

Dated: February 7, 2026

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The Secretary, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra Kurla (E), Mumbai - 400 051

Scrip Code: 544405
ISIN: INE894V01022

Symbol: BELRISE
ISIN: INE894V01022

Sub: Transcript of Earnings Call pertaining to the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2025 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is continuation to our intimation dated February 2, 2026 regarding audio recording of earnings call of the Company pertaining to the Unaudited Financial Results for the quarter and nine months ended December 31, 2025, please find enclosed herewith the transcript of the said earnings call.

The said transcript is also available on the Company's website under the tab 'Investor Relations' at <https://belriseindustries.com>.

You are requested to take the above on record.

Thanking you,

Yours faithfully,
For Belrise Industries Limited



Manish Kumar
Head of Legal Company Secretary and Compliance Officer
Membership No. F7990

Place : Pune

Encl:
m/a



“Belrise Industries Limited

(Erstwhile known as Badve Engineering Ltd.)

Q3 & 9 Months FY '26 Earnings Conference Call”

February 02, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 2nd February 2026 will prevail



MANAGEMENT:

- Mr. Shrikant Badve – Managing Director – Belrise Industries Limited
- Mr. Sumedh Badve – President (Strategy) – Belrise Industries Limited
- Mr. Swastid Badve – General Manager – Belrise Industries Limited
- Mr. Rahul Ganu – Chief Financial Officer – Belrise Industries Limited
- Mr. Sunil Kulkarni – Chief Marketing Officer – Belrise Industries Limited

Moderator:

Ladies and gentlemen, good morning and welcome to the Q3 and 9M FY '26 Earnings Conference Call of Belrise Industries Limited. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance of the company and it may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Shrikant Badve, Managing Director from Belrise Industries Limited, for opening remarks. Thank you and over to you, sir.

Shrikant Badve:

Good morning, everyone and thank you for joining us for Belrise Industries Q3 and 9M FY26 Earnings Call. Joining me on this call are my sons, Sumedh and Swastid, along with our CFO, Mr. Rahul Ganu, our CMO, Mr. Sunil Kulkarni and our Investor Relations Advisors, SGA.

Belrise Industries is a leading Tier-1 automotive component manufacturer with 22 manufacturing facilities across India and France.

As we look at Q3, our focus on innovation and expanding relationships has continued to drive growth. Within our core automotive business, we continued to strengthen our positioning through higher content per vehicle and expanding OEM partnerships. During the quarter, we secured a strategic order to establish a new manufacturing plant in Haridwar for one of India's largest 2-wheeler OEMs. Our Chennai plant ramped up production in line with rising OEM volumes, where we are the single source supplier for a key 2-wheeler EV platform. Meanwhile, our Bhiwadi plant began supplies for a premium Japanese model after achieving full operational readiness.

A key highlight in the non-automotive segment was the acquisition of a French company, SDM. Through this acquisition, we have now entered the supply chains of the largest civilian aircraft OEM globally, as well as a leading combat aircraft OEM. Further, we also entered into a strategic partnership with Israel's Plasan Sasa to:

- i) bring the flagship ATEMM platform to India; and
- ii) become an integral part of their global supply chain.

I am also happy to announce the much-awaited merger of Badve Autocomps and Eximius Infra Tech with Belrise Industries Limited. Both of these promoter entities are being merged at a valuation close to their respective book values, and hence represent a significant discount to what Belrise is trading at today. This transaction will be EPS and value-accretive for all shareholders of Belrise Industries Limited from day one. I would request everyone to keep the merger presentation handy, which has been uploaded on our website and the stock exchanges, as we will be referring to it later in the call.

Coming to the results, total revenue from operations for Q3 FY26 stood at INR23,405 million, up by 8% year-on-year, including manufacturing revenue of INR18,660 million, which grew 5% year-on-year. Our EBITDA and manufacturing EBITDA stood at INR2,869 million and INR2,579 million respectively, with margins at 12.3% and 14.0%. Our adjusted PAT grew sharply to INR1,268 million, which is up by 26% year-on-year.

With this brief, I now hand over the call to Swastid, who will take you through our merger and related business updates. Thank you very much.

Swastid Badve:

Thank you everyone, for joining the call today. I will be going through the merger presentation uploaded on our website as well as the stock exchanges.

Firstly, it gives me immense pleasure to announce that the Board has approved the proposed merger of Badve Autocomps Private Limited and Eximius Infra Tech Solutions Private Limited with our listed entity, Belrise Industries.

If you turn to page 4 of the merger presentation uploaded on the exchanges, I will walk you through the strategic rationale behind this transaction and explain why it makes strong financial as well as operational sense for the listed company and its shareholders.

To begin with, these two entities together represent one of the largest players in the Indian 2-wheeler plastic components segment, with a combined market share of approximately 14%. Belrise, on a standalone basis, currently has close to a 10% market share. Post-merger, the combined entity will command nearly a 25% market share in 2-wheeler plastic components. This scale translates into a higher wallet share with OEM and greater customer stickiness.

Second, both Badve Autocomps and Eximius Infra Tech are promoter-owned entities with long-standing relationships with marquee global OEMs, including a large 2- and 3-wheeler OEM and a leading global consumer durables OEM, amongst others. These relationships have been built steadily over many years and have grown in tandem with the success of these OEMs in the market.

Third, from a financial standpoint, these entities are already meaningfully scaled. In FY '25, Badve Autocomps reported revenues of approximately INR14 billion, while Eximius Infra Tech reported revenues of close to INR7 billion. Profit after tax stood at INR793 million and INR330 million, respectively. This represents a meaningful profit addition to Belrise, and accordingly, the transaction will be earnings accretive.

Finally, on valuation, as discussed earlier, our objective has always been to execute this transaction as close to book value as possible. In line with this philosophy, this merger is being executed at a P/E multiple of 8.3X, based on FY '25 numbers for these two entities, while Belrise is currently trading at a P/E multiple of approximately 30.9 on a TTM basis. Given this valuation differential, the transaction will be both EPS and value-accretive from day one.

If we now move to Slide 5, I'll outline the merger rationale in greater detail.

Firstly, the merger will result in a significantly simplified group structure, with related-party transactions reducing materially by close to INR11.5 billion.

Secondly, the merger will also increase our content per vehicle by over INR3,000, taking it from approximately INR17,300 to INR20,300, an increase of nearly 20%. This will also be accompanied by a greater push towards Tier-0.5 assemblies, enabling us to offer more consolidated, system-level solutions to our OEMs.

Thirdly, given that the merging entities and Belrise already transact and operate alongside each other, the merger will also lead to a higher degree of verticalization, with all operations coming under a single umbrella. This will drive strong operational efficiencies across people, processes, and procurement.

Fourth, we also expect a meaningful increase in wallet share, particularly in the plastic components segment, of over 30%, with certain marquee OEMs. This expansion in wallet share will further enhance customer stickiness.

And finally, as mentioned earlier, the transaction is immediately EPS accretive.

Now, if we move on to page 7, I'd like to highlight a few additional data points that are worth noting. Together, these entities operate five facilities across Maharashtra - four in Aurangabad and one in Pune. This will further expand Belrise's geographical footprint. Their revenue mix is largely powertrain agnostic. One particularly interesting capability is Eximius Infra Tech's presence in the EV powertrain space through the manufacture of copper bus bars, which are critical conductive components used in battery systems. Currently, these are supplied indirectly to a major Indian passenger vehicle OEM. There's also a high degree of in-house verticalization, with capabilities spanning plastic moulding, painting, aesthetic applications, and assembly, resulting in minimal dependence on Tier-2 suppliers.

Moving to page 8, in terms of the post-merger revenue mix, what is particularly exciting is the significant strengthening of our exposure in PV and CV OEM segment. Post-merger, approximately 34% of the incremental revenue contribution from these two entities will come from the passenger vehicle and commercial vehicle segment. This allows us to continue getting market share in 4-wheelers and commercial vehicles, and accelerate growth in these segments.

On page 9, from people and infrastructure standpoint, the merger will add approximately 2,000 employees to the Belrise family, including around 1,550 blue-collar workers and 400 white-collar employees. The operations of these two entities are also highly automated, with approximately 50 robots used in fabrication, around 30 machines deployed in plastic moulding.

Moving on to page 10, while the overall product mix is broadly similar to Belrise's current portfolio, there are two key differentiators:

The first is the fairing assembly, where over 50 individual components - both manufactured in-house and sourced externally - are assembled into a complete module and supplied directly to OEMs. This is a strong example of our continued transition towards a Tier-0.5 assembly model.

The second differentiator, as I mentioned earlier, is the copper bus bar application for electric 4-wheelers, a capability that Belrise does not currently possess and one that strengthens our presence in the EV powertrain segment.

On page 11, from the perspective of awards and customer relationships, these entities work closely with two marquee global OEMs. In addition, they export high-precision engineered plastic components with tolerances less than 5 microns to a global consumer-durable OEM across China, North America, and Europe.

Achieving this level of precision in plastic components at scale is challenging, and Badve Autocomps has built this capability with strong R&D in mould design and product engineering. From an awards perspective, we are also proud of receiving two JIPM awards from the Japanese Institute of Plant Maintenance, which is among the most prestigious global recognitions for TPM Excellence.

Now, if you move on to the next slide, this merger also supports Belrise's medium-to-long-term strategy in three key ways:

- i) Firstly, in deepening our 2-wheeler presence;
- ii) Secondly, in increasing verticalization; and
- iii) Thirdly, in accelerating our evolution from a Tier 1 to a Tier-0.5 supplier.

As shown on Slide 14, firstly, the merger is expected to drive an approximately 30% increase in wallet share in plastics for a marquee 2-wheeler and 3-wheeler OEM. And beyond the guided content per vehicle of INR17,300 for Belrise, we see an incremental increase of around INR3,000, taking consolidated content per vehicle to approximately INR20,300.

The flowchart on Slide 15 illustrates how these entities already collaborate. For instance, in fairing assemblies, Belrise supplies the metal components, while Eximius Infra Tech supplies the plastic parts, with final assembly carried out at Eximius Infra Tech. Similarly, in exhaust systems, Belrise focuses on heavy stamping and tube processing, while Badve Autocomps handles fabrication, surface treatment, and assembly. Bringing these capabilities under one umbrella will further enhance operational efficiencies.

Moving on to Slide 16, as mentioned earlier, we undertake a highly complex fairing assembly comprising over 50 individual components for a leading 2-wheeler and 3-wheeler OEM. This is tough to replicate and is an extremely sticky business.

Lastly, coming to the financials on Slide 18, these entities generate strong profitability with a combined profit after tax of approximately INR1.1 billion with robust EBITDA margins. Post-merger, net of related party eliminations, we expect an incremental INR10 billion of revenue to be added to Belrise, along with a margin uplift driven by the internal RPT net-offs.

As mentioned earlier, based on FY '25 numbers, the transaction is being executed at a P/E multiple of 8.3X based on FY '25 numbers, while Belrise is trading at approximately 30.9 P/E ratio on a TTM basis. In terms of advisors on this deal, Ernst & Young acted as the independent registered valuer, while JM Financial provides the Fairness Opinion for the transaction.

Promoter shareholding currently stands at approximately 66.5% pre-merger and is expected to increase to around 67.9% post-merger, with the balance held by the public. This is of course subject to regulatory and shareholder approvals at the upcoming AGM or EGM.

With that, I will pause here and hand it over to Sumedh, who will walk you through our entry into aerospace and defense, and how this opens up the next phase of growth beyond automotive.

Sumedh Badve:

Thank you, Swastid. The quarter was particularly significant for us with meaningful progress across both these verticals.

First, during the quarter, we entered into a strategic collaboration agreement with Plasan Sasa, a leading Israel-based defense company with strong capabilities in advanced armouring and autonomous defense mobility solutions. Plasan is globally recognized for its integrated platforms and has a flagship product, the ATEMM, which translates to All-Terrain Electric Mission Module, which has been deployed across multiple geographies globally and at scale. The ATEMM platform is particularly suited for highly rugged and inaccessible terrains and is also capable of autonomous operations, making it relevant for deployment in sensitive defense zones where human and conventional vehicle movement is constrained.

This strategic collaboration with Plasan is two-pronged.

- a. Number one, we will team with Plasan in India to jointly engage with the MOD, defense PSUs, and other relevant stakeholders, to industrialize and productionize the ATEMM solution for the Indian ecosystem. The initial phase will involve assembly in India and testing this solution across diverse terrains in the country, like in remote and inaccessible areas such as the northeast and the north of India, such as the Siachen Glacier, etc.
- b. Second, beyond the Indian market, we will become an integrated manufacturing partner for Plasan's global supply chain, enabling cost-effective production of Plasan's advanced systems in India. We have already initiated prototype and initial supplies for select platforms and over time, we expect to become one of Plasan's key partners globally for components catering to their global exports.

This dual approach allows us to generate revenues while simultaneously building a differentiated defense mobility solution tailored to Indian operating conditions.

In addition to this, during the quarter, I'm very happy to share that we also completed our first ever international acquisition in the aerospace segment through the acquisition of SDM, a European aerospace manufacturer specializing in high-precision machined parts for aerostructures and robotics. Today, SDM supplies to some of the world's leading aerospace OEMs, including the largest global commercial aircraft manufacturer, French fighter aircraft OEM, a large French robotics OEM, and various others. With this acquisition, we have entered the supply chain of all these marquee customers. To lead this business, we have onboarded the former CEO of an Airbus subsidiary, who not only has key experience in scaling businesses in Europe, but also in shifting complex supply chains globally from a supply chain angle.

The acquisition was completed at an attractive valuation. SDM is expected to generate revenues of approximately EUR3-4 million in FY '27, while the acquisition was done at a consideration of EUR0.35 million, implying an entry valuation of approximately 0.1x sales. This is a very strategic acquisition in nature, and it's small enough to manage, and gives us a European footprint to further grow our engagement in that geography.

Going forward, we plan to grow the business in Europe while also leveraging SDM's technical capabilities to establish and scale aerospace manufacturing operations in India, and positioning India as the best cost manufacturing hub. When we refer to best cost, we mean a combination of three specific factors:

- i) Number one, favorable labor economics;
- ii) Number two, a strong engineering depth recognized globally across automotive, industrial, med-tech, and aerospace sectors; and
- iii) Number three, India's proven ability to integrate culturally and operationally with global customers. Together, these factors position India as a preferred destination for aerospace manufacturing.

Also, given the strong order pipeline of global aircraft OEMs and the increasing importance of India as one of the largest aviation markets globally, we believe this trend will continue to play out over the next 5 to 10 years, and we expect to be a key beneficiary of this shift.

Let me now hand over to Mr. Rahul Ganu, our CFO, to take you through our financial performance of Q3 and nine months of FY26. Over to you, please.

Rahul Ganu:

Thank you, Mr. Sumedh and good morning to everyone on the call. Let me take you through the key financial highlights.

Q3 FY26 consolidated financial highlights

- Total revenue of Q3 FY26 stood at INR23,405 million, up 8% year-on-year from INR21,668 million in Q3 FY25.
- Manufacturing revenue for Q3 FY26 stood at INR18,660 million, up 5% year-on-year from INR17,801 million.
- EBITDA stood at INR2,869 million, up 10% Y-o-Y in Q3 FY25. EBITDA margins stood at 12.3%.
- Manufacturing EBITDA stood at INR2,579 million, up 11% Y-o-Y, and manufacturing EBITDA margins stood at 14.0%.
- Adjusted PAT, which is excluding the exceptional item expense of INR64.1 million, related to increase in employee benefit obligations resulting from the change in the labour law by Government of India, stood at INR1,268 million, up 26% Y-o-Y from INR1,006 million, and PAT margins stood at 5.4%¹.
- Exports contributed 5.8% to our manufacturing revenue in Q3 FY26, that is INR1,075 million.

¹ Mentioned as 5.2% on call, however the figure is 5.4%

- Coming to the segmental performance on the manufacturing front, 2-wheelers and 3-wheelers contributed 80.6%, passenger vehicles contributed 4.9%, commercial vehicle contributed 7.9% in Q3 FY26 and others would be 6.6%.

9M FY26 consolidated financial highlights

- Total revenues for 9M FY26 stood at INR69,563 million, up 16% Y-o-Y from INR60,165 million in 9M FY25.
- Manufacturing revenue for 9M FY26 stood at INR55,583 million, up 16% Y-o-Y from INR47,947 million.
- EBITDA stood at INR8,636 million, up 16% Y-o-Y from INR7,452 million in 9M FY25. EBITDA margins were stable at 12.4%.
- Manufacturing EBITDA stood at INR7,778 million, up 18% Y-o-Y from INR6,608 million and manufacturing EBITDA margins stood at 13.8%.
- Adjusted PAT stood at INR3,714 million, up 51% Y-o-Y from INR2,454 million and PAT margins at 5.3%.
- Exports contributed 5.6% to our manufacturing revenue in 9M FY26, that is INR3,127 million.
- Net debt as of 31st December 2025 stood at INR7,767 million and ROACE stood at 15.1%.
- Coming to the segmental performance on the manufacturing front, 2-wheeler and 3-wheeler contributed 81.5%, passenger vehicles contributed 4.8%, commercial vehicles contributed 8.3% for Q3 FY26 and others would be 5.4%.

With this, I would like to give this back to Mr. Sumedh for his closing remarks on this opening note. Thank you.

Sumedh Badve:

Thank you Mr. Ganu. Finally, we would like to share our vision for the company and where we are headed over the next few years.

Since embarking on our public-market journey, we have continued to strengthen and win in our core capabilities. In sheet-metal fabrication, in stamping and surface treatment, we have not only secured incremental program wins with our top 3 two-wheeler OEM customers but have also achieved meaningful traction with the challenger OEMs - customers that are growing rapidly where our historical presence was limited. This momentum is translating into increased market share, both with existing customers and across new, large OEM relationships.

Alongside this, we have deliberately established new verticals, each of which we believe has the potential to become a substantive revenue contributor over the medium term.

In steering columns, we now supply to all marquee OEMs in India across 2-wheelers and 3-wheelers and have recently commenced exports to a global European OEM as well. In suspensions, we have made strong progress, expanding from engagements with two large 2-wheeler OEMs at the start of the year to four today. In parallel, our execution in high-tensile technology has enabled us to deepen relationships with existing Japanese customers while expanding our offering to Indian OEMs as well.

We strongly believe that high-tensile technology will see wider adoption in India over the next few years, as the industry reaches an inflection point driven by the need for light weighting and enhanced crash safety, trends which are already well established in North America and in Japan.

In addition, we are undertaking a fundamental strategic pivot in our approach to the Defense and Aerospace segment. This has been a focus area for us for some time, and through recent milestones, including our collaboration with Plasan and the acquisition of SDM, we are now working with six aerospace and defense OEMs within a very short span.

We are bullish on this segment and expect to become a meaningful revenue contributor over the next few years.

Lastly, a key commitment we made during our IPO and subsequent earning calls was to simplify our corporate structure. We have delivered on this commitment in a very value-accretive manner for both public and institutional shareholders from day one.

We believe this merger will enable higher wallet share, greater vertical integration, increased customer-stickiness and overall, even more EBITDA accretion at the consolidated level.

As we move forward with this vision, we would like to thank all our stakeholders for being part of this journey so far. This is only the beginning.

With this, we can open the floor for questions. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session. We take first question from the line of Nitij Mangal from Jefferies.

Nitij Mangal: Firstly, congratulations on getting approvals for the merger of the promoter entities and I must say it's coming at pretty attractive valuations. My first question is on the core business where we have seen some dip in two-wheeler revenues as well as passenger vehicle revenues on a Y-o-Y basis. Could you explain what is leading to this and how do you see the trend in these businesses going forward?

Swastid Badve: Firstly, on the two-wheeler bit, I would like to talk about the outcome. So, in terms of revenues, the company's two-wheeler revenues remain largely flat on a sequential basis. So, we were around INR15,085 million in Q2 FY26 and right now we're at around INR15,041 million in Q2 FY26. So, if you even look at the volumes of our customers in the two-wheeler segment, their volumes have largely remained flat on a sequential basis.

Hence, if you would have asked me at the start of October about where we would see volumes, this would largely have been an expected outcome for us. Secondly, I think if you look at the larger trend for Tier 1, December usually is a slow month for the industry. So, OEMs usually have a planned maintenance shutdown for at least a few days and perhaps what you're also seeing is a bit of a lag between perhaps the numbers of the Tier 1 players' report and what the OEMs operate at.

Maybe a bit of timing gap is seen over here and that's what we're probably seeing in this quarter. However, one thing I would like to point out is, in terms of our two-wheeler growth in the nine months, we're still outperforming the industry. We're still up 12% on a Y-o-Y basis if we compare the nine months of this year as compared to the nine months of last year and we see absolutely no issue in terms of us continuing to outperform the industry.

Of course, in the coming quarter, I think we'll get a lot of help of the upcoming facilities - the one in Chennai for the leading EV platform for a two-wheeler OEM, the Bhiwadi facility where we're supplying to a premium Japanese two-wheeler OEM, as well as the Haridwar facility for a leading two-wheeler OEM. So, all three of these facilities will come into play in this quarter and in that sense, we see absolutely no issue in continuing to outperform the industry and doing well going forward.

Nitij Mangal:

Secondly, I mean, I do see you're winning quite a number of orders in the new components like suspensions, steering columns, high tensile products, etcetera over the last one, one and a half years. How do you see these business scaling up, over the next few years and how much can these components start to contribute to the top line in a few years?

Swastid Badve:

Right. So, firstly, I will talk about these components that you mentioned, including suspensions or steering columns or high tensile components. So, firstly, these are, as you mentioned, largely proprietary parts. So, they require a fair amount of investment that goes into the IP itself. And because they are parts that have IP and require R&D, usually OEMs have a very long gestation period to onboard these parts.

Anytime they have to onboard any of these parts, they actually go through at least 9 to 12 months of testing, if not more, to kind of get to a stage like this. So, I think what we've really achieved so far is really penetration or entry amongst multiple OEMs. So, in suspensions, we started the year supplying to only 2 OEMs. Now, we're supplying to 4 OEMs. These are all really large OEMs that we're working with.

In steering columns, we're again working with all of the Indian OEMs as well as a marquee foreign OEMs and also in high tensile components. Now, we're working with almost all of the Japanese OEMs as well as speaking to a couple of Indian OEMs. So, across all of these segments, we have now entered multiple OEMs. The entry and the broad-basing of OEMs has been the critical part so far.

Now, the real key will be penetrating and gaining wallet share amongst all of these OEMs. I think the tougher part, if you ask me, is the entry itself. Because once a technology is established, to take it to an inflection point is not as tough as entering in the first place. Now that we are in all of these OEMs, the purchase side, R&D side, production side is convinced of the benefits we're getting from this technology.

Now, all we have to do is continue to win new programs and grow this business. In terms of where we want this business to be, we feel each of these three verticals, so suspension, steering columns and high tensile components, each of them can be a growth vertical of its own.

I think it would be pretty fair to say that each of them going forward can be multi-hundred crore businesses. And this way we're talking about a medium-term perspective in the next two to three years. So that's where we want our ambition to be and we think we have the building blocks in place to achieve that.

Nitij Mangal: I have one more question.

Moderator: I'm sorry to interrupt you, Nitij. If you could please join back the queue for follow-up questions. We take the next question from the line of Vijay Pandey from Nuvama.

Vijay Pandey: Good that you completed the acquisition, the related party acquisition. It was one of the key points which you highlighted at the time of IPO. So coming on to the Q3 numbers, generally, the other suppliers which have reported the numbers, they have seen a good level of growth, especially for the two-wheeler segment?

Even Bajaj Auto, their sales was up around 7% in third quarter. So I'm a bit confused at where our underperformance is coming from. Is it like any particular model or how is it? Because I'm just not able to get that sense of why we have underperformed, even if I compare it with Bajaj Auto's number?

Swastid Badve: So while we don't comment on particular OEMs, you'd appreciate that our growth is based across multiple OEMs. I think we answered on why we think two-wheeler numbers have been fairly stagnant as compared to last year. Of course, there can be a bit of impact of mix. But that being said, it's not like we're losing any programs. We're continuing to get more RFQs, win more programs. Of course, different OEMs grow in different segments.

It's not straight sailing for each of them. There can be certain models that do well, certain models that don't do well. So we, of course, don't inform OEM strategy in that sense. What we can talk about is what we're hearing from the OEMs and the plan that we're setting up for them means that we are well on track to achieve the numbers that we've guided for, not only the two-wheeler segment, but also as a larger company.

Vijay Pandey: How do you see currently the demand looking like for the fourth quarter? Do you expect it to be like positive mid single-digit growth going into the fourth quarter or should we expect a flattish growth?

Swastid Badve: We won't be commenting on quarterly guidance. We have an annual guidance that we give to all analysts and investors, and we maintain that going forward. Of course, the GST rate cut has been positive. I think the numbers for January should be out soon, and they show quite a positive trend.

Vijay Pandey: A follow-up to the same question. Just want to check. So how is the inventory situation at the OEMs level? Because some of the OEMs have guided that the inventory level is within a single digits?

Swastid Badve: We don't comment on OEMs or our customers.

Moderator: We take the next question from the line of Jeemit Shah from Motilal Oswal Financial Services Limited.

Jeemit Shah: Just a couple of questions. So one of the key growth strategies for us was taking the CPV for the number one and number two OEMs from INR12,500 to INR17,300. Now it would go to INR20,500 with the inclusion. And for number three, number four to go to INR12,500 first. So where have you been in that journey? Is there traction from the OEMs? Any update on that?

Swastid Badve: Right. So I can talk about maybe one of our marquee OEMs - one of the larger OEMs that we work with. We've already gone from INR12,500 to INR14,000 with the addition of steering columns. And with this acquisition, with the same OEM, we've gone close to INR17,000 and as we speak, we're also in discussions with them for two new products, which we think can take it from INR17,000 to upwards of INR18,000 over this fiscal year.

So with one OEM, we've already seen that journey from INR12,500 to INR18,000, which is close to 45% increase and that is something that has happened over the past few months. One thing I would like to point out is usually when you enter a new product, of course, you'll not get a lion's share of the wallet share immediately. OEMs usually introduce you to one model and then based on performance, there is broad base of growth amongst different models.

So I think the entries are important and those are things that are happening as we speak. Now we'll continue to grow them.

In terms of the second question on taking our third and fourth largest OEMs to high levels. So I can talk about one of the larger two-wheeler and three-wheeler OEMs, which is in that category and with them now, we've started on two different things. One, we are supplying to them for their premium segment. So by supplying to them in their premium segment, our content for vehicle has gone up by around 1.8 to 2 times, specifically for them.

Secondly, for the same OEM, we have now entered the plastic commodity segment and by entering the plastic commodity segment, we are now supplying a wide variety of products, including fenders, cowl covers, dashboards, visors, all relevant plastic parts, which can result in increase in content for vehicle around INR2,000.

And maybe with another premium two-wheeler OEM, we are basically doing more of the suspension part. So suspension entry has just happened recently and that will also lead to a content for vehicle increase of around INR1,500. So just to summarize, our top OEM, we're kind of growing quite fast increased contribution by 45%. And let's say, our third, fourth, fifth top OEMs, there's a continued increase of new commodities that we're selling to them.

Jeemit Shah: Yes, thanks for the detailed answer. Secondly, on the overall business side of things, on the core business, so two-wheeler OEMs have been very gung-ho with the demand going ahead. So Q4 numbers are expected to be very strong for all two-wheeler, three-wheeler OEMs. And a relatively low base of H1 for the next year also, both for the industry growth. So is there any ramp-up of schedules from the OEMs that you've seen or anything on the demand front that you're expecting?

Swastid Badve: So in general, we don't comment on the schedules that we get from OEMs. I think the numbers are out for everyone to see in terms of the January production numbers for OEMs. I think, as you mentioned correctly, the numbers seem positive and seem to be going in the right trajectory. We maintain our guidance about outperforming the industry in two-wheelers substantially and also kind of maintaining that mid-teens kind of revenue growth going forward.

Moderator: We take the next question from the line of Shubham Jain from Investec.

Shubham Jain: Hi, thanks for the opportunity. My first question was on defense and aerospace growth prospects. How do we see this business scaling up over the next few years? And the second question was a bookkeeping question. The tax rate this quarter seems to be high at about 29%. What should be the tax rate number that we should work with here? Yes, that's all.

Sumedh Badve: I can take the first one. Yes, from a defense perspective, I think as we mentioned on the call, fundamentally we started working with six new OEMs. There is very positive traction from domestic as well as international OEMs. I want to supplement that with saying not just defense, but defense and aerospace. Aerospace is an area for us that we're looking at very keenly.

We have already entered supply chain of two of the largest players in that space. And as I'm sure you must have seen in the news over the past few months of the year, the largest OEMs in the aerospace industry, in the aviation industry are looking at India very seriously. They're looking to source more from India and also manufacture in India.

We want to capitalize on that positive trajectory. While the French acquisition is an entry mechanism for us to start very close engagement with the European counterparts, with the European OEMs, we want to fundamentally set up manufacturing facilities in India for the aerospace and defense vertical, which is currently in the works.

Largely in the medium term, we see this as a very positive and meaningful contributor to our revenues going forward. I unfortunately cannot comment on the specific numbers, but it'll be a meaningful contributor in a short time.

Swastid Badve: And to answer your second question on the tax rate, I think over the course of the year, we've seen this normalize to around 20% to 24% of corporate tax rate.

Moderator: We take the next question from the line of Viraj Sanghvi from Ambit Capital.

Viraj Sanghvi: So my first question is on the four-wheeler part. We've mentioned in the merger presentation that the post-merger exposure to four-wheelers is rising sharply than what we have currently. So can you provide more color as to what is the customer profile over here? Is it largely e-four-wheeler OEM and what are the kind of products and what is the change in CPV on the four-wheeler side post-merger?

Swastid Badve: So just to shed some light on that, we'll be adding close to INR1,000 crores of revenue or INR10,000 million of revenue post-merger. And around 34% of this would be geared towards passenger vehicles as well as commercial vehicles. I think two major parts of what we'll be supplying to passenger vehicles and commercial vehicles, number one would be the copper bus

bars, which are extremely important from a battery and battery management perspective, since it's a critical part that rules conductivity in a system.

And secondly, these companies also have a decent exposure in the plastic segment to supplying a lot of different parts like dashboards, tire covers, tire wheels, and interior infotainment parts for marquee passenger vehicle OEM. So in terms of mix, we actually also work with a 4-wheeler Indian domestic OEM for the bus bars and for the plastic part, there's a wide variety of OEMs, including a couple of European OEMs as well as a couple of domestic OEMs.

Some of which is direct and some of which is through a Tier 1, given that a lot of these parts go into infotainment systems, which are managed by particularly Tier 1s. I think the content per vehicle increase that we can see in four-wheelers would be slightly higher, would be close to INR5,000 that we'll be able to see.

Viraj Sanghvi:

Thanks. Secondly, from this quarter's perspective, we've seen a decline in the PV revenues as well. So could you shed some details on how the two-wheeler performed, but any color on why the decline was there on the PV side?

Swastid Badve:

So on the PV side, a couple of factors coming together contribute to it. So firstly, in this quarter, there were some supply chain issues with one of our largest Europe-based four-wheeler OEMs, which is a premium automaker. And in fact, this OEM is also our largest four-wheeler OEM, and as there are several volumes, of course, that have had a negative impact on our revenues.

Second was, as we announced last time, we are setting up a facility in Bhiwadi for plastic moulding for one of the largest Japanese OEMs. This plant was being shifted from another location. So during the shifting, of course, there was a bit of loss of production. However, that is transitional, and you will see it getting recovered in the fourth quarter of FY26.

Another important point I'd like to highlight is H-One and Belrise both also work a lot in the tooling and dyes industry, where we supply tooling to a lot of marquee Japanese as well as Indian passenger vehicle OEMs. This is being categorized in the others category. So while these sales are indeed happening to a passenger vehicle OEM, we have technically classified them as others because it's a kind of different product category. And just totally on a broader perspective, if you look at our passenger vehicle numbers, we're still up 24% on a year-on-year basis if you compare nine months against nine months. And hence, we again don't see any change in our guidance, which is to double our four-wheeler and commercial vehicle revenue in the next two years as compared to FY25 numbers. So I think we can definitely achieve that, and there's no reason why that should not happen.

Moderator:

We take the next question from the line of Navin Matta from Mahindra Manulife, Investment Management Private Limited.

Navin Matta:

Yes, thanks for the opportunity. Just another kind of follow-up on the two-wheeler growth being lower for us in this quarter. I just wanted a bit more understanding when we look at your mixes, two-wheeler plus three-wheeler is about 64%. Is it possible for you to split this between two-wheeler and three-wheeler, or what would be the composition of this?

Swastid Badve: Thank you, Navin Ji, for the question. So this would largely be two-wheeler. While I don't have the exact number in front of me, I think it would be close to 60% two-wheelers, probably 3% or 4% three-wheelers.

Navin Matta: Okay. Because when I look at your largest customer's production growth, Y-o-Y, it looks like two-wheelers is about 3%-4% growth and three-wheelers is about 30% growth, which is why the question that, if we have lesser saliency in the three-wheeler mix, is that the reason why our number is kind of trending status with our largest customer? Is that the explanation, or do you think there's another way of look at this?

Swastid Badve: I think that that's also a fair way to look at it. I think another important point that I would like to highlight here is that our penetration in the three-wheeler sector is going up. So for our largest customer or for a couple of our largest customers, we have won orders with them across their upcoming chassis systems for their upcoming three-wheeler platforms, both across ICE and EV.

We've also won additional orders from them for suspensions, both in ICE and EV. So you're right, right now the presence in three-wheelers per se is lower, but I think that is also going up in the future.

Sumedh Badve: Fair enough. That's it from us. Thank you.

Moderator: Thank you. We take the next question from the line of Radha from B&K Securities. Please go ahead.

Radha: Hi sir, thank you for the opportunity. So my first question is, I wanted to understand how big is the market size of plastic components in two-wheelers and three-wheelers and four-wheelers separately in India, and is this business entirely outsourced by OEs in India, or is there a captive market share also?

Swastid Badve: I would probably have the two-wheeler numbers handy on me right now. That market for a limited set of products, if I just consider three products, which is a fender, cowl, and cover, that would be close to INR500 to INR600 crores market. Of course, if you add the dashboard and the visor and the helmet accessories, I think my best guess would be this would be close to INR2000 crores market on a console basis in the two-wheeler segment.

I unfortunately don't have the numbers handy on me for passenger vehicles. And whether this is all outsourced, yes, I don't think any OEM does a lot of plastic manufacturing in India. It is usually outsourced to Tier-1 suppliers like us.

Radha: And what is the maximum content per vehicle that can be reached in these products in two-wheelers and four-wheelers separately? So this would help us understand how big can this business becomes for us?

Swastid Badve: So one thing, I'd like to point out is when it comes to plastic moulding or say fabrication, I think the process largely remains the same. So we can manufacture almost all components that go into a two-wheeler or four-wheeler using a similar plastic injection moulding process. So in two-wheelers, I think the vehicle that we have guided for is around INR2000 that is there currently.

And of course, that going up with assemblies which have a bit of plastic as well as a bit of metal. So that can go from INR2000 to around INR3000. In four-wheelers, it's tough to comment on a content per vehicle amount because there's a very wide variety of products that go into a four-wheeler.

And usually each of them are managed by system integrators. So it depends a lot on which system integrators you're working with. If you get an entry with a system integrator or become a system integrator yourself, that's a very lumpy type of growth that you get in four-wheelers.

Management: Yes, just to add to that, in the four-wheelers, especially it's more complex because like system integrators and these are much larger assemblies that they supply, the Tier-1s especially. You know, a lot of it also includes a part of the system - it includes the side panels. So all of this comes pretty much well-furnished and just ready to fit. So apart from plastic, there are other parts also which get into it. So it's really very difficult to analyze as to what would be the total content when you look at such kind of assemblies being supplied to four-wheelers.

Radha: Thank you. And all the best.

Management: Thank you.

Moderator: We take the next question from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Yes, my first question is with respect to the merger of the promoter-owned entities. So together, this Badve Autocomp and Eximius Infra, they did around INR2,100 crores of revenue in FY'25. I just want to understand how they performed in the current nine-month period for the financial year FY'26 and what do you expect the growth of these two entities to be in the next one or two years?

One is that. And as you mentioned, this will reduce the related party transaction by INR1,100-1,200 crores, which will basically add around INR1000 crores to the revenue of Belrise. So I just want to understand by when this will be finalized by FY'26 or FY'27?

Swastid Badve: Right. So I think to answer your second question, this is, of course, subject to a lot of regulatory approvals, because we'll have to get the approval from the exchanges as well as the NCLT for the merger to be finalized. And I think the timeline that we've indicated in our presentation is anywhere between 10 to 12 months. So you can assume that this happens within FY'25 itself (55:00). And sorry, what was your second question?

Raman KV: My first question was the growth with respect to the Badve Autocomps and Eximius Infra.

Swastid Badve: Right. So in general, we'll not be commenting on the growth for these companies as of now. Once there is a clarity of when and how these companies are emerging, we'll speak more about it then.

Raman KV: Understood. Just a follow up on this. Both of these mergers, I mean, it will reduce your excess corporate overhead. This merger will be margin accretive as well, right?

- Swastid Badve:** So, of course, when your RPT revenues are getting netted off and EBITDA is being added in. So I think if you look at the EBITDA margins of these two entities, they stay close to 12% to 13%. So fairly in line with what Belrise EBITDA margins are. So imagine that the revenue is getting netted off, but the EBITDA is getting added in. So in that sense, of course, it should be EBITDA accretive as well as PAT accretive.
- Raman KV:** Understood, sir. Just a follow up. I just want to understand the debt and cash in both the entities.
- Sumedh Badve:** So I think that's part of the presentation. You can just take a quick look at it.
- Raman KV:** Okay. Thank you, sir.
- Moderator:** Thank you. We take the next question from the line of Ashwin Patil from LKP Securities Limited. Please go ahead. Since there is no response, ladies and gentlemen, due to time constraint, we take that as the last question and we conclude the question and answer session. I now hand the conference over to the management for their closing comments.
- Management:** Thank you, everyone, for your time, interest and questions. I hope we have been able to address most of your queries. We remain confident in our growth trajectory, both near term and long term, driven by strategic investments and our commitment to advancing products and technologies. For any further queries, please reach out to us or Strategic Growth Advisors, our IR partners.
- Moderator:** On behalf of Belrise Industries Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.