



22nd April, 2026

To,

The Manager (Listing), The BSE Ltd. Mumbai	The Manager (Listing), National Stock Exchange of India Ltd. Mumbai
Company's Scrip Code: 505700	Company's Scrip Code: ELECON

Sub. : Transcript of the Earnings Conference Call held on 16th April, 2026
Ref. : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to the above referred Regulation and in continuation of our letter dated 11th April, 2026, please find attached herewith the transcript of the Earnings Conference Call held on 16th April, 2026 for Q4 of the Financial Year 2025-26.

The same is available on the website of the Company at <https://www.elecon.com/investors/audio-video-recordings-and-transcripts-of-post-earnings-quarterly-calls>.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,
For Elecon Engineering Company Limited,



Bharti Isarani
Company Secretary & Compliance Officer

Encl.: As above



Cranes



Rubber Industry



Marine Industry



Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

Gearing industries. Gearing economies.



“Elecon Engineering Company Limited
Q4 FY '26 Earnings Conference Call”
April 16, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording
uploaded on the stock exchange on 16th April, 2026 will prevail



MANAGEMENT ELECON ENGINEERING COMPANY LIMITED:

MR. AAYUSH SHAH – DIRECTOR –
MR. CHINTAN SHAH – CHIEF FINANCIAL OFFICER –
MR. DIPAK DALWADI – HEAD OF GEAR DIVISION –
**MR. KAUSHIK PATEL – HEAD OF MATERIAL
HANDLING EQUIPMENT DIVISION**

**MODERATOR: MR. ABHISHEK TAPARIA – EMKAY GLOBAL
FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Elecon Engineering Company Limited Conference Call hosted by Emkay Global Financial Services 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 and then zero on your touch-tone phone.

I now hand the conference over to Mr. Abhishek Taparia, Emkay Global Financial Services Limited. Thank you and over to you.

Abhishek Taparia: Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Aayush Shah, Director, Mr. Chintan Shah, CFO, Mr. Dipak Dalwadi, Head of Gear Division and Mr. Kaushik Patel, Head of Material Handling Equipment Division. I shall now hand over the call to the management for their opening remarks. Over to you, gentlemen.

Aayush Shah: Thank you, Abhishek. Good evening, everyone, and a very warm welcome to Elecon Engineering's Quarter 4 and FY26 Earnings Conference Call. Joining me today are Mr. Dipak Dalwadi, Head of Gear Division, Mr. Kaushik Patel, Head of MHE Division and we would like to welcome our CFO, Mr. Chintan Shah, who joined us recently. He brings nearly 19 years of experience and we are confident that he will play an important role in driving Elecon's continued growth.

The earnings press release and investor presentation have been uploaded to the stock exchanges and are also available on our website. I trust that you have had the opportunity to review them. I will begin with a brief overview of the operating environment and our business performance, following which Chintan will take you through the detailed financials.

Elecon Engineering marks a significant milestone this year as we celebrate 75 years of engineering excellence, innovation and strong customer partnerships. Over the decades, we have established ourselves as one of Asia's largest and leading providers of industrial gear solutions and material handling equipment, supported by deep domain expertise and strong technical capabilities. Our Material Handling Equipment Division continues to build strong momentum and remains a key growth driver for the company.

With a legacy of over seven decades, the division has developed specialized capabilities in designing and manufacturing large, complex and high-capacity systems including conveyors, port equipment, feeders and other critical infrastructure. These capabilities are limited to a select group of players in India, providing Elecon with a distinct competitive advantage, serving core sectors such as power, steel, cement, ports, mining and fertilizers. The MHE business consistently delivers customized, high-value solutions that enhance operational efficiency and reliability for our customers.

In the Gear Division, Elecon continues to maintain a leadership position in India's organized industrial gear market. We offer a comprehensive and diversified portfolio ranging from heavy-duty gearboxes to precision engineering components catering to industries such as steel, cement, sugar, power and marine. Our continued focus on research and development ensures that

innovation, product customization and end-to-end life cycle support remain central to our offerings.

With a strong domestic presence, an established distribution network and long-standing customer relationships, Elecon is well-positioned to enter the next phase of growth and further strengthen its presence across key markets both in India and internationally.

Moving to segment-wise performance, the Gear Division, which accounted for approximately 63% of consolidated revenue in Q4, reported revenue of INR472 crores, reflecting a decline of 21% year-on-year. This was primarily due to delayed order inflows, extended dispatch timelines and customer-led deferment of delivery amid ongoing macroeconomic and geopolitical uncertainties.

While near-term performance was impacted by external factors, the underlying demand fundamentals remain intact. We expect a gradual normalization in timing differences for order flows and execution as market conditions stabilize. During the year, we secured a healthy inflow of orders across key sectors including power, steel, cement and material handling equipment. And as we are carrying a strong open order book for the next year supported by a strengthening demand environment and a healthy project pipeline, we remain confident in the Gear Division's ability to regain momentum and deliver improved performance going forward.

The MHE Division, which contributed approximately 37% of the consolidated revenue in Q4, continued its strong growth trajectory, posting a 37% year-on-year increase in revenue during the quarter. This performance was driven by sustained demand across core sectors such as power, cement, mining and ports along with consistent execution. Looking ahead, we remain confident that the division will maintain its growth momentum supported by a healthy order book, strong sectoral outlook and continued customer engagement.

Despite the challenging environment, we delivered moderate consolidated revenue growth of 6% in FY26. The underlying fundamentals across both divisions remain strong. A robust order book and strong order execution pipeline provide clear visibility for sustained growth in the coming financial year.

Elecon remains committed to its long-term growth strategy with a clear focus on portfolio diversification, expansion into new sectors and geographies and continuous strengthening of our engineering and execution capabilities. As part of our strategy to expand into international markets, we are pleased to announce the recent establishment of a step-down subsidiary in Mexico, further strengthening our presence in the Latin American region.

On the domestic front, core sectors are expected to continue driving sustained capital investment and we are well-positioned to capitalize on these opportunities through our strong capabilities and market presence. Supported by strategic capital expenditure, strong in-house R&D, differentiated product offerings and a proven ability to deliver customized, high-quality solutions, we are well-positioned to address the evolving and increasingly complex needs of our customers. We believe that current challenges are transient and do not alter our long-term growth trajectory.

With this, I now hand over the call to our CFO, Mr. Chintan Shah, who will take you through the detailed financial performance for the quarter and full year FY26. Over to you, Chintan.

Chintan Shah:

Thank you, Aayush. Let me give a quick walkthrough of the financial performance for Q4 and then for the full year FY26. Financial performance Q4 FY26; for the quarter ended March 2026, our consolidated revenue from operations stood at INR746 crores compared to INR798 crores in the corresponding quarter of the last year, reflecting a moderate year-on-year contraction.

This quarter's performance was primarily impacted by a slower conversion of the order pipeline into revenue, in line with a broader industry trend of uneven execution cycles across all capital-intensive sectors. Several customers across key end-user industries recalibrated their capex schedules, leading to a shift in the business direction across the value chain. The underlying demand environment remains constructive.

Domestic markets contributed almost 82% of the consolidated revenue, while international markets accounted for 18%. During the quarter, consolidated order inflows stood at INR657 crores, registering a year-on-year growth of about 1.9%. Consolidated EBITDA for the quarter stood at INR158 crores, with a margin of 21.2%.

Profitability was impacted by operating leverage due to lower revenue conversion, marginally higher employee costs, along with a change in the product mix. Net profit for the quarter came in at INR108 crores, translating into a PAT margin of 14.5%. This excludes the one-time impairment of goodwill of INR102 crores, recognized as an exceptional item. We expect margins to improve gradually as execution accelerates and volumes pick up.

Now moving to performance for the year ended March 2026. For the full year FY26, adjusted consolidated revenue stood at INR2,341 crores compared to INR2,227 crores in FY25. This excludes the realized arbitration award of INR25 crores recorded in the first quarter of FY26 in the MHE division. Adjusted EBITDA for FY26 stood at INR498 crores, with margins of 21.3%, remaining broadly stable despite near-term execution volatility.

Apart from arbitration award realized as said earlier, additionally INR10 crores were recognized under other income as part of the arbitration settlement. Furthermore, this year also included an exceptional gain of INR80 crores below profit before tax, representing unrealized mark-to-market gain arising from the reclassification of investments as well as impairment of goodwill. Impairment of goodwill of INR102 crores was recognized as an exceptional item. Including all exceptional and one-time items, reported PAT for FY26 stood at INR341 crores.

Moving to segment-wise performance, starting with the Gear Division. The Gear Division contributed 63% of consolidated revenue in Q4 FY26 and continues to be the largest contributor. Revenue for the quarter stood at INR472 crores compared to INR597 crores in Q4 FY25. The performance reflects a temporary gap between the order booking and deferment of delivery driven by the phasing of execution in large industrial projects.

Importantly, demand fundamentals remain strong, supported by sustained customer engagement and a healthy inquiry in pipeline across both domestic and overseas markets. EBIT for the division stood at INR91 crores versus INR147 crores in the same period last year, with margins

at about 19.3%. Margins were impacted by lower throughputs and changes in the product mix. However, these are transitional factors and we are expecting the same to be normalized as execution improves.

Order intake remained strong at INR550 crores during the quarter and the open order book that we have is about INR894 crores as of March 31, 2026. This provides good visibility for the coming quarters. As execution timelines normalize and macro conditions stabilize, we expect the Gear Division to return to a steady growth trajectory.

Moving to Material Handling Equipment Division, the MHE Division continued its strong growth momentum in Q4 FY '26, reinforcing its role as a key growth driver. Revenue for the quarter increased to INR274 crores from INR200 crores in Q4 FY '25, reflecting a robust growth of 36.8% year-on-year.

This performance was driven by sustained demand across sectors such as power, cement and ports, supported by both replacement demand and ongoing industrial infrastructure investments. EBIT for the division stood at INR62 crores compared to INR59 crores in the corresponding quarter of the last year, reflecting stable profitability despite a dynamic revenue mix. Margins remained healthy, supported by a balanced contribution from equipment sales and aftermarket services.

Order inflow during the quarter stood at INR107 crores and the order book closed at INR398 crores as of March 31, 2026, which again provides a strong foundation for continued growth. We continue to see the MHE Division as a structurally high-growth segment, supported by long-term trends in industrial automation and increasing focus on material handling efficiency.

Moving to balance sheet and capital allocation. On the balance sheet front, we continue to maintain a strong financial position, with a net cash balance of approximately INR700 crores. This provides significant strategic flexibility to pursue growth opportunities while maintaining financial discipline.

The Board has recommended a final dividend of INR1.50 that is INR1.5 per equity share having a face value of INR1 each, which is subject to shareholders' approval.

While our performance for the year was below initial expectations, this was primarily due to geopolitical uncertainty, an unfavourable product mix and delays in customer-led deliveries.

Given the continued macroeconomic uncertainty and limited near-term visibility, we believe it is prudent to adopt a cautious approach. Accordingly, we are holding our guidance for FY '27 at this stage and will revisit our outlook once there is greater clarity and stability in the operating environment.

With that, we conclude the detailed financial review and now open the floor for questions. Thank you.

Moderator:

Thank you. We will now begin the question-and-answer session. We have the first question from the line of Animesh Jain, an Individual Investor. Please go ahead.

Animesh Jain: Thank you for the opportunity. My first question is, the Gear-to-MHE ratio was 63:37 for quarter 4, as against the historical trend of 75:25. Do we expect this as per the trend going forward and its effect on the EBITDA margin?

Aayush Shah: No. Going forward, the EBITDA margin should not be affected. We still do expect further growth in the Material Handling Division going forward while the Gear Division also grows. So, the mix might change further, but we do not expect the long-term margin to vary.

Animesh Jain: Thank you. And my second question is, can you give me the number of domestic and export split for Gear and MHE, and the...

Aayush Shah: Can you repeat it? We could not hear you very clearly. If you could repeat that please.

Animesh Jain: So can you give me the domestic and export split for Gear and MHE and engineered versus catalogue mix for Gear for the quarter 4?

Management: So, the mix of engineered versus catalogue is -- for the quarter CP is 55%, that is the standard product, and engineered product is 45%, that is the customized product. And for the year FY '26, catalogue product is 55% versus engineered product being 45%.

Animesh Jain: Okay. And my last question is, what issues is MHE facing since order inflow for the quarter was a 10-quarter low?.

Kaushik Patel: It is a timing difference. In fact, we were expecting certain opportunities to be converted into orders, but it has been deferred for Q1. In fact, in the month of April, we have already received almost more than INR15 crores orders. So, we are hoping that in April month itself, we can mitigate that gap of Q4, which has been generated.

Moderator: We have the next question from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Sir, we have a capex program of INR400 crores. How much was spent in FY26? And if you could share what is the capex split between Gear and MHE? And I am trying to understand the ROCE part also. I think ROCE has fallen from 29% in FY24 to 20.4% in FY26. So, I am trying to understand with higher capex and lower margins, when we can be able to bounce back to at least a 25% level by FY28.

Chintan Shah: So, let me take the lead on this question. This is Chintan. We have a capex plan, as we just last quarter of these INR400 crores between FY26 to FY28. We have roughly spent about INR95 crores towards different-different categories. After that, if you want to have a split, Gear has almost 80% of the spend and MHE has the rest of the spend. Coming back to your question on ROCE from FY24 to FY26, it's a valid question.

What I want to highlight right now is, as we grow, our base for equity and capital employed increases. And if you look at the quality of the total capital that we employ, almost INR800 crores of the balance that we have is parked in different forms of investments. Now, we have a policy of investments where we are very conservative with the investments, and so the yield on the investment is about 8%.

So, this is point number one. Point number two, every year in the last two years, we have generated average cash post-tax of about INR300 to INR350 crores. So, every year, we have added new cash to the capital employed. But to that extent, our capex has not happened. So, we have not increased our installed capacity by way of increasing the capex. So, as we move through this year and the next two years, we will have our own capex.

We will build the capability, increase the installed capacity and have and we will see the results in terms of revenue increase and the EBITDA increase, improving the margin. Having said that, this position of INR750 to INR800 crores that we have as an investment is a good problem to have.

That gives us the flexibility to remain open for any strategic investments as well as expansion. We are just closely monitoring the macroeconomic conditions and would like to continue with this same approach at least for some more time till the time we have clarity on the expansions that we want to do.

Balasubramanian: Sir, on the defense side, one of the Navy orders impacted our margins. However, the future RFPs also pushed out, like Corvette by Q3 FY27 and IAC also in Q1 FY27. So, like whether we can be able to win at least one or two Navy orders by FY27 and how long it will take to get larger defense contracts, and are we qualified for upcoming Navy orders?

Dipak Dalwadi: Yes, I am Dipak here. So, for this financial year, Q4, we are expecting a very good order from the Indian Navy and that is a big order at this moment.

Balasubramanian: Okay, sir. As a follow-up on that, I think it's an initial order and we might have a lower margin. Maybe in upcoming defense orders, can we expect higher margin levels?

Dipak Dalwadi: So, as far as these are project orders, margins are actually good margins. For small orders, of course, there will be a margin gap. But for this kind of a big project order, there are good margins.

Chintan Shah: Just to refine the answer, the first order that we executed, and as we discussed in our last call, since the first order has a lot of developmental initiatives and activities, we had a slightly lower margin as we communicated last time that 1% or 2% margin was lower. If we get a repeat order of the same grade that we are talking about, then yes, the margin will be good. And in terms of timeline, it's almost two years that we see.

Dipak Dalwadi : Yes, these kinds of project orders are executed between two to three years.

Balasubramanian: Okay, sir. My last question, first thing about what is our current capacity utilization level in Q4? And secondly, I try to understand our pricing power. If we could you rank your end markets -- power, steel, cement, mining, defense, sugar, plastic and rubber by the pricing power side? So where have we seen more competitive pricing pressure and where we are getting a higher margin?

Dipak Dalwadi: So far capacity utilization is concerned, we are at this moment with the addition of capex is around 56% to 60% utilization is there.

- Balasubramanian:** Yes, sir the second one.
- Dipak Dalwadi:** So for answering your second question, our engineered products have a better margin than the catalogue products. So, definitely, we are going for the better margin engineering products.
- Balasubramanian:** Okay, sir. Okay, thank you.
- Moderator:** Thank you. We have the next question from the line of Raj Shah from ENAM AMC. Please go ahead.
- Raj Shah:** Thank you for the opportunity. My first question was, sir, on the revenue front, if we see on the export side for the quarter, we have largely maintained what was there in the same quarter last year. But when it comes to gears, especially in domestic gears, the revenues are down by 27%. So within gears that too in the domestic geography, exactly where are we seeing such kind of delays in dispatches where customers are not ready to take up the delivery? Can you be a little specific in sharing your thoughts?
- Aayush Shah:** In this space we faced these issues where the customers asked us to defer the delivery, specifically in the steel sector, a little bit more. Another reason why also there was a reduction in the turnover is specifically because we got the order booking a little bit later because everyone was trying to defer their capex investment because of the current geopolitical scenario. Hence, the order booking was late, so it could not be executed within the year. But we expect it to really improve in this quarter.
- Raj Shah:** Got it. Okay. And this delay in orders was it specific to any large order or it was broad-based within the steel sector that you are talking about?
- Aayush Shah:** It was not for a specific large order. It was deferred across the board.
- Raj Shah:** Okay. Got it. Secondly sir on this Mexico part, we are aware that the management was contemplating investing or setting up some assembly center even before the tariffs kicked in. So, today, what is the scenario? Do we still attract 50% tariff or what kind of strategies are we seeing to cater to that part of the geography?
- Management:** So, right now in the USA, we have the 50% tariff. Whatever we are exporting from India to our subsidiaries in USA or to customers in USA. So that is 50% because of Section 2(32), but with the establishment of this Mexico we will have the Latin America and that tariff is not applicable there. So, we want to get the opportunity to establish and to supply our products from here to Latin America.
- Raj Shah:** Okay. And will we be investing or incurring any capex in Mexico?
- Management:** Not much right now. We just established. We will come back to you after some time.
- Raj Shah:** Okay, sir.
- Moderator:** Sorry to interrupt, Mr. Raj. Request you to come back in the queue for follow-up questions.

- Raj Shah:** Sure. Thank you.
- Moderator:** Thank you. We have the next question from the line of Harsh Patel from Share India Securities. Please go ahead.
- Harsh Patel:** Hello. Thank you so much for the opportunity. I wanted to just get an update on the export side. So, as we had planned, we would be ramping our exports up to 50% in the next 3 to 4 years. So, what would be in the current geopolitical scenario, our export mix going forward? And how would be our sustainable margins till FY27-28, if we are we focusing more on domestic or exports?
- Aayush Shah:** Going forward, this year despite the existing scenario, we have managed to maintain at least what we were able to perform last year. So, we expect going forward it will still improve. We have some improvement in order booking in a few of our entities, while the Middle East obviously has suffered significantly. So, we still expect regardless of what the situation is that we will be improving going forward. And the product mix, I mean, the EBITDA that you asked regarding the product mix and export versus domestic, we expect it to not affect us that much going forward.
- Harsh Patel:** So, what would be the sustainable margins which we would be focusing on going forward?
- Aayush Shah:** Right now, we can't comment on that specifically because of the current scenario and it is currently an ever-changing scenario. So, we cannot comment on it right now. We will address the situation and get back once we have a better understanding.
- Harsh Patel:** And one more thing I wanted to ask. Going forward, what kind of orders would be on the gear side? Is it customized gears or catalogue gears are on a sale point for Elecon? Since the last couple of quarters, the mix has been on either way on catalogue kind of.
- Chintan Shah:** So, major it will be from the power industry and steel industries and cement is from there. So, major will be contribution for engineering and customized products. And catalogue products, it will be 2%-3% lower than the engineering product.
- Harsh Patel:** Okay. And what would be the margins in this industry in customized products we would be seeing?
- Chintan Shah:** See, typically we do not reveal the margin profile. We give a broad range in terms of how the product mix is moving and how it impacts our gross margin percentage. So customer level, product level and mixed level margins, we do not provide a comment.
- Harsh Patel:** Okay. Congrats. Thank you.
- Moderator:** Thank you. We have the next question from the line of Kashyap Javeri from Emkay Investment Managers. Please go ahead.
- Kashyap Javeri:** Two questions from my side. One is to -- the first one is to Chintan. On this goodwill side, there is a comment number 8B in the notes to accounts. If you can explain that comment. And also, did we get any tax benefit from that goodwill write-off? That is the first question.

And second is to Mr. Dalwadi. From the Gear Division side, or even in fact if Mr. Aayush can also throw some light. You mentioned that because of the geopolitical risk, there was some deferment of order booking. But overall, if you look at the geopolitical risk, that sort of rose only on the intervening night of 27th, 28th February. So, could 1-month make such a large difference?

Chintan Shah:

Right. So, let me take up the first question about the goodwill. Yes, as you are referring to note number 8.B, there is detailed note in the notes to accounts which we will comprehensively cover. But let me explain to the entire large audience that we have. This goodwill represented the goodwill that we acquired way back in 2010-11 when Elecon did the acquisition of Benzlers and Radicon Group in the European region.

Now, what happens is over the last 15 years, Elecon has done an integration of all these business into the Radicon group of products and the geographies that we have. We do not have any separate structure. The single team, sales and marketing and the operations team takes care of all the mix of the products that we have it.

So, eventually, we realized that goodwill as a standalone on this acquisition do not have much value in our financials. Of course, the business as a whole has a valuation which doesn't need to be like discounted right now, but it has a good cash flow profitability and all. But from a goodwill alone standalone basis, we do not see that the carrying amount should continue like this. And that is the reason we did the impairment.

Coming back to your sub-question about the tax deduction of this write-off that we have done, this goodwill was never in the standalone financials. It was always a part of our consolidated financial statements. So, as far as tax deduction is concerned, it will be in the books of the entity where this goodwill is i.e in UK.

As far as the tax deduction in the local tax is concerned, there is a tax deduction which is being claimed every year, and now only about 5 years are left with only a 1 million GBP. So, that is going to be claimed as a deduction in the next 5 years' time gradually. So, this is how the position is.

Kashyap Javeri:

Okay, understood.

Aayush Shah:

Regarding your question about the -- sorry, if I got it right, you were asking about...

Kashyap Javeri:

So, my question was that the geopolitical risks, the major part of it played out starting February 27-28. And that one month has probably made a fairly large difference on the overall revenue height. So, if you can, so was this largely to do with the month of March or this played out throughout the quarter?

Chintan Shah:

Actually, as you rightly said, I think the news about this discussion started coming in the last week of February. It got intensified in the first week of March. The largest impact is in the month of March. About INR77 crores of the orders were in a different bucket, like a couple of orders of INR12 crores, which were ready for dispatch, but it was on hold by the customer.

We also had the order of about INR34 crores in the month of March which were scheduled to be delivered, but now it needs to be delivered probably in April and if the situation is clarified itself in April. We also had INR31 crores of the orders which were scheduled to be dispatched in March, but their production was put on hold on an immediate basis. And that's how we had almost INR70 crores impact for this event in the month of March.

And if you look at your end I know where you are coming from. In the December quarter itself, we had lower down our guidance and we communicated that we are reducing the revenue in the quarter ending March by at least 5%. So, that's the guidance we already had released in the month of January when we were talking about December quarter and March quarter.

Kashyap Javeri: Okay, okay. Just one last question on the receivable side. That number has gone up from INR610 crores to about INR720 crores. Any particular reason for that if I look at what's in September?

Chintan Shah: The increase of about INR90 crores compared to last year's balance sheet if you look at it. From INR90 crores, INR70 crores to INR75 crores is largely because of the sale which has happened in the February and in the March, which has not due even as on 31st March. And about INR15-odd crores is overdue compared to the same bucket of the last year, which is getting the effect in the month of April.

Kashyap Javeri: Okay, Okay. Understood. Thank you.

Moderator: Thank you. We have the next question from the line of Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Yes, sir. Good afternoon. Sir, in domestic gears, we did highlight the delays in terms of from steel sectors. If you can touch upon the various other sectors we cater to from sugar, power, cement, how are things standing out there and because we see the order book kind of building up from INR600 crores last year to INR900 crores. So, across sectors, is the execution expected to be delayed, gradual, if you can just touch upon that?

Dipak Dalwadi: Moving forward the executions are not being delayed because for the domestic, now there is visibility and we are having a good orders in the on hand and at the same time, good orders in the pipeline also. So, we anticipate that there won't be any delays in, I mean, deliveries for the power sectors and for the cement and steel, because steel is also now expanding their executions. And power, of course, they are demanding the projects to be closed very fast. So, they all are demanding. So, I don't see any delays in delivery for the power sectors and cement, steel sectors.

Pratik Kothari: And how about the cement, sugar?

Dipak Dalwadi: Cement is stagnant as such, but even though we are getting good orders from 2-3 major contractors. But cement they are more in the brownfield projects than the greenfield. So, they are moving at their own pace. And sugar industry is now, because of this, we are anticipating good orders from the sugar because now with gas and these petroleum, we are facing we may face problems from this war situation. So, ethanol will be now on the demand. So, we are also anticipating good demand from the sugar also.

- Pratik Kothari:** Correct, correct. So, one of margins I mean, usually, our engineered products are in I mean when you look at the mix, it is usually in 50s. I mean, this, I think, was a different year where we saw it at 45%. So one, if this goes back, I mean, why aren't we guiding that our margins will go back to the earlier numbers?
- Dipak Dalwadi:** I mean, we will sustain the margins. But at this moment, we are not I mean...
- Management:** Generally, when we calculate the margins, what we projected at the beginning of the year, we, based on the EP and CP is the 50-50 standard we considered. But during the year, the orders we received in the catalogue product was the delay from the customer side of the projects they have.
- So, catalogue product orders we received much more than the engineered product. In the beginning of the year and the second part of the year. So, that's why that execute in the same year, but the EP products order we have in hand on the 31st of March of 2026. So, it may be executed next year sometime.
- Aayush Shah:** Just to clarify what Ashish is saying, what we are not giving clear guidance that we expect it to go up simply because of the current geopolitical scenario and we don't know how it could pan out. But if all the domestic orders go smoothly and what demand we are expecting comes in, you are right, we will be able to go back to the EBITDA levels that we had suggested even earlier, which is close to 22% to 24%.
- Pratik Kothari:** Right, right, right. And the last one capex...
- Moderator:** Sorry to interrupt you. Mr. Pratik, sorry to interrupt you. Could you please kindly come in the follow-up -- in the queue for follow-up questions?
- Pratik Kothari:** Done. Okay.
- Moderator:** Thank you. We have the next question from the line of Aman Soni from Nvest Analytics Advisory. Please go ahead.
- Aman Soni:** Thanks for the opportunity. First question, do we have any applications for order visibility from the nuclear side?
- Aayush Shah:** Sorry from the?
- Management:** Nuclear side.
- Aayush Shah:** No, we don't.
- Aman Soni:** Okay. And secondly, you are mentioning that visibility is there in the domestic market, particularly from the steel and the power, and things are improving. Then I am not able to understand why are we not getting any real guidance on that part, maybe on the growth side, as well as the margins front for FY27?
- Chintan Shah:** We have a strong order book, right? But we have our own learning in the last two quarters where despite having order books, there were delay in the dispatch schedules and all. So, we have,

based on that learning, decided to stay at least for a few months, till the time we have clarity on the situation that we have.

Aayush Shah: The situation is quite good till at the moment, where we see that there is a possibility that everything will be smooth going forward. Again, I believe yesterday or today, we have seen conflicting news and information. So, this is the reason we want to keep a hold on that for right now. And once things clear out, we will be able to give you a much clearer picture.

Aman Soni: Okay. Got it. And because of all this scenario in the Middle East, there must be some infra redevelopment requirements, right? Do you people see any history of that, like some new orders may be coming in because of this infra redevelopment that will be required in the Middle East?

Aayush Shah: Yes. There is no doubt that there will be a strong requirement going forward once everything clears out. But which direction it is going in, we are still not sure based on how the outcome go ahead. So, while you are right, there is a possibility for a significant uptick in orders from the Middle East, we can't guarantee that which way it's going to go until the war situation.

Aman Soni: Got it. And regarding the defence orders, specifically that aircraft carrier that we were expecting by FY27, what is the current update on that sir?

Dipak Dalwadi: Yes, so Shipyard already got the orders from the Indian Navy. So, anytime in the Q1, they are going to release the RFP. And then we are expecting orders to come by Q4 of the financial year.

Aman Soni: So, it is getting delayed, right? Because earlier I think you mentioned Q2 of FY27?

Dipak Dalwadi: It is a little bit deferred from the defense.

Aman Soni: Okay. And what about the P-17 Alpha, sir?

Dipak Dalwadi: P-17 Alpha also they have deferred, but it may come in the financial year of '28, around Q3. Because even shipyard have not even received the RFQ.

Aman Soni: Okay. Got it. So, all in all, can we expect marginal growth over FY26? Or there can be a scenario of degrowth as well in FY27?

Aayush Shah: No, we are not expecting any degrowth to happen compared to FY26. We are expecting growth. The amount of growth is currently what is under question. But otherwise, we are expecting growth.

Aman Soni: And how confident are you on the margins front? Like, you will be able to at least maintain or grow it from FY26?

Aayush Shah: From FY26 we will be able to definitely maintain or grow it. We are expecting growth, but the geopolitical situation will control it a little bit. What we are anticipating there is going to be an increase in some raw material costs or logistic costs. We are already filling that into our new orders. So, that shouldn't affect us.

- Aman Soni:** And any kind of supply chain issues are you people observing right now because of the Strait of Hormuz closure and all? That can further lead to some problems maybe in the margins front or the execution of the orders?
- Aayush Shah:** Generally, for our domestic orders, we don't see that happening. Only wherever there is something in the Middle East, we expect that to be affected. So, our overseas entity, which is in UAE, that one will be affected. But our other entities and domestic operations, we don't see it affecting us.
- Aman Soni:** Got it, sir. Thank you very much, sir, and all the best for the future.
- Moderator:** Thank you. We have the next question from the line of Ashwani Sharma from Emkay Global Financial. Please go ahead.
- Ashwani Sharma:** Yes, good evening, sir. Sir, my first question is on the inquiry pipeline, which you indicated that we have a healthy inquiry pipeline. Is it possible to quantify for both the segments, gear and the MHE?
- Chintan Shah:** Yes, so as on June 4 FY26, the open orders that we had for the Gear Division was about INR894 crores. And for the same period last year, what we had was about INR583 crores. If I look at the MHE Division, for Q4 FY26, it's roughly about INR398 crores versus what we had in Q4 FY25 is INR365 crores.
- That's how it's about totaling to about INR1,292 crores of open orders we have as on 31st March 2026 versus what we had as an open order book of about INR948 crores as of 31st March 2025. And basically, this only gives us the confidence in a lot of the questions that are being raised right now in terms of how we maintain the margins or revenue. So this is one of them.
- Ashwani Sharma:** I was referring to the inquiry pipeline which did not get converted, which got deferred because of geopolitical reasons.
- Kaushik Patel:** Okay. Yes. For MHE, yes, we have a good inquiry inflow. If I am quantifying, it is more than INR1,000 crores inquiry we have right now for various sectors.
- Dipak Dalwadi:** And for the Gear Division, it is very good news for all of us that in the first week itself, we are having whatever inquiry was in the pipeline it is converted -- going to be converted in the order in 1- or 2-days' time. We have already got the LOI. So, it's a very single largest big order ever got in the industrial gear business market. So that is, in few days, you will get the good news.
- Ashwani Sharma:** Okay.
- Dipak Dalwadi:** From the power sector.
- Ashwani Sharma:** Okay. And secondly, since deferred revenue when you talk about, is it possible to quantify how much was that?
- Chintan Shah:** We are at the last leg and we are having an LOI right now. We would like to publish further details once the things materialise.

- Ashwani Sharma:** Okay. The second question I had on the MHE. If you look at the growth trajectory of MHE, I think it's been very, very strong in the last 4 to 5 years. This year, I think obviously there is some moderation in terms of order inflow and that we see in the order backlog as well. What kind of growth one should estimate given the fact that power in the space is doing really great, thermal especially? From an estimation perspective, what kind of growth should we assume going ahead within the next two to three years? Is it possible to quantify?
- Kaushik Patel:** As I mentioned that we have a good inquiry flow for the MHE business. Definitely, that power sector is going to help us to grow further. But at this point of time, I can only assure you that whatever growth trajectory we have shown in the last two, three years, we can definitely continue with the same pace and growth percentage.
- Ashwini Sharma:** All right, sir. All the very best to you. Thank you.
- Moderator:** Thank you. We have the next question from line of Pathanjali Srinivasan from Sundaram Mutual Fund. Please go ahead.
- Pathanjali Srinivasan:** Hello, sir. Thank you for the opportunity. I have a couple of questions. So firstly, with respect to the increase in prices of input costs, how do they get passed on with respect to the order book business because you would have taken the order some time back, right?
- Aayush Shah:** In those cases, we would have already placed the orders or secured the prices for the raw material as soon as we received the order because we were expecting this situation to take place. So, to safeguard us, we have already taken action as soon as we have received.
- Dipak Dalwadi:** Our execution cycle is also not long. So, it will be taken care of. Whatever orders are on hand, we have already placed the order and we are executing. So, even suppliers are not in a position to claim what is their need actually. So, it is all the pending orders, we taken care.
- Pathanjali Srinivasan:** Whatever inflation is there has already taken care of already with respectively order book. So, there will not be much impact in terms of margins for whatever existing business you have. Is that the correct way to understand?
- Dipak Dalwadi:** Yes. Yes.
- Pathanjali Srinivasan:** And one more question with respect to our current order book, Gear and MHE segment. What would be the segments where we have a sensible point? Let's talk two to three segments.
- Dipak Dalwadi:** Power, steel and cement. These are the three main sectors where we are seeing good demand.
- Pathanjali Srinivasan:** Okay. And within this, you are saying there is a slowdown or something with respect to steel, right? Could you explain a bit on that?
- Aayush Shah:** There was a deferment of delivery that was requested from the customer end. The orders were, the gearboxes were ready in that case, but we could not deliver it to the customer and we couldn't invoice because of that. So, there are a few cases where there was deferment, but it will be cleared in Q1 and ...

- Pathanjali Srinivasan:** Okay, Got it. Thanks.
- Aayush Shah:** This is a usual phenomenon. It can happen, but specifically because of the geopolitical situation, it was affected even more.
- Moderator:** Thank you. We have the next question from the line of Rohan from Envision Capital. Please go ahead.
- Rohan:** Hello. Thank you, for the opportunity. So, sir, you mentioned that in sugar, given the geopolitical issues related to crude prices, we expect strong demand going forward, and order excess going forward. Can you explain a little bit more? Because what we are hearing from some other players is that there is excess capacity built in, in the country for ethanol. So, how should one look at it? Thank you.
- Dipak Dalwadi:** No, actually, because of this war situation only we anticipate that if it continues till further, then there will definitely a lack of supply for the gases and the petroleum. So, that's why we anticipate that there will be demand for ethanol and we will need to produce more and more ethanol. That is all anticipation.
- Rohan:** Okay. Okay. Understood. Thank you.
- Moderator:** Thank you. We have the next question from the line of Manish Goyal from ThinkWise Wealth Managers. Please go ahead.
- Manish Goyal:** Yes. Thank you so much, sir. Sir, this is particularly for the Gear business margins. As you provided the revenue mix for quarter 4 where catalogue was 55% and engineered was 45%. But, sir, if I look on Y-o-Y basis and compare with Q4 of last year, your catalogue has actually come down from 60% to 55% and your engineered product has improved from 40% to 45%. So, I just do not understand why there is such a margin impact.
- And also, a related question which you earlier alluded to in terms of development orders from the Navy which are being implemented and have lower margins. So, what is the impact? What is the size and what kind of this development orders are you referring to? Is this something related to your P-17 Alpha orders or if you can highlight that?
- And, sir, if we see your overall margin for the entire year for the Gears business, what we have reported in FY26 these margins are in fact lower than what was reported in FY22. In FY22, you were roughly at a 20% margin and which increased to 26% in FY24 and now has fallen to 18.8%. So, how do we see this going forward, sir? I would really appreciate if you can provide perspective on this. Thank you.
- Management:** Yes. Your first question for the engineered products versus catalogue products. So, yes, we had done, the catalogue products 55% and engineered products 45%. We have better margins in the engineered products. But this year, we could not execute the order, or we couldn't supply/dispatch the orders to the customers because of the customers' requirements.

So, the margins are not reflecting in our financials. Despite because we have some inventory of the engineered products so it will and we have not invoiced during the quarter and during the year. So, because of this, the margins have not improved this year against the last year.

Manish Goyal: So, what is this number, sir? How much of these orders? Earlier you had mentioned INR77 crores. So, I just want to reconfirm how much of these orders are pertaining to Gear business and engineered products?

Management: Almost 50% of the open orders we have in engineered products. But the inventory we have is around INR45 to INR46 crores. That includes the margin because we are valuating the inventory at cost. So, around 25% to 30% margins, if we consider them in the inventory, when we are invoicing. So that is not reflecting in the financials.

Manish Goyal: Okay, okay. And so just to complete my earlier question on the five-year picture where your margins are lowest right now. Ideally, sir, do you really expect that margins should revert to your green level of 23%-24%? Now with your dispatches improving, you will probably get operating leverage with the revenue growth. So, in FY27, do you expect the margins to improve, sir?

Management: If you compare with FY22-23 because India was in a growth trajectory, the capex was going on and it is still going on. We were getting good orders in engineered products. So, that's why margins were good at that time. Now we are also getting orders in engineered products, but that was not reflected in the invoicing this year. So, that's why the margins is not reflecting.

The second thing is R&D cost because we are developing some new products. If you see our investor presentation, we have taken four patents and we are applying for three more patents. So, we are also working on R&D to develop new products and upgrade existing products. So, we are also spending some cost there.

Manish Goyal: And what is pertaining to the development orders, sir, what you referred to earlier? In earlier calls also you had mentioned that there is a couple of percentage point margin impact due to some orders related to the Navy. So, if you can just clarify on this.

Management: For the navy orders, we will come back to you.

Manish Goyal: Sure. And last question on the MHE margins, sir. How do we see that sustainable? Because now for MHE margins, you are adjusting the inter-segmental numbers also. And after that, you are providing the margins in the presentation. So, what is the sustainable margin for MHE? Would it be at 22%-23% going forward? Considering now that equipment contribution will increase and your spare parts may not grow in the same pattern as your equipment business.

Management: Considering the revenue mix, as you mentioned, the sustainable margin is around 20% to 22% in between.

Manish Goyal: Okay, sir. Thank you so much.

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

Management: Thank you all for taking the time to join our investor call today and for your continued trust and engagement. While the Gear Division experienced a temporary moderation in performance in FY26 due to execution timing factors, the underlying fundamentals of the business remain strong.

At the same time, the MHE division continues to demonstrate consistent growth momentum and has delivered revenues ahead of the guidance set for the year, supported by robust demand across these sectors and has strong execution pipeline. With two well-established divisions, the business remains structurally balanced and is not reliant on a single segment for the overall performance. Together, both the divisions position up well for sustained and resilient growth going forward.

As previously communicated, we will not be providing forward-looking guidance for FY27. However, our strategic priorities remain unchanged, focused on disciplined execution, operational efficiency, prudent capital allocation, and strengthening our presence in high growth markets.

Despite near-term challenges, we remain confident in our ability to take advantage of long-term growth process and to deliver long-term sustainable value to our stakeholders. Thank you once again for your participation and continued support. Should you have any further questions, please feel free to reach out to our CFO. Thank you and have a great evening.

Moderator: Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.