?
- Mahesh Babu:** See, we have declared the DCCO for our Phase-I of the plant. It is for 2,500 vehicles per shift per year capacity and we can do double shift to achieve about 5,000 per annum. If needed, we can in fact increase the capacity as we need higher numbers depending upon the market absorption, we can do that.
- Aniket Madhwani:** Okay, done, yes. That is it.
- Mahesh Babu:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Akash Srivastava, an individual investor. Please go ahead.
- Akash Srivastava:** Yes. Hi, sir. Good afternoon. Thanks for giving me the opportunity. I just want to understand, is there any specific reason why deliveries in Jan was only 55 numbers as is what is shown in the VAHAN portal?
- Mahesh Babu:** See, the VAHAN portal alone is not the number we are delivering, because Telangana is not part of the VAHAN portal. In January we built around 115 vehicles and many of them are Telangana. So, you have to look at VAHAN plus Telangana, that is available in a separate site. That depends on where the other competitors deliver the vehicle.
- Akash Srivastava:** That is okay. But still, if you are saying that we are having a capacity of 200-plus numbers, none of the months that I have seen, you have been able to reach even 150. So, is there any specific reason why? I mean, you may say that, yes, the market is not absorbing and all those things. But any other reason, I mean, that you want to share with us except this?

- Mahesh Babu:** See, I just want to give you, first, we will have to understand that we are No. 1 month-on-month, quarter-on-quarter, year-on-year for the last two years. So, that means it is very clearly market can absorb. If you look at the market size of electric buses, last year was about 3,800 vehicles, right? So, market can absorb only that much depending upon electricity, finance availability, depot-readiness, STU, route finalization plus our manufacturing capacity. So, what I can tell you is, we are No. 1 in terms of delivery of electric buses in the market. If market can absorb more, we are also driving like market to absorb more. And when we drive it, we are No. 1 and we wish that we will be able to deliver more. So, while the capacity is for the future coming when the market is ready to absorb, our efficiency still remains at optimum that we are able to deliver when we want it, because our pipeline is less than 15-days in terms of vehicle finishing to the deployment into the depots and to the operations. That is where we are still at No. 1 in terms of delivery operations and optimization of operations which market can absorb.
- Akash Srivastava:** Sure, sir. But frankly, I mean, with respect to what the markets have told today, you might have understood how the investors are feeling about the result that we have, right? Nonetheless, my second question is with respect to Q2, I suppose we delivered around 330-340-odd buses. In Q3, we have delivered around 385 numbers. That is what we have been told. But in terms of top-line growth, I can see just maybe Rs.6 or 7 crores difference. So, is it because of the product mix between Q2 and Q3? The 50 number difference but the top-line is only maybe Rs.6 crores.
- Mahesh Babu:** In Q2, we have delivered 375 vehicles. In Q3, we have delivered 385 vehicles. So, it is only 10 vehicles difference.
- Akash Srivastava:** Okay. I mean, that is my mistake. Sorry. Yes. That is it from my side. Thank you.
- Mahesh Babu:** Thank you.
- Moderator:** The next question comes from the line of Shubham Tamrakar from Alturas. Please go ahead.
- Shubham Tamrakar:** Hi, sir. Sir, I have a question regarding operational cost. So, given that we are making investment and we are expecting revenue growth over a period of time, how our operational cost will change -- will it increase the same as the revenue will increase, we will have a cost advantage?
- Mahesh Babu:** Till now, we have been investing in the plant and our operational cost is to make this monthly production, we are optimizing manpower and other services to the tune of what we are making. Going forward, capital investment will not be very intensive till we achieve 5,000 vehicles per annum. It is only a variable cost which will increase. We have to increase manpower in two shifts and deliver the products and other things. Capital will not be exponentially required or proportionately required. We need only to maintain that and deliver. And CAPEX investment will be not needed much till we

achieve 5,000 products, but variable cost of manpower increase and others will be like electricity, manpower, water consumption will be proportionate to the number we are making.

Shubham Tamrakar: Okay. That was helpful. And do we have any CAPEX plan in the next one, two years?

Mahesh Babu: Yes, of course. Automotive industry is capital-intensive. You all know that. We are developing products; as you know, we are developing a new platform 12 meter, we are developing new platform 9 meter and we are entering into the truck segment. So, we have done a pilot with 116 vehicles now, but the market is going to grow. So, we have to get prepared in products. So, the CAPEX would be for developing new products for increasing the new markets and entering into new segment and increasing our volume. Because, if we continue to sell in the same segment, we will not have much growth and you all want exponential growth. So, that will come from the new products and we continue to invest on our new products technology in the coming next two years.

Shubham Tamrakar: Do we have any numbers regarding CAPEX like this?

Mahesh Babu: See, we are working on it. So, what I can tell you is, we will be investing about Rs.300 to 350 crores in terms of CAPEX for new product development in the coming year.

Shubham Tamrakar: Okay. And how we will capitalize this over the period of time?

Mahesh Babu: It will be over a period of two years.

Shubham Tamrakar: Okay. And sir, I just request one thing that it would be great if you share in your presentation also regarding the mix between 9-meter, 12-meter and truck which we deliver every quarter, that would be very helpful for us to understand also?

Mahesh Babu: Okay, we will try to add that in the future.

Shubham Tamrakar: Do you have any visibility right now like in the next year how the mix will change?

Mahesh Babu: See, depending upon which STUs, which depot getting ready. But I can tell you that in the Q4, we will have a reasonable mix of coach and 12-meter. That is what we are expecting as per our plan. But, if any STU suddenly ask 9 meter, we cannot say no. So, we will have to get prepared for that as well.

Shubham Tamrakar: Okay. Yes, thank you, sir. That was from my side.

Moderator: The next question comes from the line of Sunil Parvathanin, an individual investor. Please go ahead.

Sunil Parvathanin: So, actually like we have a plan of deploying the robotics, right? So, by when we can complete the robotic deployment for production?

Mahesh Babu: See, we have decided to do a semi-robotic line and the semi-robotic line will be ready by end of this calendar year which will be last quarter of the coming financial year. The Phase-I whatever we have declared capacity is without the semi-robotic line. The semi-robotic line will come as part of our new products which are coming to handle the 12-meter, 9-meter truck everything together. We need for that and that will be ready by last quarter of the coming financial year.

Sunil Parvathanin: So, any new product launches like trucks and cars, anything?

Mahesh Babu: See, we will come back to you. It will be too premature to tell what it is now. So, as per guidelines, we will come back to the market whenever we are ready with the products in the future.

Sunil Parvathanin: Okay. Fine. Thank you.

Moderator: Your next question comes from the line of Gaurang from Utility Unified. Please go ahead.

Gaurang: Good afternoon. Thank you for giving the opportunity. So, with reference to the Indian Express article which is dated on October 30, 2025, Mumbai BEST is exploring legal route for non-delivery of electric buses. So, can the management on record confirm that it is BEST which is not handling over the depot or is there some other issue with respect to the two orders, the first order which is of 2,100 buses and the second order which is of 2,400 buses? And why I am asking this question is because as far as I know that in the last six months, we have hardly done any deliveries to BEST, approximately say 200 or 300 buses in the last six months, which is a little bit disappointing and concerning as well. So, just want to hear from the management about this issue.

Mahesh Babu: Okay. Firstly, we have not got any legal notice from BEST. BEST, we have engaged on two, three fronts. It is not about depot-readiness or something. On the BEST front, there is a request from us to BEST that the electricity consumption and the loading pattern of the vehicle is much, much higher than the tender requirements. Assume tender is asking for 58 people, we are seeing 102-plus people coming into the one because of which there is a substantial electricity consumption which we have represented to them to compensate by which we will be able to improve our delivery. So, that discussion is going on with BEST. I hope they will resolve that quickly, because as an entity, as an investor to you also, we will not be able to do any order which is not as per tender and which is loss to the company. So, we are continuously engaging with BEST to highlight this issue and they recognized and accepted, yes, the consumption is higher due to utilization of the bus with higher capacity than the tender requirement. They are only finding it how to resolve it within the legal framework. Once they resolve it, our number of deliveries will be faster than expected because we do not want to lose money without this resolution.

- Gaurang:** Thank you so much, sir, for the clarification. My only other question is, so there is an upcoming CSL tender of 3,000 plus buses for various cities like Mumbai, Pune, Hyderabad. So, is Olectra going to participate in that tender as well?
- Mahesh Babu:** Yes, we are right now planning to participate in the coming CSL tender.
- Gaurang:** Okay, sir. Thank you for the clarification. Wishing you all the best for the final quarter and the years coming.
- Mahesh Babu:** Thank you.
- Moderator:** The next question comes from the line of Sandeep, an individual investor. Please go ahead.
- Sandeep:** Sir, considering our long order book, how is our capacity utilization planned in future, because still we have not achieved this 2,500 completely?
- Mahesh Babu:** Hi, thanks for the question. Right now, we said, we have a capacity of about 2,500 per shift. While the investment and the civil and the equipments are prepared for 2,500, we have manned only to the requirement of the capacity which we are producing. So, we will utilize the full capacity of 2,500 per shift according to me when the market can absorb in the coming financial year and FY27. That is what we are expecting. And as you know, any auto industry, gross capacity normally industry work around 80% to 85% of the net capacity because there will be day-to-day supply chains and matching and things like that. So, normally auto industry works on the gross capacity to the tune of about 85% of net capacity.
- Sandeep:** Okay, sir. Thank you.
- Moderator:** The next question is from the line of Preet from InCred AMC.
- Preet:** Thank you for the opportunity once again. Sir, you have mentioned in the annual report of around Rs.750 crores of CAPEX which we were planning. Out of this, how much has been done and how much we are planning in the next two years? And is this apart from the Rs.750 crores CAPEX which we have mentioned to the previous participant?
- Mahesh Babu:** Okay, just to clarify, the Rs.750 crores was the intent to invest for the complete capacity to achieve 10,000 volume in the production capacity. However, as I said, we have decided to optimize the investment and we have already achieved Phase-I. So, we have decided to do in Phase-I, Phase-II. Phase-I of 2,500 into 2 which is 5,000 is achieved now and it is getting into production. We will only kick off the next phase of the remaining investment only when we achieve this 5,000 in the market

net, gross because the land is available, we can build an additional line within a period of 12-months. So, we will kick off that once we see the market in the future.

Preet: Okay, got it. And how much CAPEX you have done till first nine months in FY26?

B. Sharat Chandra: It is about Rs.400 crores.

Preet: And my next question is on the line of employee numbers. We have seen that the employee cost has been reduced drastically from Rs.25, 30 crores to 20 crores. What was the reason behind the sale?

Mahesh Babu: The manpower cost you are asking?

Preet: Yes.

Mahesh Babu: See, what we have done is, earlier, we used to pay for the service manpower which used to be available in the market. Now, we find that there are technicians available in the depot and by directly our customer paying for such technicians, we are able to save some GST. So, we have asked the customer to directly pay such technicians in the depot.

Preet: So, are we giving that money or customer is bearing that money?

Mahesh Babu: No, whatever customer is supposed to pay us for these employees, now they are paying directly for this technician so that we will not have any GST impact on that. So, one, it will go to customers pay out there and they will pay the remaining to us. So, net-net there is no impact to us. It is a payment method directly by our customers to technicians in the respective depots.

Preet: Got it, sir. And my other question is on the line of debt. Despite having lower debt on the balance sheet, we have a higher finance cost of around Rs.15-20 crores per quarter. Can you explain the nature of this payment?

B. Sharat Chandra: So, basically we have availed term loan. So, those interest costs are now coming in. So, pre-capitalization interest has been capitalized. Now, post-capitalization, the interest cost is coming to the P&L. That is one aspect. And then, one of the primary interest cost is on the LC discounting and VFS discounting. So, we are working on it to reduce those costs. In the near future, we are trying to optimize the mechanisms and we are expecting at least some improvement in the interest cost in terms of rate.

Preet: What is the average rate on which we get a term loan?

B. Sharat Chandra: It is about (+9%).

- Preet:** Okay. Thank you.
- Moderator:** The next question comes from the line of Aniket from C.R. Kothari Sons & Stock Broking. Please go ahead.
- Aniket:** Hello! Thank you for having me once again. My last question would be regarding the facility coming on line. What would be the expected increase tentatively regarding the depreciation in the next few quarters?
- B. Sharat Chandra:** This quarter, we have depreciation on a run rate basis of Rs.9.2 crores. So, depreciation will be slightly 10% growth once we complete all the capitalization.
- Aniket:** Thank you so much, sir.
- Moderator:** The next question comes from the line of Rushabh Sanghvi from Oaklane. Please go ahead.
- Rushabh Sanghvi:** Thank you so much for taking the time. I had a question on the private sector participating in the electric bus movement. So, far, most sales we are seeing is with the public sector. Can you comment on why the private sector has been a little slow to adopt electric buses so far despite favorability here?
- Mahesh Babu:** So, that is a very good question, because right now, the PM E-DRIVE, PM-eSEWA, subsidy is towards state government undertaking, there is no subsidy for the private sector. However, TCO for private sector, which is intercity, is very favorable. You know, intracity is not privatized so much in many cities, intercity is privatized. Intercity, there are customers in private, for example, the fresh bus is running our vehicle in Hyderabad to Bangalore, the route, and they are successfully running, they have run about 8 lakh kilometers already with our vehicle. They are profitable. And one of the challenges what I understand from them is the private players who are in the operations of the buses are not worth enough to take bank loans for a large number to fund the EV buses. So, we are also working with the government as well as some private entities who will fund them. For example, there are players who are NBFCs, who are non-NBFCs like Macquarie Capital have given about some line of credit for EVs. So, we are working with them. Slowly the shoot is coming. We have delivered about eight buses to Microsoft for employee transport for a private player in this quarter. There are some minor shoots. I am seeing it will take about a year or so for this finance sector to gain confidence on the private players. And hence, it will become a production kickoff.
- Rushabh Sanghvi:** Thank you, sir. In the recently announced budget, it seems like only 1,500 buses are accounted for in PM eSEWA in FY27. Given that naturally more number of buses have been tendered in the last year, can you comment on why this budget allocation is so low?

Mahesh Babu: The budget allocation is for 1,400 buses which they have tendered in PM eSEWA. PM E-DRIVE is different. 10,900 is the PM E-DRIVE. PM E-Drive will get a direct subsidy of Rs.35 lakhs or Rs.25 lakhs depending upon the vehicle when STUs deploy the buses. PM e-SEWA, they will get about Rs.24 per kilometer approximately I think, every month, every year for 12-years. So, it is two different schemes.

Rushabh Sanghvi: Got it. And even in PM eSEWA, there is also payment security mechanism, right? So, is there a separate budget allocation for payment security mechanism?

Mahesh Babu: No, there is no need for a separate budget allotment because the payment security mechanism is, if the state government does not pay, central government has the authority to intervene through RBI from the central government allotment to the state and deduct the fund and pay it to the operator. That is the security mechanism. It is mainly a mechanism for giving confidence to the financiers who are financing these projects for our operators. I do not think I have any case where STUs have never paid any operators. They only delay it. But default, I have not heard in my lifetime. Government default is not there in any payment.

Rushabh Sanghvi: Got it. Thank you so much.

Moderator: Next question comes from the line of Rahil S. from Sapphire Capital. Please go ahead.

Rahil S.: Good evening, sir. So, I am not able to understand. So, you say you have an order book in hand of 9,400 plus buses, correct? So, if these are confirmed orders, I am just trying to understand then why are we not selling as much in each quarter to complete a target of 2,000 units in FY26 which you had given? And if you are still guiding for the same like around 1,500 to 2,000 vehicles in the year, then are you very confident that you will be able to cover up in Quarter 4? I am just trying to understand how it works in the deliveries.

Mahesh Babu: Yes. So, I have answered this earlier, I will again answer it because I would request all others to hear as well. See, the order book gives you that if the depots and the ecosystem is ready, then we will be able to deliver to that extent. So, if you say 9,000 order book, that means we have two and a half years order pipeline available, one. Second, you cannot deliver 9,000 immediately. There are cases where our competitors had 600 buses waiting for six months in Delhi for deployment. 600 buses is close to Rs.750, 800 crores. We cannot afford Rs.800 crores to wait for six months and then our working capital and all this will become a headache. So, the reality is we have to make the vehicle what market can absorb. And if market can absorb more, we will make more. So, we are prepared from plant perspective that we can serve the market to the need what they want. And we are also prepared from front end that we have enough orders. So, we do not struggle for next one or two years to get more orders to deliver what plant capacity needs to be there. So, again, that is why I said we are No. 1 in bus registrations in India year-to-date. That means we are delivering more e-buses than

any competition in India. So, that clearly says that we are efficient, better and managing working capital well and also serving the market well. So, this is how you should take, not just go by the order book number. It is like airline industry Boeing has 7,000 orders. They will deliver for next 15-years. They cannot increase the capacity and deliver Boeing in one year. So, that is how we have to look at that.

Rahil S.: In Q4 you will be able to complete the yearly target, is it because of the market acceptance of deliveries or is this just your view that if the market gets better and is able to absorb then only we deliver, or is that a surety?

Maresh Babu: So, our view is right now, we will be able to finish between 1,500 to 2,000 buses in a year. That is the target which market will absorb this quarter. But still our aim is always we want to be No. 1 in the country.

Rahil S.: Okay. And with regards to the insulators business, you said this year you plan to achieve or you expect to achieve Rs.300 crores top line, correct?

Maresh Babu: Yes, that is the expectation.

Rahil S.: And so the yearly growth, how much did you say, which you can do year-on-year in that business?

B. Sharat Chandra: About 10% to 15% is what the growth we are expecting in this, because there is still government push on electrification. So, we see good potential.

Rahil S.: And on overall consolidated margins, any range you would have to get?

B. Sharat Chandra: I think as we have mentioned in the past, we are basically working on healthy operating margins. We continue to deliver healthy operating margins. Over the long term, it is expected to stabilize around 10% to 12%. Currently, we are at (+14%).

Rahil S.: Okay, sir. Thank you. All the best.

B. Sharat Chandra: Thank you.

Moderator: The next question comes from the line of Gaurang from Utility Unified. Please, go ahead.

Gaurang: So, my question is with respect to the evolving electric vehicle technology, sir. So, there are largely four things which I can think of. Firstly, there are solid state batteries which are coming. Second is sodium batteries which are coming. And third is megawatt charging, which is already established in

China. And then there is battery swap, which is now getting quite trendy in China. So, my question is, sir, how is Olectra foreseeing these four things especially in the commercial EV segment?

Mahesh Babu: Thank you for the question out of investments and financials. Actually, you are right. The EV industry has a lot of innovations going on parallelly, while the production of existing technologies continue. So, we are closely monitoring three, four technologies, as you said, solid state battery, sodium ion battery, that CATL has productionized sodium ion battery for commercial applications. But, most of them are in a pilot stage and most of them are in a stage where it is at a primary production stage, it has not reached the mass production stage. So, we are closely monitoring this technology. We have now –

Moderator: Sorry to interrupt. The line for the management has been dropped. Please stay connected while we reconnect the line for the management. Ladies and gentlemen, thank you for patiently holding. The line for the management has been reconnected. Yes, sir, please go ahead.

Mahesh Babu: Hi, this is Mahesh here again. Sorry, I do not know what happened. Technically, the line got cut. So, I was talking about sodium ion, I am talking about this solid state battery. We have a very clear technology evaluation process where we evaluate technology at what stage they are in, whether it is in primary stage, pilot stage, pre-production stage and mass production stage. So, right now, lithium ion batteries are in mass production stage. Most of the other technologies you said are in pre-production stage or at pilot stage. So, we will constantly monitor and we can plug-in and change them as we want, and clearly, we will have a plan to de-risk our business in case of any change in the technologies or change in systems, we are well prepared to handle it.

Moderator: Our next question comes from the line of Shubham Tamrakar from Alturas. Please go ahead.

Shubham Tamrakar: Hi! Thank you for giving this opportunity once again. I just wanted to understand again on CAPEX. I want some little bit clarity more on that. So, you said Rs.300, 350 crores in CAPEX in the next two years, right?

Mahesh Babu: Yes, on the new products alone.

Shubham Tamrakar: On the new products? Okay. And is our capitalization plan for the same?

Mahesh Babu: Yes, sir. We will capitalize it year-on-year.

Shubham Tamrakar: Okay. And sir, one more thing. Given that our product mix is changing, like we are changing our product mix, so how will this affect our EBITDA margins in the next two, three years?

- Mahesh Babu:** As CFO has already said, the auto industry is at 10% EBITDA level and you know most of our players are much lower than that. We are very happy because of our product. We are able to maintain about 14%. In the long term, we are looking between 10% to 12% as margin in other business. We cannot expect high volumes and high margin business. There is no such business available. So, we will be more and more closer to the industry or better than industry. All that I can tell you is we will always be better than the industry. But going forward, when the volumes grow up and we become main players like diesel vehicles, if your diesel vehicle is selling about 100,000 vehicles, we will inch towards it as industry. When we go towards it, the margins will shrink, but absolute numbers will be very high.
- Shubham Tamrakar:** Okay. Thank you.
- Moderator:** The next question comes from the line of Preet from InCred AMC. Please go ahead.
- Preet:** Thank you for giving me an opportunity once again. My one more question would be on the line of buses guidance for the delivery and next year what we are expecting. For example, now management has guided of around 1,500 to 2,000 buses delivery by FY26, and in 10-months, we have done around 1,100 buses. So, are we expecting more than 200 buses delivery per month in the next two months?
- Mahesh Babu:** So, that is our aim. So, we are looking at something like that what you are speaking for next year.
- Preet:** And what are we guiding for the next two years, '26 and '27... what are our estimates?
- Mahesh Babu:** See, I told you the EV industry is at a CAGR of 30%-plus and we will be better than that. As Olectra in the last three years, we have been outperforming the EV industry in terms of the segment where we are in. Our aim is to continue to do that. Exact number, I do not want to put on the table, because there are a lot of research work goes on market adoption and how we are going to push in. Our aim is to continue to be No. 1 and outperform market in terms of CAGR growth.
- Preet:** Thank you, sir. That was helpful.
- Mahesh Babu:** Okay. Thank you.
- Moderator:** Next question comes from Gaurang from Utility Unified. Please go ahead.
- Gaurang:** In the recently conducted a Telangana Rising Summit, we have seen Olectra, the MIL group showcasing a car and that car was very much similar to a Chinese car called Skywell ET5. So, just my request is that if Olectra or MIL group is venturing into EV, we can explore more important key OEMs like Xiaomi, then there is Mio, then there is XPENG and then there is BYD. These are like

top four of the Chinese OEMs. So, my request to you, sir, is that we can explore partnership with these four companies. So, sir, any comments on that?

Mahesh Babu: Thanks for your suggestion. There is no comment on it. I only thank you for giving such suggestion.

Moderator: Thank you. The next question comes from the line of Aniket from C.R. Kothari Sons & Stock Broking. Please go ahead.

Aniket: Thanks for giving me a chance once again. My final question would be regarding the current nine-months order book. Where are we standing right now in terms of order book?

B. Sharat Chandra: In terms of order book, we have 9,000 pending orders. We have delivered till now more than 3,600 numbers. And as already clearly given message by our M.D., so the deliveries will be in line with the adoption, in line with the readiness, in line with the depot, infrastructure, everything ready. So, we are capable of delivering as per the market adoption.

Aniket: Thank you so much for the prompt answer, sir, and wishing Olectra the best quarter-end.

B. Sharat Chandra: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the Olectra management for the closing comments.

B. Sharat Chandra: Yes. In conclusion, we would like to thank all our shareholders and stakeholders for the continued support, patience and confidence in the company's growth journey. As we move into Quarter 4, we continue to see healthy demand momentum, particularly in the EV segment, supported by the ongoing ramp-up in delivery and stable order visibility. We expect this momentum to translate into strong sequential performance and revenues, while margins are likely to remain broadly stable, factoring in product mix dynamics and operating leverage from higher volumes. Overall, for financial year 2025-26, we remain cautiously optimistic and expect to deliver healthy growth in consolidated revenue and profitability, driven by execution discipline, improving scale and sustained demand across our key segments.

Before we close, I would like to highlight that some of the statements made today are forward-looking in nature and are based on our current expectations and assumptions. Actual results may differ materially due to various risks and uncertainties, including market conditions, supply chain dynamics, regulatory changes, and other factors beyond the company's control. Thank you once again for your continued support.

Mahesh Babu: Thank you for your continued support to the company and the management.



*Olectra Greentech Limited
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Moderator:

Thank you. On behalf of Olectra Greentech Limited and Nomura, that concludes this conference.
Thank you for joining us, and you may now disconnect your lines.