



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

CIN: L32201MH1964PLC013085

75, General Block, MIDC, Bhosari,

Pune 411 026, India

Tel: (+91-20) 63110110

Web: www.divgi-tts.com

Ref.: DTTS/Sec/25-26/86

February 19, 2026

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 543812	To, National Stock Exchange of India Limited, "Exchange Plaza" 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - DIVGIITTS
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Sub: Transcript of Earnings Call held on February 13, 2026

Ref.: Regulations 30 of the SEBI LODR Regulations

Dear Sir / Madam,

Further to our letter reference no. DTTS/Sec/25-26/75 dated February 09, 2026, pursuant to Regulation 30 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), please find enclosed herewith the transcript of the Earnings Conference Call held on **February 13, 2026**, in respect of the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2025.

The transcript can also be accessed on the Company's website at the following link:

<https://divgi-tts.com/earning-call-transcripts/>

This is for your information and records.

Thanking you,

For Divgi TorqTransfer Systems Limited

Aniket Kokane
Company Secretary and Compliance Officer
A51571

Enclosed: As above



“Divgi TorqTransfer Systems Limited
Q3 and 9 months FY 2026 Earnings Conference Call”
February 13, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 13th February 2026 will prevail.



MANAGEMENT: **MR. JITENDRA DIVGI – MANAGING DIRECTOR – DIVGI TORQTRANSFER SYSTEMS LIMITED**
MR. HIRENDRA DIVGI – WHOLE TIME DIRECTOR – DIVGI TORQTRANSFER SYSTEMS LIMITED
MR. SUDHIR MIRJANKAR – CHIEF FINANCIAL OFFICER – DIVGI TORQTRANSFER SYSTEMS LIMITED
MR. DIPAK VANI – CHIEF OPERATING OFFICER – DIVGI TORQTRANSFER SYSTEMS LIMITED
MR. SATVINDER SINGH SABHARWAL – CHIEF GROWTH OFFICER – DIVGI TORQTRANSFER SYSTEMS LIMITED

MODERATOR: **MR. AMIT DHAMEJA -- CENTRUM BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Divgi TorqTransfer Systems Limited Q3 and 9 months FY 2026 earnings conference call hosted by Centrum Broking Limited.

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 star then zero on your touchtone phone.

I now hand the conference over to Mr. Amit Dhameja from Centrum Broking Limited. Thank you, and over to you.

Amit Dhameja: Thank you, Rutuja. Good afternoon, everyone. On behalf of Centrum Broking Limited, I welcome you all to Q3 FY '26 post results call of Divgi TorqTransfer Systems Limited. From the management side, we have Mr. Jitendra Divgi, Managing Director; Mr. Hirendra Divgi, Whole-Time Director; Mr. Sudhir Mirjankar, CFO; Mr. Satvinder Singh Sabharwal, Chief Growth Officer; and Mr. Dipak Vani, COO. I will now hand over the call to Jitendra sir for his opening remarks. Over to you, sir.

Jitendra Divgi: Yes. This is Jitendra Divgi here, and a very warm welcome to all members of our investor community. Welcome to this Q3 FY '26 earnings call of your company. I'm sure you've had the opportunity to go through our Q3 FY '26 results, which were uploaded on the Stock Exchanges and are also now available on our company website.

As was mentioned, I am accompanied today by my colleagues, my brother, Hirendra Divgi, Whole-Time Executive Director; Sudhir Mirjankar, Chief Financial Officer; Satvinder Singh Sabharwal, our Chief Growth Officer; and Dipak Vani, our Chief Operating Officer. Our Investor Relations advisors, SGA, are also available.

At the outset, I wish to make an important announcement and very pleased to share an important strategic development for our business. We have received order confirmations from 2 of our key OEM customers, Mahindra & Mahindra and Tata Motors for their respective pickup vehicle program for the Indonesian market, which, as many of you may be aware, is a member of the larger ASEAN Economic Grouping.

Under these programs, Mahindra & Mahindra and Tata will be each exporting 35,000 units of their pickup trucks, which is the Scorpio pickup for Mahindra and the Yodha from Tata Motors. And this production is expected to commence in calendar '26, but most of it will happen in FY '27.

Under this exclusive arrangement that we have with both customers, we will act as the sole supplier of transfer case systems and other allied products that go with these to both OEMs. This order represents a significant milestone in our strategy to support Indian OEMs in their global expansion journey and vindicates the kind of faith we had shown in the export capability of the

products of our Indian OEMs. It also provides strong medium-term volume visibility for our Transfer Case business and further reinforces the segment's strategic importance within our overall product portfolio.

So coming to the Q3 FY '26 performance. It marks yet another important milestone for our company as we delivered our highest ever quarterly total income. We have surpassed our previous best performance, which was registered in Q2 FY '26, which itself was a record quarter for the company.

This clearly reflects the consistency, momentum, and execution strength we have built over the last couple of years through a combination of investment to modernize our capability and the capability of our people through continuous training and education. This performance has been driven by steady execution across our core businesses and increasing traction across multiple growth drivers.

Our quarterly revenue run rate is now approaching the range of INR90 crores to INR100 crores, signaling that the company is entering a very exciting phase of growth. On a cumulative basis, our performance for the first 9 months of FY '26 has been particularly encouraging. During this period, we surpassed the full year income levels of both FY '24 and '25, and we are close to reaching FY '23 levels, one of the strongest and most historic years of our company.

Given this sustained momentum, we believe it is realistic now to say that we will achieve our long-term growth aspiration of delivering 12% to 15% CAGR over 5 years with FY '20 as our base year. That was the base year that was mentioned in our IPO prospectus. This confidence we have is supported by sustainable business strategies and execution capabilities we have been building consistently over the years.

To give you some more color on this, based on the business pipeline currently under execution, the visibility in our order book and the scale of work underway across our verticals, we believe the company is well positioned to regain its lost ground across both domestic and export markets. And I will amplify on some of these details as we go along. This is further supported by improving demand conditions and the convergence of multiple growth drivers across our business.

FY '24 and '25 were relatively slower years for the company, impacted by broader macroeconomic headwinds as well as certain challenges faced by some of our key OEM customers. During this period, our focus remains firmly on protecting the core of our business, strengthening long-term customer relationships and continuing to invest in capabilities that would support sustainable growth over the long term. As you may have noted, even in those lean years, we managed to maintain our EBITDA levels well over 20%.

We have consistently followed a philosophy of building capacities and capabilities slightly ahead of the curve. This is not driven by immediate order visibility, but by our conviction that having the right infrastructure and scale in place enables us to attract large automobile OEMs and participate in long-term high-value programs. This approach has worked well for us and continues to be a key differentiator.

My sense is that one of the sort of mantras of resilience is the fungibility of our soft capability and hard capability of our investments across the 4 verticals that we are building. And those verticals, I might remind you, are manual transmissions and components, 4-wheel drive systems, EV transmissions and automatic transmissions.

Over the last 4 quarters, starting from Q4 FY '25, we have witnessed a clear recovery in our business. This improvement has been driven not only by a gradual normalization of external conditions, but also by focused execution initiatives that have been reaching their culmination and that were aimed at sustaining performance.

These include: supporting our OEM customers in their global expansion drive; strengthening our own global footprint; and then consistently delivering on time to our customers; at the same time, deepening our engagement with our OEM partners through long-term high-value programs -- and I will provide some more clarification on this as we go along.

The improvement we are now seeing in our 9-month performance reflects the alignment of these initiatives, along with the activation of multiple growth engines across the business. Our approach of building capacities and capabilities well ahead of demand gives us strong confidence and equally provides comfort to our customers, as it reflects a clear long-term vision and commitment to growth.

Once again, to put things into perspective, I'd like to highlight 2 key developments. First, we have worked very closely with our 2 major OEM customers, Tata and Mahindra. And supported by our strong technical and engineering capabilities, these OEMs have secured now significant export orders in a critical market like Indonesia. It's critical because historically, Indonesia has been sort of the preserve of very strong Japanese OEMs like Toyota, Nissan and Isuzu.

These programs are also drawing on our allied products like synchronizer systems and automatic locking hubs for front axles. They also include at Tata Motors, our value-engineered manual shift transfer case on the Yodha, and it further reinforces our ability to support customers in winning international business.

Second and more importantly, I'd like to revisit the development we had announced last quarter regarding our long-standing focus on taking our legacy Transfer Case business to global platforms. This engagement is with a leading Japanese OEM. And because of confidentiality agreements, I'm not at liberty to reveal the name, but this is a global market leader, particularly in Southeast Asia, and we are developing a transfer case for one of their iconic pickup truck platforms with SOP expected to begin in the first half of FY '28.

I'm really thrilled to share with you that initial prototypes are ready and a proof of concept has been successfully developed and demonstrated in a vehicle. This marks a historic milestone, as it is among, I think, the first instance in India where such a sophisticated electronically controlled driveline aggregate has been conceived, designed, and developed using proprietary Indian technology and innovation. This represents yet another milestone for us, driven by our in-house conceptual strengths, design, engineering and manufacturing capabilities seamlessly integrated into the OEM's proprietary electronics and software architecture.

Additionally, to further strengthen this relationship, we have an exclusive distribution agreement with Toyota Tsusho India Private Limited, a member of the Toyota Tsusho Group, which in turn is a member of the 17 companies that make up the Toyota Group globally.

And Toyota Tsusho is helping us sell and distribute our top management and transmission solutions and products to the universe of Japanese companies worldwide. To conclude, I would only say this, watch this space closely. We believe there are many more exciting developments ahead, and we look forward to sharing them with you in due course of time.

Turning to our Transfer Case business. This segment continues to be one of our core strengths and has delivered strong performance during the year, supported by both value and volume growth. Volumes have shown steady improvement and are now approaching FY '23 levels, reflecting a recovery in demand, as well as increasing adoption of 4-wheel drive configurations across many key vehicle platforms. This volume recovery, combined with disciplined execution has supported healthy value realization in the business.

A couple of few highlights I wish to share with you. As I just mentioned, a short-term key driver is the orders that have come in from Indonesia for pickup trucks at Tata and Mahindra. But in addition, at these OEMs, we are working on prototypes for 3 different types of transfer case technologies. These include an open differential manual shift transfer case with a central differential locking mechanism, as well as torque on-demand transfer cases with a mechanical locking feature.

I know this is -- I'm throwing some technical jargon here, but it's important that we mention this clarity, and I'll be happy to answer any questions at the end of this session. The interesting thing is all these concepts have been demonstrated on vehicles. These products target fast-selling platforms and upon successful completion of testing are expected to further widen our reach in the market and therefore, boost our volumes.

Second, as I just mentioned, we are progressing well on the engagement with a leading Japanese OEM, with SOP expected to commence in the first half of FY '28. So vehicle testing on the proof of concept has started. Early performance results have been encouraging and are supporting further refinement as we move into subsequent validation phases.

While the initial commercial contribution to our top line will be modest, entry into the Japanese OEM ecosystem is strategically very, very significant. This is a highly demanding ecosystem that requires a high degree of trust, credibility, and execution capability. Securing this nomination is a strong validation of Divgi's engineering and manufacturing strengths and has the potential to open doors for engagement with other leading Japanese OEMs over time.

Third, alongside these developments, I'm happy to share with you that we are evaluating the feasibility for establishing a manufacturing footprint in the United States as part of our long-term growth strategy. The objective is to deepen our global presence, enhance customer proximity, and capture the growth opportunity in the diversified North American market by leveraging our technical know-how to offer high-quality products at competitive pricing. We expect this evaluation will reach some preliminary logical conclusion by end of Q1 FY '27.

Finally, in addition to OEM-led growth, we continue to see steady demand from institutional customers, including repeat orders and opportunities from the Indian Army. These orders provide volume stability and most important of all, further validate the reliability and robustness of the engineering solutions we provide in demanding operating environments -- and to that extent, these applications bolster and buttress our brand value.

Turning now to our EV Transmission business. While we have seen some improvement, performance remains below our initial expectations. Overall, EV volumes in the market have been largely flat with sort of its range bound -- with sort of range anxiety on these vehicles continuing to impact customer adoption. As a result, the EV Transmission segment has remained modest. Given the slower pace of EV penetration, we expect volume improvement in this business to be gradual and spread over time rather than front-loaded.

That said, we have made meaningful progress on the product and capability front. We are in the concluding phase of developing a new 120-kilowatt 220 newton-meter torque capacity transmission that will go on 4 models of one of our key customers in this segment. While the ramp-up has been slower than anticipated, we believe the business is moving in the right direction. The delay has been due to hiccups that the OEM has faced in their vehicle testing, but it's moving in the right direction. And as of now, indication that we have is that SOP will be in April of 2026.

Our focus has also been on improving the quality and resilience of the EV Transmission business. We are actively working to enhance contribution margins and broaden our engagement across multiple customers and platforms. I might mention that we continue to configure solutions for the 3-wheeler industry, where we believe electrification is going to move at a very fast pace.

This strategy is aimed at reducing dependence on any single model or program, mitigating risks arising from variability in individual vehicle performance and building a more balanced and diversified EV transmission portfolio. We are in the concluding sort of phases of building a very impressive portfolio of products and the constituent parts and subassemblies that go into these products across the spectrum from 10-kilowatt all the way to 150 kilowatt, and offer with the ability to respond very fast to market developments. And I will be sharing updates every quarter as we go along.

Turning to our Components business. This segment has been the clear star performer for us, delivering consistently strong growth over the past year, primarily driven by exports. On a year-to-year basis, the Components business recorded a very impressive growth of over 120%.

To put some numbers around this transformation, export revenues, which were sort of negligible in FY '23, have now reached a quarterly run rate of approximately INR 19 crores. This represents a significant turnaround driven by focused execution and disciplined efforts in building export capabilities.

I'm pleased to inform that as a result of this work, we have been invited for a supplier conference in the U.S. in the first week of March. And I believe we are the only Indian company at this American Tier 1 supplier conference.



Performance during this period was largely supported by higher volumes from our key export customers, that include BorgWarner and Magna. These relationships reflect the growing acceptance of our precision engineered components within global supply chains, as well as our ability to meet stringent quality, delivery, and performance requirements across sort of a global footprint. Importantly, this also indicates increasing scale and deeper engagement with global customers.

Despite ongoing global uncertainties, including tariff-related actions in the United States, export markets have remained very encouraging. I attribute this to the relative competitive advantage Indian companies like us have vis-a-vis our Chinese competitors.

During the period, we regained momentum in our export business and did not experience any material disruption in the Components segment. This resilience is supported by the very specialized nature of the products we supply and the massive scale, at which they have to be executed, and our positioning in niche high-value applications.

During the quarter, we further strengthened our export footprint by commencing supplies to new geographies like Portugal and Europe, enhancing our diversification across markets and customers. As revenue contribution from this segment continues to increase, it is also enhancing the overall quality and sustainability of our revenue mix. And if you combine this with recent announcements that have come regarding the FTA with the EU and the U.S., this can only mean good news for us.

Coming to the big picture and our next orbit of growth, which is automatic transmissions. This represents a significant long-term opportunity for the company, as I have consistently highlighted. Currently, automatic transmissions used in India are largely imported, with very limited domestic manufacturing and predominantly supplied by overseas Tier 1 players. However, the case for localization is becoming increasingly compelling.

This is supported by government initiatives promoting domestic manufacturing, the impact of rupee depreciation and therefore, rising import costs and something that is not adequately appreciated, which is the need for flexible product customization in the Indian market.

Together, these factors create a strong economic and strategic rationale for building local capabilities in this segment. From a strategic standpoint, automatic transmissions also complement our Transfer Case business, enabling us to move towards more integrated drivetrain solutions.

Over the last few months, our team has worked on and completed the initial commercial assessment of localizing this technology. We have also engaged with customers on the initial commercial assessment. In parallel, our engineering team is focused on capturing customer expectations and benchmarking to build product differentiation.

By the second quarter of FY '27, we plan to conclude a technology demonstrator for one of our largest OEM customers. Our economic analysis shows significant cost savings of more than 10% on a price of more than INR1 lakh and improvement in working capital efficiency in the value chain.

Directionally, we hope to conclude a contract by July 2026, which would give us approximately a launch date of sometime in calendar 2028, which would be FY '29. I hasten to add that no contract has been concluded. This is -- I'm giving some directional information. Our team is focused on addressing the key challenges, including supply chain localization, competitiveness and sustainability. Automatic transmission product requires collaboration with suppliers across India, Europe, United States, Korea, Taiwan and China.

From a business development perspective, we continue to see a strong pipeline of opportunities. Engagements with both existing and prospective customers remain active, with growing interest in our capabilities, particularly niche high-precision applications, where reliability and engineering depth are critical.

Over the past few quarters, we have also made meaningful progress in diversifying our revenue mix across customers and geographies. This deliberate expansion of our export footprint has reduced concentration risk and enhanced the resilience of our business model, positioning us well to manage external uncertainties, including trade-related developments.

Overall, demand for critical drivetrain and transmission components remain steady across domestic and international markets, supported by a strong order pipeline and long-standing customer relationships. We remain confident in our ability to navigate near-term uncertainties while continuing to execute on our long-term growth plans.

In closing, I would like to highlight a recent milestone that reflects the strength of our partnerships and the growing recognition of Divgi's brand in the industry. During the quarter, we were proud to be associated with the successful launch of the new Mahindra XUV 7XO, where our brand was prominently featured as part of the official launch campaign.

This recognition underscores the confidence that leading OEMs like Mahindra place in our engineering depth, manufacturing excellence and delivery track record. It also reinforces our position as a trusted drivetrain solutions partner for marquee automotive programs built on collaboration, quality, and innovation.

Going ahead, we remain firmly focused on driving sustainable growth by maintaining execution discipline, enhancing operational efficiencies and strengthening the quality of our earnings.

Moderator: I'm sorry to interrupt, sir. We are unable to hear you.

Jitendra Divgi: Is it okay now?

Moderator: Yes, it is.

Jitendra Divgi: Yes. So let me just back up a little bit. I was saying that going ahead, we remain firmly focused on driving sustainable growth by maintaining execution discipline, enhancing operational efficiencies, and strengthening the quality of our earnings. At the same time, we will continue to expand our presence across both domestic and global markets, supported by a diversified product portfolio, growing export footprint, and a forward-looking technology road map. We

believe this balanced approach positions us well to navigate near-term uncertainties while building long-term value for you, our valued stakeholders.

So with that, let me conclude my opening remarks and hand over the proceedings to my colleague, our CFO, Sudhir Mirjankar. Thank you very much.

Sudhir Mirjankar:

Thank you, sir. Good afternoon to everyone on the call. Before presenting the financial numbers for Q3 and 9 months FY '26, I would like to highlight a few key points.

I'm pleased to share that the strong volume momentum has continued to sustain through 9 months of FY '26. The growth has been broad-based across our 2 major segments, Transfer Case and Components, both of which continue to demonstrate strong traction. Our Transfer Case business benefited from healthy volume uptake from key OEM customers, while our Components segment, which is predominantly export driven, continued its strong upward trajectory as global demand for our high-precision components remained steady.

Speaking of the financial performance of 9 months FY '26. In 9 months FY '26, we delivered our highest ever 9-month total income of INR261.4 crores, registering a strong 48% year-on-year growth from INR176 crores in 9 months of FY '25. This growth was led by a sustained momentum in Transfer Cases' volumes and continued robust performance in Components business.

On revenue mix, the Transfer Case segment delivered strong growth of 58% year-on-year compared to 9 months of FY '25. We have continued to witness healthy volume traction through the 9-month period, primarily driven by higher uptake from our key OEM customers, and we remain confident that this movement will sustain in the coming quarters.

The EV Transmission segment increased by 11% in 9 months of FY '26 compared to 9 months of FY '25. The segment has remained largely range bound due to subdued EV volumes in the market. However, we expect a ramp-up in the coming quarters supported by strong customer uptake and deeper integration across newer EV platforms.

The Components segment continued its robust performance, growing 117% in 9 months of FY '26 compared to 9 months of FY '25. This exceptional growth was largely export-led despite global market uncertainty. We expect this momentum to sustain in coming quarters as well.

Exports continue to steadily increase its share in the overall total income mix. In 9 months of FY '26, exports contributed around 17% of total income, and we are progressing well towards our medium-term target of 20% to 25%. Gross margin for 9 months FY '26 stood at 63.2%, mainly in line with 9 months of FY '25.

EBITDA for 9 months FY '26 came in at INR64.4 crores, registering a healthy 46% year-on-year growth from INR44 crores in 9 months of FY '25. The improvement was largely supported by a better product mix and operating leverage benefits arising from higher volumes, which resulted in improved absorption of fixed cost. EBITDA margin for the period stood at 24.7%.

Profit after tax for 9 months of FY '26 stood at INR31.4 crores, reflecting a strong 65% year-on-year growth from INR19 crores in 9 months of FY '25, driven by enhanced operating efficiency and higher volumes in major segments, leading to further strengthening of overall profitability. PAT margin stood at 12%. Additionally, during the quarter, the company recognized an incremental financial impact of INR76.5 lakhs pursuant to regulatory changes under the newly notified labour codes.

Coming to quarterly numbers. In Q3 FY '26, we have surpassed our previous best performance, which we achieved in Q2 of FY '26, which itself was a record quarter for the company. We delivered our highest ever quarterly total income of INR96.3 crores, registering a strong 68% year-on-year growth from INR57.5 crores in Q3 of FY '25 and a 9% sequential growth over Q2 of FY '26.

EBITDA for the quarter stood at INR23.4 crores, reflecting a 72% increase from INR13.6 crores in Q3 of FY '25 and a 6% sequential growth over Q2 of FY '26. EBITDA margin for the quarter was healthy at 24.3%. Profit after tax for Q3 FY '26 came in at INR11.8 crores, marking a 125% year-on-year increase from INR5.2 crores in Q3 of FY '25 and a 9% sequential rise from INR10.7 crores in Q2 of FY '26. PAT margin for the quarter stood at 12.2%.

This consistency in performance reflects the strength of our product portfolio, the resilience of our customers' relationships and the disciplined execution of our teams across functions. With the visibility we currently have, the opportunities in the pipeline, we expect this positive movement to continue in the coming quarters as well.

That's it from my side. Now I would like to open the floor for questions and answers. Thank you.

Moderator: The first question is from the line of Mahesh Bendre from LIC Mutual Fund.

Mahesh Bendre: Congratulations for very strong numbers and recovery across all the business segments. Among all the businesses, I think the Components business is showing a very strong strength now. Despite tariff in U.S., still we have been scaling up. So sir, what is the outlook for this? Or do you see some point of time, this business can become bigger than the Transfer Case?

Jitendra Divgi: Yes. Thank you. That's an important question. It gives us a very good opportunity to provide some further amplification and light on this important subject.

See, you have to understand that the United States has imposed higher duties across all countries. Our principal competitor for precision manufacturing is actually China, not Japan or Korea or Europe, who actually are very expensive countries to buy from. And China faces today a duty of almost 60% on equivalent components, which is why I said that we have an overwhelming decisive advantage against China.

India, of course, has to compete against with countries like Thailand and Vietnam in some auto components. But when it comes to powertrain components, India has a decisive advantage. We get inquiries practically every week. And now that there is some clarity, long-term clarity on how the U.S. administration, regardless of which party is in power, will handle the import

regime, we can now do our long-term planning in a clearer way. That is why my brother and I are in the U.S. in the first week of March to investigate which part of the U.S. would be the best place to set up an initial sort of beachhead presence, if I may say so.

We need that to have deeper engagement with our customers, that include: BorgWarner, Magna, Ford and General Motors, among others. We are also in talks with Mahindra in North America. So we have, as you can see, 3 to 5 critical anchor customers that we are working with.

And based on the nature of inquiries that are coming, they are of two types. One is immediate outsourcing of relatively low-value components that people want to get out of China because of the very high duties. And the other one is really long-term new developments that are happening for new vehicle programs in the U.S. The end applications are almost always with vehicles that come from Ford, GM, and Chrysler, even if it is through one of the big Tier 1s.

The U.S. market continues to remain vibrant. And so even if there are sort of a little more volatilities there compared to India, that market size is much larger. Over the years, what has happened is the United States because of globalization, has sort of de-invested in capabilities like this.

So even if the government wishes to bring back manufacturing into the U.S., which is itself a sort of questionable proposition, it will take a lot of time. And it will take a far more graduated and nuanced approach if they have to be successful. The current sledgehammer approach of applying uniform duties across all categories of imports, we believe is not going to work.

So in the short term and medium term, the demand position is very good. And our teams have done a fantastic job of executing extremely precise specifications on components. In one particular instance, the customer has actually de-sourced an American supplier and moved that business to India, not so much. Of course, the cost factor is always there, but it's more because of our quality and delivery performance.

So we clearly see that India has a decisive capability advantage today relative to suppliers in Europe, Mexico, I would say, even China. So we need to build on this capability, make sure that we sustain the capabilities we've built up in our organization, continue investing in education and training of our people and sustain that competitive edge.

If we do this, this business, I'm confident can be taken to more than INR200 crores between supplies out of here and a small presence in the U.S. Whether it is actually able to overtake the Transfer Case business is a question which is very difficult for me to answer, because we are also going global with our Transfer Case business.

The Transfer Case business has a huge advantage of scale because each unit sells for several, as you know, thousands of rupees. So if I sell a few thousand transfer cases, that's worth many, many thousand individual components. So from our standpoint, growing the Transfer Case business is actually a better idea and a better strategy in terms of creating a sustainable sort of moat or ring-fencing our business, okay? So -- but the idea is that they complement each other. They enable us to have some diversity in our portfolio, diversity of geography.

Let me conclude by saying that while technology-led innovation is the spearhead of our strategy, right behind that is geographic and customer diversity and product and application diversity. And it is with this approach that we can build a resilient business model.

So the short -- to conclude then, yes, we are optimistic about the Components business. We continue not only the West side, which is Europe, United States, Mexico, but we also continue to work hard in markets like Thailand, Korea, Indonesia, and also Japanese customers through the arrangement we have with Toyota Tsusho. I hope I answered your question adequately, Mahesh.

Mahesh Bendre:

Yes. Sir, just additional question. I mean, obviously, Transfer Case business you want to take globally, but it's a very sophisticated product. It will take time to get into global OEMs value chain. But meantime, there is a high possibility we can scale up Components business, where entry barriers may not be as high as Transfer Case.

So in that context, I was asking -- for next 2 years, given the opportunities because of the tariff on the Chinese players, is it possible to scale up for us significantly?

Jitendra Divgi:

Yes, yes. And we are making investments. We -- as you know, we have an office in Cologne in Germany. And we -- and that's the reason why we are investing in creating a presence in the U.S. So we certainly have the faith that the exports will give us a sort of sustainable way of continuing growth in the business. We are certainly very confident. So the answer to your question is yes.

Moderator:

The next question is from the line of Karthi from Suyash Advisors.

Karthi:

A couple of questions, sir, clarifications. One is on the order wins that you announced with Mahindra and Tata. Would there be any overlap between these volumes that you have indicated and the existing volumes? Or are these completely incremental?

More important clarification there would be what determines volumes out there, sir? Are these existing volumes that you are absorbing? Or is it like as they scale up in their markets, you would scale up volumes?

Jitendra Divgi:

No. So what has happened is, I think the Government of Indonesia had a tender out there, global tender. Companies across the world bid on it. And I think our Indian OEMs did just a fantastic job of convincing representatives of the Indonesian government that we could do the job. So the answer to your question is it is absolutely 35,000 each. It's an incremental order of 70,000 units.

The good news is that we are the exclusive transfer case supplier in both customers. So it is -- for us, if I may say -- pardon me for saying so, it's like a double whammy for us. This is going to be over and above whatever existing business plans they had originally in their budget for FY '27.

The concern, I think, is whether they have the capacity to manage -- we certainly have the capacity. I don't know about the OEMs, but these are time-bound export orders. They represent

a very, very critical opportunity to crack open the ASEAN market against some very tough competition from China and Japan and the Korean OEMs, if I may add.

So I don't think Tata and Mahindra are going to let go of this opportunity. These export orders will have very, very high priority. And we are working on a daily basis in coordination with these companies to smoothen the ramp-up, which is going on right now, and it will hit full tilt by the May, June time frame.

Karthi: Deliveries would be within the calendar year. Is that correct to understand?

Jitendra Divgi: Yes. Maybe from India, they will be delivered till the first few months of next year. But we certainly hope to finish our execution by December.

Karthi: Right, right. Just to add, sir, are these annual tenders, or would these be term contracts?

Jitendra Divgi: Yes. These are short-term contracts right now. But the nature of the business is such that once they deliver and they demonstrate their capability, given that both Tata Motors and Mahindra are listed companies and they are conscious of the implications of these contracts, they are not going to rest on these laurels.

I have no doubt that now taking advantage of this opportunity, both organizations will now step up their global marketing and sales because they've realized now that they have a decisive advantage for various reasons. I don't know if it's cost, it's geopolitical, it's many, many things. The ability to provide backup service, that's very critical for the Government of Indonesia, as it will be tomorrow for governments in Central Asia and North Africa, in South America. The world is a very big place, and I have no doubt that both companies will build on this achievement of theirs.

Karthi: Sure. I just wanted to reassure myself of the sustainability of these export volumes, which is why I was asking you this question, sir.

Jitendra Divgi: Yes, yes. But you are absolutely right. As of now, it is a specific contract. And obviously, it will conclude before the end of financial year FY '27.

Karthi: Sure. The other thing would be to clarify on the guidance that you gave. I wouldn't use the word guidance, rather your aspiration, shall I say?

You said on 15% to 20% growth on FY '20 base. So I mean, without being too cute about it, would INR1,000 crores by FY '30 be an ambitious target for you now, realistically speaking, given what you've experienced?

Jitendra Divgi: Yes. See, let me clarify, we are a little disappointed that we are not yet on the path to INR1,000 crores. That is going to depend upon picking up a contract in any one of our -- 1 or more of our 4 verticals. And just to reiterate for clarification, our 4 verticals are manual transmissions, 4-wheel drive systems, EV transmissions and automatics. Across these, one or more, we need a large order, which is several hundred crores to get on to the path to achieve the INR1,000 crores. We believe we are on that path.

We also have the faith that along the way, there will be, if I may say so, other serendipitous kind of opportunities like the one that has come this year. And my experience of the last 30 years shows that as you build the experience, opportunities do come along because there are customers who are watching you and they realize that here is a company that is reliable, dependable, and is well grounded in giving this kind of service.

So to come back to the crux of your question, 12% to 15% CAGR is something we are committed to. We believe that this year and next year, we will deliver that performance. Beyond that, we have many things in the pipeline. I'm not at liberty to -- because of confidentiality agreements and all that, to share all that. But suffice it to say that we are keen that by the next quarter, we should be in a position to give further updates.

--My request to our investor community friends would be to look at the last 4 to 8 quarters. Yes, there have been some blips, but two things have happened. We have not taken our eye off the ball in terms of financial discipline and persevere to deliver 20-plus percent plus EBITDA while investing in the growth, okay, which is a delicate balance. And every quarter or 2 quarters, once in 2 quarters, we are making announcements of interesting new ideas and breakthroughs, okay?

So next quarter, I hope to give you further updates on our automatic, but also on the EV transmission. We believe that our EV transmission product is also a global product, and it is going to be helped by a very strong domestic market. It is our domestic market that is unleashing the sort of innovative spirit in our company. And we will be leveraging and harnessing that as we go global. So our global competitiveness comes from our domestic market.

Karthi: Sure. Just a quick last question, sir. Profitability, is there any scope for going beyond the 20% range immediately? Or do you believe that for the moment, that is the number to work with?

Jitendra Divgi: Yes, I think that's -- by nature, I'm a very conservative man. I don't like to promise the earth and the moon. But our job is to be steady long term, okay? And much like a slow patient wise investor, long-term compounding is where we will deliver value. We are in this for the long term.

Our business is more than 60 years old. And through the thick and thin of the Indian history and economy, we have survived and delivered growth. So I ask you to have faith in that.

Moderator: The next question is from the line of Yash Mehta from AART Ventures.

Yash Mehta: Sir, congratulations on a very good set of numbers. Sir, first question is, could you throw some light on the exclusive distribution agreement with Toyota Tsusho? And is it different from the INR62 crore contract received from Tsusho in November?

Jitendra Divgi: Yes. so one is we have an agreement with Toyota Tsusho. And I can take the liberty to use the word exclusive because our understanding is that in the realm of Japanese OEMs, we will use Toyota Tsusho as our marketing and distribution agent. And reciprocally, Toyota Tsusho, if there is a need for drive frame components and systems in area of transmissions and transfer cases, our 4 verticals, we are their exclusive manufacturing partner in India, okay?

This is a matter of tremendous honor for us because Toyota Tsusho is an \$80 billion giant Toyota Group member company headquartered in Nagoya, Japan. And the confidence they have shown in us and with their help, we are growing global, especially in the Eastern Hemisphere in countries like Korea, China, Thailand, Japan itself.

Toyota Tsusho is an invaluable partner for us. The products that we make because of their uniqueness in their configuration and technology often require inputs that come from across the world, and managing logistics when you're operating at scale is a tremendous competence. Toyota Tsusho is a partner for us in this endeavor with their competence. And because of their scale, they are able to handle logistics extremely efficiently and extremely competitively. So both inbound logistics of import components and outbound logistics of our products, this is where our partnership will work.

Now in the current instance where we have a Japanese OEM, having the cultural dexterity of our Japanese colleagues in Tsusho to persuade the Japanese, both in India and in Japan has been invaluable for us. And by sort of giving our Japanese OEM customer critical insights about our capability, Toyota Tsusho has really lived up to their promise of being a good partner to us. So this is how we are working.

One thing I like about the Japanese culture and approach is they are slow, but they are extremely committed, and it's like water eroding rock. Over time, they will deliver. And winning this OEM contract is absolutely the proof that it can be done. And you will hear more such interesting announcements as we go ahead.

The next step for us now, one is this Transfer Case contract with the Japanese OEM is in India. The next step is to -- with Tsusho to go overseas. And the markets we are looking at are Thailand, China, and Korea. And our team is very confident. We have just come back from visits to all these countries, and there is a tremendous optimism in my sales group to deliver something in the next 3 months.

Yash Mehta:

Have you won any new defense orders for transfer cases?

Jitendra Divgi:

No. So the way this works is we have developed this product that is being used by companies like Mahindra, Tata, Bharat Forge. Tomorrow, it will be used by Eicher. So all these truck companies that are in a position to provide mobility platforms that are armor plated, we will be working with them. Because we have supplied many thousand units, our name is quite well known in the army circles. We do a lot of training of army personnel on frontline forward basis, like whether it is Arunachal or Rajasthan or Punjab.

Recently, in Operation Sindoor, the Mahindra Armado was used for many -- for like tactical radars, anti-tank guided missiles, like canon, and they did a terrific job on the border.

So with this track record, what this means is that this market is now global, not just Indian defense manufacturers, but defense manufacturers all over the world are being targeted by us now. So it's an exciting space. Also, the Indian Army operates in the world's most diverse battlefield terrain. We have temperatures like Siberia, in Ladakh. We have temperatures like the African Sahara in the Thar Desert.

We have rain and like on our Eastern borders, flat planes in Punjab, so high-speed, temperature, sand, snow, ice, you name it, the Indian Army operates there. And to have the endorsement and approval of the Indian Army, I feel, which is, in my humble opinion, one of the best armies of the world, is a tremendous, tremendous stamp of approval. And this will give our people the self-confidence to take our product line globally.

So -- and I think with the changing perception of India, you can see the FTA with the EU, with the U.S., the people are now digesting the implications of what happened in Operation Sindoor the diplomatic health of India, the perception of India is changing. And I would encourage you to look at the order that Tata and Mahindra won in Indonesia as a continuing sort of event of this whole transformation that is going on with India.

So yes, we are very, very -- this is how we look at about the view of our customers and view of ourselves in this rather interesting time that we live in. I hope that answers your question.

Yash Mehta: Just one last question. The Components revenue was a bit flat Q-on-Q. So any challenges on the Components front during the quarter?

Jitendra Divgi: Let me see. I'm just looking at -- yes. See, the components have picked up relative to last year, and it is a sort of continuing execution of schedules that we have. You will not see quarter-to-quarter, but I would suggest that you look at year-to-year when we look at Components. The encouraging thing is Components, if you look at Q2 versus Q3 FY '26, exports have not gone down. Marginally, it is up. I think it's from 18.3% to 18.8%. But compared to last year, you will see that exports have gone up 5x and domestic components have gone up or the overall component base has gone up 124%.

Moderator: The next question is from the line of Saania Jain from Care PMS.

Saania Jain: Congratulations on a good set of numbers. My first question is on Transfer Case. What are the current volumes that we serve in this business? And what would be the peak volume that we can serve? Just wanted to understand what kind of capacity we have and the capacity utilization right now?

Jitendra Divgi: Yes. So right now, I think this year, you can see that just the Indonesia volumes are -- and this is now pretty much in the public domain, because both Tata and Mahindra have also published, I think, this update with the stock exchanges. That demand is 70,000, plus we have what already was going on within India with these customers.

Our view is that we have 2 assembly lines that we are working on. We are working towards modernizing productivity. That was a decision that was taken earlier to sort of bring in better automation and productivity and modernize these lines, which we were typically running 1 to 2 shifts. We have the ability to operate both lines, 3 shifts and ramp up the volumes. But these products also have components that we have to manufacture.

But there is always a little bit of up and down if one segment is up, some other segment is down. So the relative sluggishness in EV means that assets that we have invested in that space are now

available to us for this ramp-up, leading to better utilization. And I think that is the advantage we have that our assets can move across our verticals rather seamlessly.

The question, I think, is if we achieve this, then what happens next year and the out years. And our view is that the component capacity that we are going to use now for transfer cases will also then be available for our EV business, for the manual transmission business and most importantly, for our automatic transmission business.

So to sort of come to the crux of your question, we have the capacity now and with a few incremental productivity enhancements, we will have the capacity to go up to almost 8,000 to 9,000. Yes, 9,000 units. I'm just consulting my COO Mr. Dipak here. 9,000 units a month. And we believe that gives us the ability to support our customers over the next 12 to 15 months.

Saania Jain: Could you quantify the current volumes? Like -- in quarter 3, what were the volumes that we did?

Jitendra Divgi: I think we are averaging now about 13,500 to 15,000 per quarter.

Saania Jain: Similar question on the EV drivetrain side. What are the current capacity utilization there? And when do we expect a meaningful utilization ramp up?

Jitendra Divgi: Yes. Excellent question. On the EV, which we launched in the summer/monsoon of 2023, we were told then by our customers to line up capacity of 100,000 units. In the first 2 years, the capacity utilization was most disappointing. It was at around, I would say, 20% to 25%. That segment continues at that level, about 25% to 30%. But with this new product that we have, which last 2 quarters, we have -- if you've gone to the PowerPoint presentation we have uploaded, it's called Project Sigma. That is expected to give us at least additional 3,000.

So my sense is that the capacity utilization by another 3 months should improve to about 40% to 60%. So in other words, we'll go from the very low of 20% we had a year ago to -- we could be doing more than 50%. So that is about 50,000 to 60,000 a year instead of the 20,000 per year we were doing.

I would sort of -- just to build on the implication of your question, Saania, the EV market is something which excites us a lot. I know it's been disappointing so far. But if you talk to the management at Tata and Mahindra and other OEMs, the kind of investments that are going on, are going to drive this market up. The investments are going not just into vehicle building, but also charging infrastructure. And once the charging infrastructure comes up to speed, I'm telling you the EV vehicles will be as common as ICE. And I won't be surprised that if India reaches 30% to 40% EV.

In addition to that, 3-wheeler, last mile delivery, we are going to see electric propulsion simply proliferating. And unlike Europe and the United States, where in cold temperatures, the efficiency of the electric powertrain can be a little questionable, we don't face that problem because most of metropolitan India is sort of warm temperate climate and most of it within the tropics. So we have no such problem.

You consider the fact that congestion and the attendant -- pollution, or air quality is such a hot potato in India that state governments, municipalities will be legislating for EV propulsion as time goes by. So we are very confident. We have a very unique model. And one thing that highlights our ability is the speed of execution. This is very critical in the area of EV.

So I'm confident that within India -- I mean, using India as a base, our ability to reach out into global markets with EV transmissions will take our capacity utilization to eventually more than 70%, 70%-80%.

Saania Jain: Okay. But are we in talks with any other OEMs, like for export of EV transmission?

Jitendra Divgi: Yes, we are in talks with a variety of both Tier 1s and OEMs. So generally, the pattern that we are seeing is there are large Tier 1s. So like the Toyota Group will have its Tier 1. The Hyundai Group has its Tier 1. At Tata Motors, it is Tata Auto Components. Mahindra works with big Tier 1s like Schaeffler or Valeo, right? And they need -- many of these companies are still importing from China. The only company I can tell you that has done justice to localization in India is really Tata Motors only. None of the others have any local content.

Moderator: The next question is from the line of Devansh Shah from Credent.

Devansh Shah Sir, just two questions. So one is regarding the transfer case for our Tata Motors and Mahindra & Mahindra. So there's a 70,000 unit requirement. So will our transfer case be present in all the 70,000 units? Because I assume there will be some 2-wheel drives as well, right?

Jitendra Divgi: No. These orders are for -- it's 100% 4-wheel drive. Because Indonesia -- the Government of Indonesia is deploying these pickup trucks for agricultural cooperators across Indonesia. And I don't know how familiar you are with the geography of Indonesia. Indonesia spans many time zones east to west, and it is one massive country. It's about 2/3 the size of India, so over 2 million square kilometers.

And their agricultural cooperatives evidently are managed by some kind of a central agricultural ministry, and they need pickup trucks for -- to navigate through rural Indonesia, which is very much like Tropical India, and they need these pickup trucks there. So most of it is off-road in farm sort of areas where they need the 4-wheel drive.

So 100% 4-wheel drive, and we are today the only supplier because this is a highly sophisticated drivetrain aggregate. You can't just get up one morning and say, I'll develop some supplier. Development of a transfer case, even a simple manual shift mechanical transfer case, integration into vehicle needs at least 18 to 20 months of development work.

Devansh Shah Just one more question, sir, we'll be also executing INR800 crores plus revenue in the next 7 years, right, from H2 FY '27?

Jitendra Divgi: Yes. So I think we had put out -- that was the cumulative life cycle volume we had put out for the global pickup truck that is being launched by Mahindra next year.

Devansh Shah So this is different. And how would the ramp-up of this vehicle, if we go year by year?

Jitendra Divgi: See, we have a sort of rough annual volume. The exact launch plan has not come to us. But remember, if this is what Mahindra can do with their 10-year-old Scorpio pickup, enhanced with both manual and automatic transmissions and their ability to stay abreast of evolving emission norms, you can imagine what they will do with a global quality pickup that rivals the something like the Toyota Hilux or the Isuzu D-Max. So we have no doubt that Mahindra is going to live up to its global vision.

Just to put things in perspective, if you look at where Mahindra was in 2021, okay, before they launched the Thar and the Scorpio N and the XUV family, which is 3XO and 7XO they were just over -- I mean, I could be off here and there, but about 200,000. Now FY '26, they are India's second largest OEM, and they are outproducing Hyundai with SUVs, SUVs only, they don't make cars. And they are close to somewhere between 650,000 and 700,000 units.

So their size has tripled in 4 years. So -- and we are their only 4-wheel drive supplier. So that's the -- you could say the tide that we are riding just now. I can tell you, Mahindra is the most exciting SUV company in the world right now.

Moderator: The next question is from the line of Anurag Jain from AART Ventures.

Anurag Jain: Sir, just on this Mahindra Global pickup order, are these vehicles assembled in the South African facility of M&M? Or are these completely made up and exported from India? The reason I ask this is because there were some talks of additional duties being imposed on vehicle imports into South Africa. So I just wanted to check

Jitendra Divgi: No. Mahindra currently, I think for South African market, they do it in South Africa. But the rest of the world, where the -- it's possible for them to export completely built units, those are built at their -- the Scorpio pickup is built at their plant in Nashik in Maharashtra.

Anurag Jain: Okay. But for South Africa, it's assembled in the South African...

Jitendra Divgi: But the South African market right now is quite modest. The Mahindra has markets in South America, North Africa, Southeast Asia, Australia. So for these markets, the vehicles all go from India.

Anurag Jain: For this specific order, this is only for the South African market, right?

Jitendra Divgi: No, no. The current order that we are talking about, that we've been talking about in this call is from Indonesia...

Anurag Jain: INR700 crores.

Jitendra Divgi: No, no, no. That will be built -- if my memory tells me, it's going to be built at Chakan, I think, right? Yes, the new global pickup will be built at their new state-of-the-art facility in Chakan in Pune.

Moderator: The next question is from the line of Karan Gupta from ACMIL.

Karan Gupta: Yes. So the total order book as on quarter 3 if you can tell us.

Jitendra Divgi: Yes. I think the -- whatever Q3 performance we had, I think we will be able to sustain that in Q4 and going forward.

Karan Gupta: Okay. Any quantification ?

Jitendra Divgi: We don't see any risk, the exact pattern in which it unfolds because we are ramping up right now for the Indonesian order. You can imagine to increase capacity of up to 6,000 units a year is not going to be possible in 1 month. So there's a ramp-up that we are on right now from February till June. And then it will go at a flat plateau till December. So therefore, whatever performance you saw in Q3 we will be sustaining that going forward.

Also, what happens is the vehicle production capacity, building that capacity at both Tata and Mahindra is a bigger challenge for them. Because not just for us, it's just a transfer case. They have to manage a gazillion different assemblies and components to put that vehicle together and do it with top-notch quality because remember, this is an export market in competition with the Chinese and the Japanese and the Koreans.

So they have to do a super job. And therefore, that's going to take time. And as they sort out their own bottlenecks, that's how the schedules will unfold over the next quarter to 4 to 5 months. So the exact nature is difficult to predict, but it's safe to say that it will be a sort of soft ramp on which the numbers will be going up.

Karan Gupta: So is this for Transfer Case -- 9,000 units per month, the capacity you have, right, 9,000 units?

Jitendra Divgi: Today, we need to keep that capacity because you can just see that the export demand is going to be about 6,000 units. 70,000 units is close to 6,000 a month. And then in addition to that, there are other export markets plus the domestic requirement.

Karan Gupta: Okay. And 13,000 to 14,500 per quarter you are currently producing basically. So it's basically 50%, 50% of capacity utilization currently.

Jitendra Divgi: Yes, close to that. You can draw your inferences from that on what that means for profitability.

Karan Gupta: So maybe in 2 to 3 years, if this can go up to 70%, 75%, and we are utilizing optimal level, is that the margins we can assume it will go up from 20%, excluding the other income to something around 25% on the pre-COVID levels kind of thing?

Jitendra Divgi: Yes. I think you're making many assumptions.

Karan Gupta: That's the basic assumption...

Jitendra Divgi: No, the reason I say that is our ability to grow the transfer case market globally has its challenges, okay? We are confident, but to sort of bet everything on that one horse would not be prudent, which is why we have these other verticals as well, because the assets that we have in manufacturing and assembly can be cross deployed. So we don't want to sort of bet on any one single horse. So the ability to have 4 verticals and components thereof is what will give our business resilience.

So you're right. I mean, if we are able to get to 70% consistently utilization, obviously, the profitability will improve. But there is a caveat, which is that if we have to win business at that scale, it may not be at the current profit margins. We may have to -- there may be price pressures that comes because a lot of this will be at the expense of somebody else. And we know we are competitors.

And before the Ukraine war broke out, we were exporting transfer cases to Russia. We are in negotiations in other parts of the world, but somebody else is going to get affected and that somebody else could then respond competitively. So this is a dynamic situation, and it would not be wise and prudent to make a categorical statement on business top line and profitability.

Karan Gupta:

Just one on -- again, on the total order book we have, except this 70,000 transfer case order book, what else, I mean, in terms of quantification you can tell us that we have for the next maybe 1 or 2 years, so that we can see the visibility on the top line.

Jitendra Divgi:

So the other one would be component exports to the United States, Europe, and Mexico. We have very good visibility on what is happening there because we're getting very good RFQs. We're getting very good responses to the quotations that we are giving. And it is because of this that the top purchasing management of one of the world's largest Tier 1s, which Magna is a \$40 billion Tier 1. They are larger than many OEMs in India, have invited us for a supplier conference in Detroit to discuss, and they see us as a strategic supplier. We are in talks with Ford and GM as well in the U.S.

At the risk of repetition, let me say that, that is why we are looking at a presence in the U.S., because we need to be engaged with them in a more concentrated sustained manner. And that will be possible only if we have a presence in the United States in the same time zone. So that is another market.

The other market is EVs, both in India, globally. And I don't have the time now to go into the technical kind of details, but there's a lot of innovative stuff happening in our company, which will enable us to be a very fast responder in product development. The EV market is going to be characterized by speed. And if you apply the old ICE templates, you're not going to succeed in the EV industry.

Tata Motors is doing that, and they're doing a great job. We can do a better job, and by working with them, we are learning some valuable lessons. They are, by far, the market leader today. So that EV segment is one. And the mother of all markets is the automatic transmission. And as I mentioned in my opening remarks, we are working on a proof of concept.

We have our road map. What we need to do is back that first commercial order that will -- and our approach is going to be deep localization, deep localization of the type that we have done on EVs, on transfer cases, on synchronizers, on specialty components that we make where we understand design, testing, manufacturing. And if we bring that approach, our vision is to be a deep -- to make automatic transmissions with deep indigenous technology. So that segment is really the mother of all opportunities, because that will put us on track to cross INR1,000 crores straight away.

Moderator: Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Jitendra Divgi: So yes, I would just like to conclude by thanking our stakeholders for the penetrating questions because these questions give us the opportunity to provide clarification to bring some color to otherwise and to bring life to the story and the narrative that we have. They are also important for my colleagues who are sitting here and listening in on this conversation and to take some valuable insights from the questions that are raised.

So I just want to say thank you very much. We always look forward to these earnings calls because they are so stimulating and we go away refreshed with a lot of ideas and insights. So I look forward to our next quarterly call and I'm sure it will be equally productive and engaging as this one was. So, on a concluding note, thank you so very much.

Moderator: Thank you. On behalf of Centrum Broking Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.