

16th May, 2024

To,
The Manager - DCS
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 523828

To,
The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai- 400051
Symbol: MENONBE

Subject: Disclosure of Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Schedule of Analyst/ Institutional Investor Meeting - Transcript of Earnings Call.

Dear Sir / Ma'am,

Pursuant to the relevant provisions of Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the officials of the Company had an earnings conference call relating to the Audited Standalone & Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2024 for the Investors/Analysts (Participants) which was held as per the details below.

Date & Time	Type of Interaction
14 th May, 2024 at 14:00 p.m.	Earnings Conference Call

The Transcript of the earnings conference call is enclosed herewith and has been uploaded on the website of the Company i.e. www.menonbearings.in.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

for **Menon Bearings Limited**

Manmay Kalyankar
Company Secretary & Compliance Officer
Membership No.: A29264

Menon Bearings Ltd (MENONBE)
Q4 & FY '24 Post Earnings Conference Call
May 14, 2024



MENON BEARINGS LTD

Q4 & FY24

POST RESULT CONFERENCE CALL

May 14, 2024 2:00 PM IST

Management Team

Mr. Arun Aradhye
Whole-Time Director and Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q4 and FY 2024 Post Earnings Conference Call of Menon Bearings Limited. Today, on the call, from the management, we have with us Mr. Arun Aradhya, Whole time Director and CFO.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business performance, highlights for the quarter and the year that went by; the growth plans and vision for the coming year; post which we will open the floor for Q&A. Over to you, sir.

Arun Aradhya:

Okay Good afternoon, everybody. Then I must thank many of the people who attended and visited our factory and plants in the last quarter. It was indeed pleasure receiving and welcoming all of them. Thank you very much.

To sum up about the performance for the last year, the last year total income was 214.42 crores with EBITDA of 45 crores that is 21%; Profit before tax was 33 crores that is 15.46%; and PAT was 24.36 crore that is 11.36%. If you look there was a de-growth so far as last year is concerned. Last year the total income was 220 crores as against which we recorded 214.42 crores this year. This was mainly because of slowdown in tractor industry as well as recession in Japan. This has really affected the total performance of the company and there was a little de-growth, it was about 2%. Apart from that, if you look at the quarter-on-quarter performance as compared to the last quarter that is quarter three as compared to quarter four of the year, standalone total income increased by 6%, EBITDA was up by 13%, PBT was up by 21%, and PAT was 16%.

Now we started the construction of two factory buildings, one in Menon Bearings, which -- that is a lead-free factory building, which is complete now, and we have started the manufacturing facilities there also. The same facilities were shown to the people who actually visited the factory and our premises. The construction of factory shed building at Menon Alkop Limited is going on and is likely to be completed by the 15 to 30th June of this year. With this addition of factory buildings, we should be able to reach, with the facilities those

will be involved into the additional factories and premises, we expect, with the additional infrastructure that is being created we may reach to 450 crores of turnover with these facilities. This is what is the total strength that about I am talking to you.

As you see the tractor business is slowly picking up now as well as there are some signs of improvement in Japan recession also. So let us look forward for positive growth. And as I told you that year-on-year, for next two years at least, we will grow at a rate of 25% on a consolidated basis. On standalone, Menon Bearings, it will be almost a 15% year-on-year growth hereafter for next three years, whereas almost 45% of growth is envisaged so far as Alkop is concerned for next two years and about 16% to 17% for the third year. Similarly, about 70% to 75% growth for next three years in brake division is considered.

So, this is about our plans and everything. I now invite the questions, if any. Thank you.

Question-and-Answer Session

- Moderator:** Thank you, sir. [Operator Instructions] We first have the question from Harshil Solanki. Harshil, you can go ahead please.
- Harshil Solanki:** Hi sir. Good afternoon.
- Arun Aradhye:** Good afternoon.
- Harshil Solanki:** Sir, I had a few questions. Firstly, you said that tractor in Japan was slow. But our Alkop division has only grown by 10% on a whole year basis and we expected that this will be a growth driver for us. We are doing some CapEx also. So, sir, what was the issue there and how are you seeing the next year? Will it recover and will we see a faster growth that side?
- Arun Aradhye:** Yes, of course, there is a growth in Alkop. And as I told time and again, I am telling you that it requires some time for sampling and development thereof and actual start of business. Like I told you, more than 20 crores of rupees on account of tooling we already received from John Deere and Honeywell and the total quantum of that business alone is 40 crores. That will gradually come and will be accommodated in this year partially and accommodated in the next year partially. Apart from that we have been given target by John Deere of almost 70 crores of rupees in next two years; that is also

there. So, we are very sure that we should be increasing and will have a growth of 40%, 45% in next two years in aluminium division, Alkop.

Harshil Solanki: Okay, sir. FY 2024 was building the base for the future growth of Alkop.

Arun Aradhya: Yes. Yes.

Harshil Solanki: Okay. Got it. And sir, on the Menon Bearings new venture subsidiary, which we have created, sir, what all businesses are there right now and how much have we invested in it till date? Can you please help us with that?

Arun Aradhya: As I told you that Menon Bearings new ventures is we have created the company -- new limited company, a subsidiary of Menon Bearings, will be looking for the projects those will be attractive for the company and when there is a surplus fund in the company, we will go for that. So far as Alkop Limited is concerned, that is aluminium division which has been separated from Menon Bearings and that is already in progress. Menon Brakes is also working, not an issue.

Harshil Solanki: Okay, sir. So, if you see in the results, Menon Bearings new ventures shows that they have a total asset of 8 crore rupees and they have reported a loss of 13 lakh rupees. So can you highlight what are those and what is that loss on account of.

Arun Aradhya: That is loss on account of registration fees.

Harshil Solanki: Okay. And that 8-crore asset is?

Arun Aradhya: That is share capital of the company.

Harshil Solanki: Okay. But that has not been deployed. It's just --

Arun Aradhya: Yes, that is --

Harshil Solanki: Subscription?

Arun Aradhya: Yeah.

Harshil Solanki: Okay. And, sir, I had some accounting questions also if you can help me with that. Sir, our debt has increased by close to 19 crores, but our PP&E has increased by 9 crore rupees in the consol books. So can you

help us understand where is the balance money deployed and why we have increased the debt if not for CapEx?

Arun Aradhya: You can see that is basically for CapEx for Menon Bearings; that is one thing. And you can see cash and bank balances.

Harshil Solanki: So we have still not deployed that money and it's just lying with us.

Arun Aradhya: Cash and bank balances are there.

Harshil Solanki: Okay. Okay. And one thing was on the investment in shares. If you see there is a 27 crore investment which we have made. So that is into subsidiaries only, right?

Arun Aradhya: Right. Right. That is subsidiary and into mutual funds to the tune of almost 4 crore of rupees.

Harshil Solanki: So sir, we have increased debt also and we are investing in mutual funds also, so?

Arun Aradhya: And if you look at the cash and bank balances it is almost 24 crores of rupees, cash and bank balances are there.

Harshil Solanki: Got it. Got it, sir. Yes.

Arun Aradhya: Right.

Harshil Solanki: That was it from my side. Thank you.

Moderator: Thanks, Harshil. We'll take the next question from Kunal Sabnis. Kunal, you can go ahead please.

Kunal Sabnis: Hello sir. Thanks a lot.

Arun Aradhya: Yes. Thank you.

Kunal Sabnis: I have a couple of questions. Firstly on the margins front, so second half of fiscal 2023 we were at about 25% EBITDA margin and then this second half we are down to like slightly sub 20%. When the revenues have sort of more or less stayed the same, what is the reason for this and how -- and at what level we will go back sort of in the next year.

- Arun Aradhye:** Because you see the input costs of the permanent staff have increased substantially along with electricity and raw material, input costs are also to increase to some extent. Now is the time after the completion of this quarter we will be taking up the issue with all our OEMs for increasing the prices and as a routine practice, they are also going to accept so that our EBITDA margins will be restored again.
- Kunal Sabnis:** But there is a lag in terms of your costs rising and when you can pass on.
- Arun Aradhye:** It has to be because whenever there are the prices also go down at that time we get a benefit also.
- Kunal Sabnis:** Got it. So you should revert back to the overall margins of 23%, 24%. Is that --
- Arun Aradhye:** Yes.
- Kunal Sabnis:** Got it. Sir, in your brake division, sequentially there has been a slight drop in revenue. We were actually expecting a scale of quarter-over-quarter. What can you attribute this to?
- Arun Aradhye:** Because you see, we started in this year only -- in the last year only, brake division. Actually we have started the export to two countries; one is Bangladesh and another is Dubai for African countries. So the order that we got first, that has to be stabilized and in rotation, the orders are now coming every month right from the last month. So that will be a regular practice henceforth. So we are settling into the market gradually so far as aftermarket is concerned and export market is also set up now, and we'll be receiving orders month-on-month hereafter, so that there should not be a gap thereafter. And what I feel that with this we should be able to cross 10 crores this year.
- Kunal Sabnis:** Got it. So I think between the two quarters the orders were -- the export orders are sort of clubbed in quarter three, more than quarter four, hence that. Got it. Sir, on your slide seven in the channel makes the others component, OEMs export replacement, what is the others component? And that has grown sequentially from 8.8% to 12.1%. What does that relate to?
- Arun Aradhye:** Others is for generators, then electrical items, compressors, etcetera. That has to some extent increased. And strips, that is raw material that we supply to other manufacturers for manufacturing of bearing, bush and washers.

- Kunal Sabnis:** Got it. So these, so you won't club this with OEMs, is it?
- Arun Aradhya:** No, it cannot be club with OEMs as due to this is strip manufacturing that we are supplying to the manufacturers of bearing, bush and washers. So that is not working.
- Kunal Sabnis:** Okay. Okay. Got it sir. And finally, I missed the last participants question on new businesses. Have you sort of decided which segments that you will foray first into on the new business subsidiary?
- Arun Aradhya:** New business subsidiary will be looking for -- there are several proposals that are coming our way other than engineering businesses like manufacturing of chargers for electric vehicles.
- Kunal Sabnis:** Got it, but nothing has been finalized as of now.
- Arun Aradhya:** Not finalized as of now.
- Kunal Sabnis:** Okay. Got it sir. Thanks a lot.
- Arun Aradhya:** Thank you.
- Moderator:** Thanks Kunal. We'll take the next question from Mumuksh. Mumuksh, you can go ahead please.
- Mumuksh Mandlesha:** Yes. Thank you so much sir for the opportunity. Just to reiterate you mentioned about 25% consol revenue CAGR, 15% standalone CAGR, 40%-45% CAGR for the casting business, and 15% to 20% CAGR for the braking business, right sir?
- Arun Aradhya:** It is 15% to 20% now, 15% overall for next three years, whereas in brakes it will be almost 70- 75% year-on-year for next year three years.
- Mumuksh Mandlesha:** 75%, okay. And sir in terms of a new orders, you mentioned John Deere 70 crore order. This is for the casting company, right sir.
- Arun Aradhya:** Right.
- Mumuksh Mandlesha:** And for Honeywell, sir, what could be the order size sir?
- Arun Aradhya:** Order size, it will be almost 15 to 18 crores.

- Mumuksh Mandlesha:** This also would be in casting sir?
- Arun Aradhya:** In casting, yeah, of course.
- Mumuksh Mandlesha:** Okay. So, in total basic 90 crore in the casting business, which execution starts over next two years.
- Arun Aradhya:** Right.
- Mumuksh Mandlesha:** And this numbers are annual numbers, right sir?
- Arun Aradhya:** Annual. Annual.
- Mumuksh Mandlesha:** Okay. And for the bi-metal, sir, we had about 20 crore order. Any incremental to that sir?
- Arun Aradhya:** Yes. That is we already created the facility for that reason and we are saying the samples are under testing and what we learn from them that they will have to cancel the contract with the earlier manufacturer who was supplying them that was Mahle. So it will take another three to four months time and actually it will start -- actually regular supplies will be started from November or December of this year. Apart from that Bajaj Auto is also there, Simson is there, so [Indiscernible] [0:16:46] is there. We have got orders from them also which is to the tune of almost 18 to 24 [Indiscernible] [0:16:53].
- Mumuksh Mandlesha:** 18 to 20. Okay. So in total --
- Arun Aradhya:** Apart from order for export.
- Mumuksh Mandlesha:** Okay. So, in total, it is more than 40 crore plus for the bimetal business.
- Arun Aradhya:** Right.
- Mumuksh Mandlesha:** Got it. Got it. And this will be the executed over next two years.
- Arun Aradhya:** This year and next year.
- Mumuksh Mandlesha:** Next year. Got it. Just on the underlying segment which is the main M&HCV and tractor segment. How are you hearing from the OEMs in terms of the production plan for next year?

- Arun Aradhya:** Production plan, they are also not very sure about that but they are very hopeful and optimistic considering the predictions given by the metrology department that the monsoon will be very good this year. So they will definitely give a boost to all HCV, LCV as well as tractors.
- Mumuksh Mandlesha:** Got it. Got it. And on the heavy commercial, M&HCV?
- Arun Aradhya:** M&HCV is also there. There is equal opportunity for them.
- Mumuksh Mandlesha:** Okay. Okay. And sir on the Japan customer demand, what's the outlook there, sir, for next year?
- Arun Aradhya:** Not very sure about that, but they are slowly recovering. We are not very sure about that.
- Mumuksh Mandlesha:** Okay. Got it. And sir, on the CapEx of 30 crore I just want to check what would be the new capacity for the bimetal from the 486 lakhs currently, sir?
- Arun Aradhya:** it will be almost 550.
- Mumuksh Mandlesha:** 550. And for the Alkop business, what will be capacity for 1440 with the new expansion.
- Arun Aradhya:** Because you see 1440 is the quantity capacity, we actually have to add machines, high pressure die casting machines. Foundry access induction furnaces are there, we can augment that capacity to 2500 tonnes anytime. That is not issue at all. We are already having that machinery in place.
- Mumuksh Mandlesha:** So, this time what are we doing with this?
- Arun Aradhya:** We'll be just adding machines now along with the building. High pressure die-casting machines are being added along with CNC and VMCs, matching to the increased demand.
- Mumuksh Mandlesha:** Got it. Got it. So basically, the Alkop capacity would increase from 1440 to 2500 with this CapEx announced.
- Arun Aradhya:** Yes.

Mumuksh Mandlesha: And sir, on the bimetal bearing I just want to understand how's your market share movement there? Are you able to gain some share in your core heavy duty segment, sir?

Arun Aradhya: you see heavy duty segment is not increasing to the extent that was predicted by all of us but market share has surged. From Escorts now, last month only we got a mail from them that our share of business from 40% it had been increased to 60%. Whereas in international tractors also it was 80% and they are going to increase maximum maybe up to 100% or little less than that. They don't want to depend totally upon us. To some extent they will be procuring the material from others but mainly from us. So this is the situation like Bajaj Auto Limited has approached us for their export substitute items for bearings. That will be addition.

Mumuksh Mandlesha: Got it, sir. This is helpful sir. Thank you so much for the time.

Arun Aradhya: Thank you.

Moderator: Thank you. We'll take the next question from Bhargav Buddhadev. Bhargav, you can go ahead.

Bhargav Buddhadev: Yeah. Good afternoon, sir, and thank you for the opportunity. Sir, if I reconcile the order book, is it fair to say that the order book is around 130 odd crores which is 90 crores in Alkop and 40 crores in Bi-metal?

Arun Aradhya: You see 90 crores is total, 70 crores plus 18 crores to 20 crores of Honeywell. That is additional 90 crores plus 40 crores in bearing.

Bhargav Buddhadev: That's 130 crores.

Arun Aradhya: Additional business for us in this year and next year.

Bhargav Buddhadev: Additional meaning over and above the current run rate?

Arun Aradhya: Of course.

Bhargav Buddhadev: So 206 we did in March 2024.

Arun Aradhya: 206 consolidated 214.

Bhargav Buddhadev: Because you said this is executable over the next --

Arun Aradhya: One and a half years or two years.

- Bhargav Buddhadev:** And, sir, what would be the share of the top five customers in Alkop and bimetal?
- Arun Aradhya:** You see in Alkop, top five customers are having a total share of business of around 50%, top five customers. Whereas in bearing division, none of the customer constitutes more than 10% to 12% of the total revenue of the company.
- Bhargav Buddhadev:** Customers would be single source?
- Arun Aradhya:** Like John Deere, we are single source. In TMTL, we are single source. In Mahindra space, we are a single source.
- Bhargav Buddhadev:** And more than 70% would be what, Cummins and all, Automotive Axles, Tata Cummins?
- Arun Aradhya:** 70% what? 70%. I didn't get you.
- Bhargav Buddhadev:** Wallet share in these customers.
- Arun Aradhya:** Wallet share with Tata Motor Series 60%, Cummins 60%.
- Bhargav Buddhadev:** And sir, is it possible to break up the margins of Alkop and Bi-metal separately or you won't share them?
- Arun Aradhya:** It is always possible, but maybe from next time you will get separately because it is separated now.
- Bhargav Buddhadev:** Thanks. Thank you very much and all the very best.
- Arun Aradhya:** Thank you.
- Moderator:** We take the next question from Kunal Tokas. Kunal, you can go ahead please.
- Kunal Tokas:** Hello.
- Arun Aradhya:** Hello.
- Kunal Tokas:** Is it better now, sir?
- Moderator:** Yeah, yes, go ahead.

- Arun Aradhya:** Okay.
- Kunal Tokas:** Okay. Just a couple of questions, sir. Would you be able to give us the geographical split of your revenue?
- Arun Aradhya:** Geographical, you see export is around 28% to 30% now.
- Kunal Tokas:** And how much is from --
- Arun Aradhya:** Rest 70% domestic.
- Kunal Tokas:** How much of exports would be from Japan?
- Arun Aradhya:** Japan, it has now dropped to almost 4% to 5% now.
- Kunal Tokas:** 4% to 5% of the exports.
- Arun Aradhya:** Right.
- Kunal Tokas:** Okay. And would it also be possible to give the share of business that John Deere has with us
- Arun Aradhya:** We cannot exactly share all the details so far as customer wise details are concerned, it is not possible to explain in detail, but we are single source to them, I can tell you, for last more than 18, 20 years.
- Kunal Tokas:** Okay sir, I understand. And just a very long-term hypothetical question. If hydrogen becomes a big thing in MHCV and tractors, how would that affect our business?
- Arun Aradhya:** Sorry, please repeat.
- Kunal Tokas:** Hydrogen, if hydrogen becomes a big thing in MHCV and tractors, how would that affect our business for bearings?
- Arun Aradhya:** You see, we have been listening about the question so far as EV is also concerned, but it does not affect any way to our company because where there is a rotation, bushes are required like in brakes, bearings are required, bushes are required; in transmission, bushes are required. Like in hydrogen also, that is a far more -- you see it will take a lot of time like EV still we are not very sure about MHCV and tractors. So, we should not think much about hydrogen just now, that's what I feel.
- Kunal Tokas:** Okay, sir, I understand.

- Arun Aradhye:** That is totally out of -- you see, it is a story maybe 10, 15 years down the line, something will happen like that.
- Kunal Tokas:** Okay.
- Arun Aradhye:** But still we will remain unaffected because of that.
- Kunal Tokas:** Because of EV as well? Won't it affect the amount of bearings and products that go into the vehicle?
- Arun Aradhye:** No, because we are not into -- you see, that is -- like in EV also that first came into two wheelers and now into four wheelers. And we are not into passenger vehicle business. Again we are into heavy duty, so it is not going to affect us anyway. Like it was never affected us because of EV.
- Kunal Tokas:** Okay, sir. Thank you very much.
- Arun Aradhye:** Okay.
- Moderator:** We will take the next question from Saket Kapoor. Saket, you can go please.
- Saket Kapoor:** Yeah. Namaskar, sir. Thank you for the opportunity. Sir as you mentioned regarding Japan that our exports were so historically what was our average from Japan?
- Arun Aradhye:** It was almost 9 to 12 crores of rupees per year.
- Saket Kapoor:** Okay. And what factors had led to -- and what was the number? What factors led to the lower export to Japan? And what was the export number for FY 2024?
- Arun Aradhye:** For FY 2024, from 12 Crores, it came down to almost, I think 4 to 5 Crores
- Saket Kapoor:** Okay. What are the reasons, sir? Why this has happened?
- Arun Aradhye:** Various reasons, now I cannot tell why there is recession
- Saket Kapoor:** Can you come again? There's recession. This is what you said, sir.

- Arun Aradhya:** We don't know exactly. Like in India, we don't see any recession kind of thing. We cannot predict as to what will happen next in Japan, but the feelers that we got is that it is likely to improve in the near time.
- Saket Kapoor:** Okay. And so this 12 crore revenue which we have from the Japanese customer, how many players are there whom we are supplying in Japan?
- Arun Aradhya:** Only one customer.
- Saket Kapoor:** Okay. So can you -- are you in a position to name the customer? Who is it?
- Arun Aradhya:** It's Diedo Metal, Diedo Metal is our competitor actually.
- Saket Kapoor:** Right. Sir, in the capital work in progress it is 14 crore the closing balance for FY 2024. When will this amount capitalize and where this is attributed to, which segment?
- Arun Aradhya:** This will be entirely capitalized in this year.
- Saket Kapoor:** And which segment will the capacity augmentation will happen?
- Arun Aradhya:** In bearing as well as in aluminium division.
- Saket Kapoor:** Both, okay. So, you were also mentioning about hiving off of any of our unit. If I've heard it wrong, sir, can you correct me? We are looking to move some business out from this entity into a separate entity.
- Arun Aradhya:** No.
- Saket Kapoor:** I misheard you, sir. Right. So, all the three verticals are housed under this and there is no development of hiving off any of the three. We have three verticals as of now.
- Arun Aradhya:** Right. Right. Three verticals. One is bearing, bush, washer; second is aluminium pressure die casting; and third is brake linings, right.
- Saket Kapoor:** Right, sir. And so for the casting part, what is our raw -- key raw materials? Are we dependent on the scrap market for the preparing?

- Arun Aradhye:** We are not dependent on the scrap market. Actually, we have to purchase it from the OEs. That is aluminium alloys of various kinds. Aluminium, basically you can assume. It's aluminium.
- Saket Kapoor:** Okay, sir. Then how are we insulated from the vagaries of raw material. Or as you explained earlier also there is always a lag effect. If there is a fluctuation in the raw material prices, we get the pass on or a reduction with a lag effect.
- Arun Aradhye:** Yes, yes. Definitely, we already started that exercise.
- Saket Kapoor:** Right sir. And sir, I also heard you about the top line trajectory of 400 crore, but I missed the period. When can we anticipate to clock a revenue on a top line of 204? This year was a soft year.
- Arun Aradhye:** You can calculate when I am telling that there will be year-on-year growth, hence hereafter considering the orders in hand it will be about 25%, 26% year-on-year here after. So that you can calculate by what time we will be reaching almost 400 crores.
- Saket Kapoor:** Correct Okay Sir, Thank You.
- Arun Aradhye:** Okay. Thank you.
- Moderator:** Thank you, Saket. We'll take the next question from Bharat Gupta. Bharat, you can ahead please.
- Bharat Gupta:** Hi. Hi Vinay. Hi Arun, sir. Thanks for the opportunity.
- Arun Aradhye:** Okay. Thank you.
- Bharat Gupta:** Sir, a couple of questions from my side. Sir, first like you mentioned the order book to be around 130 odd crores, right. Any RFQ which we have participated in, we are awaiting the orders for the same for this year.
- Arun Aradhye:** We have already received RFQs, commercials have been finalized. We have received tooling orders. We are receiving tooling advance from them. Okay, please go ahead.
- Bharat Gupta:** I was just anticipating like 130 order books. It's in addition to what we are currently doing, right. But in order to maintain the 25% kind of a growth rate, so any order inflows which you are anticipating for the

current year, which is there where we have participated in the RFQs and we are supposed to be rewarded for the same.

Arun Aradhya: I could not get you. Can you repeat?

Bharat Gupta: Sir, I was just mentioning that 130 crores is the incremental order book which you have mentioned for the start of the year, right, in addition for this fiscal year of FY 2025. So have we participated or are there any tenders, which are there in the market where we are supposed to participate?

Arun Aradhya: No, no, it's not like tenders. The people are approaching us.

Bharat Gupta: Okay.

Arun Aradhya: Like China One policy, you see, China Plus One policy, Europe One policy is also come into existence. And many more people are approaching us for sourcing from India and approaching to us also.

Bharat Gupta: Right.

Bharat Gupta: So based on which, across the segments, so, like, what kind of order inflows you anticipate to come in hand for us?

Arun Aradhya: That I already told you know that is about 140 Crores of additional business will be there within two years from now.

Bharat Gupta: Right. And that will suffice a 25% kind of a growth rate for at least two years -- two, three years right?

Arun Aradhya: Yes. Because samples and everything is in progress and it is almost final right now.

Bharat Gupta: Right. Second, sir, coming on the brake lining segment, so I think we were in discussions with Brakes India, so any progress on that front? Because we are anticipating a 75% kind of a growth rate going forward.

Arun Aradhya: Apart from Brakes India, this 75% is based on the current export orders as well as orders from the aftermarket. We have not considered Brakes India as of now into this 75%.

Bharat Gupta: And sir, since you have in discussion with them, so? So any particular progress that you can highlight?

- Arun Aradhya:** That is under discussion.
- Bharat Gupta:** Okay. We can -- any timelines which we are sticking to it?
- Arun Aradhya:** Maybe about four, five months or six months from now.
- Bharat Gupta:** Okay.
- Arun Aradhya:** So whatever we have considered just now is apart from Brakes India, we are not considered more business.
- Bharat Gupta:** Right. In the Alkop segment, so are we seeing an increased traction of competitors which are there and there is some -- there can be some sort of a pricing pressure which will be coming in place going ahead?
- Arun Aradhya:** Pricing pressure is not there. We already secured the business, commercial have been finalized. The question of pricing pressure doesn't arise at all.
- Bharat Gupta:** And we are not seeing any risk to the estimates which you have highlighted in terms of the growth figures.
- Arun Aradhya:** Right.
- Bharat Gupta:** Right, sir. That's it from my side. Thank you so much, sir.
- Arun Aradhya:** Okay. Thank you.
- Moderator:** Thanks, Bharat. We'll take the next question from Harshil Solankii. Harshil, you can go ahead.
- Harshil Solanki:** Thank you for the follow up. Sir. I have just one question on the railways part. We were in talks with supplier or customers who supply brake liners to the railways. So if you can give any update on the progress on that front.
- Arun Aradhya:** In that, actually, application and agreements, everything has been signed and submitted to railways. That is under consideration. It requires almost one year to one and half years to complete that process, of submitting the samples and actual start of business, it takes almost one and half year, so that is in process.
- Harshil Solanki:** Understood. That was it. Thank you.

Moderator: Anybody else who wishes to ask a question, please use the option of raise hand. If there's a problem at your end, you can drop a message on chat with us. So since there are no further questions, I would request if you can give your closing comments for the call.

Arun Aradhye: So thank you very much everybody for participating in this con call and I actually request many of you who have already visited our factories, and if somebody are still interested, they can get into contact with Mr. Pandit so that he can arrange the factory visit and facilities also, so that we'll be very happy to receive and welcome you all. So I invite all of you who have still not visited the factories to come and we will enjoy that. Thank you very much.

Vinay Pandit: Thank you. Thank you so much, sir. That brings us to the end of the conference call. You may all disconnect now. Thank you so much for participating.

Arun Aradhye: Thank you. Thank you, Mr Vinay.