22-07-2026

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

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

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

Dear Sir / Ma'am,

Pursuant to the relevant provisions of Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the officials of the Company had an earnings conference call relating to the Unaudited Standalone & Consolidated Financial Results of the Company for the quarter ended 30th June, 2026 for the Investors/Analysts (Participants) which was held as per the details below.

Date & Time	Type of Interaction
17th July, 2026 at 2.00 p.m. IST	Earnings Conference Call

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

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Menon Bearings Limited**

SIDDHESHWAR SUNIL KADANE

Digitally signed by SIDDHESHWAR SUNIL KADANE
DN: c=IN, o=Personal, postalCode=416012, l=Kolhapur, st=Maharashtra, street=GHAR NO 33, A WARD, MARGAI GALLI, Kolhapur City, Karvir Maharashtra India 416012 raje sambhaji tarun mandal, SHIVAJI PETH, title=8697, 2.5.4.20=ac95015e3a4fb388e18c6aaf3d0e08f0352d4fd010f9ba76d1a0fd4053ee950f, serialNumber=751d4187aa49176a22fa0435485536b9d9aff08e5ee136f990e944983151040a, email=siddheshwarkadane@gmail.com, cn=SIDDHESHWAR SUNIL KADANE
Date: 2026.07.22 16:22:34 +05'30'

Siddheshwar Kadane
Company Secretary and Compliance Officer
Membership No : A72775

Menon Bearings Limited

Q1 FY27
POST EARNINGS CONFERENCE CALL

July 17, 2026 2:00 PM IST

Management Team

Mr. Arun Aradhye - Managing Director
Mr. Aditya Menon - Promoter Group

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Moderator: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27 Post-Earnings Conference Call of Menon Bearings Limited.

Today on the call from the management team, we have with us Mr. Arun Aradhye, Managing Director and Mr. Aditya Menon, part of the promoter group. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties.Also a reminder that this call is being recorded.

I would now request the management to quickly brief us about the business and performance highlights for the quarter-ended Q1 FY27, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Arun Aradhye: Good afternoon, everyone. On behalf of Menon Bearings Ltd, I extend a very warm welcome to all our shareholders, investors, analysts and members of the investment community to our conference call to discuss the financial performance of the company for the first quarter, ended 30 June, 2026. Thank you for taking the time to join us today for your continued trust and confidence in Menon Bearings Limited.

The first quarter of FY26-'27 has been a strong and encouraging one for the company and I am glad to tell you that we have recorded highest-ever sales, highest-ever EBITDA, highest-ever profit before tax and PAT in the history of the company for this quarter. Despite a dynamic business environment, we delivered robust growth in revenue and profitability, supported by healthy demand across all business segments, improved operational efficiencies and continued focus on cost optimization and customer satisfaction.

Now coming to the standalone performance of Bi-metal Menon Bearings, during the quarter sales increased to INR67.06 crores from INR47.76 crores as compared to the corresponding quarter of the last year that is year-on-year increase of 40.41% and further increased by about 41%. EBITDA is up by ~60%. Our continued emphasis on operational excellence resulted in profit before tax of INR14.85 crores as compared to INR9.03 crores last year, reflecting a growth of 64.32%. Consequently, profit after tax has also gone up by 63.53% which is now INR11.23 crores.

Now coming back to the consolidated performance of the company, on a consolidated basis, the sales increased to INR91.79 crores as compared to INR67.21 crores last year, same quarter, registering a growth of 36.57%.And total income increased by 37.05%. And EBITDA on a consolidated basis is up by 57%. Profit before tax reached to INR18.51 crores as compared to INR11.06 crores last year, corresponding quarter, representing a growth of 67.36%. And of course, profit after tax also increased by 67.35%.

Our earnings per share also improved significantly to INR2.52 compared to INR1.50. So, coming to the outlook now, we remain focused on strengthening our relationship and leadership position through technological advancement, continuous improvement in manufacturing processes, product innovation and customer-centric solutions. Our efforts continue to be directed towards sustainable growth, operational excellence and creating long-term value for all our stakeholders. While the global business environment continues to present certain uncertainties, the underlying demand outlook for the automotive and engineering sector remains encouraging.

With our strong customer relationship, diversified product portfolio and disciplined education, we are confident of sustaining our growth momentum in the coming quarters also. That is because, more particularly, due to our last month's visit to Canada and USA, is expected to yield substantial volumes in the coming period of the year. Also, number of parts for various customers have been already developed, and after testing and validation, those all will be productionized over a period of time now.The total potential of additional business for the current and next financial year is expected to be around INR65 crores to INR75 crores, subject to good monsoon and geopolitical situation doesn't worsen further.

Before I conclude, I would like to express my sincere gratitude to our customers, employees, suppliers, business partners, shareholders and all other stakeholders for their continued support and confidence in Menon Bearings Limited. With these opening remarks, I now invite our management team to provide further insights into the operational performance of the company. Mr. Aditya.

Aditya Menon: Good afternoon, everyone. Hopefully everyone's seen the results.So all three fronts Menon Bearings, Menon Alkopand Menon Brakes for this quarter, we've been working extremely hard during these difficult times and we've achieved this outstanding result, what I would say. I would like to thank the Menon Bearings team, the management to get the results. And I would like to open the floor to question and answer so we can discuss further about our growth and what numbers we are going to achieve and what is the future of Menon Bearings, the bright future of Menon Bearings, how it is going to look. Thank you.

Question-and-Answer

Moderator: Thank you, sir. We will now begin the question and answer session. [Operator Instructions]We'll take the first question from Arnav Sakhuja. Please go ahead, Arnav. Arnav?

Arnav Sakhuja: Hi, thanks for answering my -- sorry, congrats on a good set of results. So my first question is that I was reading in your presentation that the brakes -- in the brake segment, the dynamometer seems to have arrived. So what is the revenue that we can expect from the brake segment in FY27?

Arun Aradhye: You see, basically that is under construction now and is expected by the end of August. Thereafter, the railway people will come and visit our shop. They will have a thorough audit and after that they will approve our company Menon Brakes for registration with railway and thereafter testing, validation, etc., it will start and it will take another one year and with this in the first year itself, we expect that to start with, we will have a business of around INR5 crores to INR6 crores to start with and eventually it will go up to INR25 crores to INR30 crores within next two years.

Aditya Menon: And just to give a more deeper explanation, by next month, August end, the machine is supposed to be commissioned at our end. So maybe one more month by September end, the technical team, it's a very difficult testing rig. So by September end, it should be all running.So like Mr. Aradhye said, one way is we are already in touch with the Indian Railway RDSO where our vendor code has been registered. So at the same time, back until the dynamometer is coming, we have already made dies for all railway, like the bogies, the transport bogies, Vande Bharat, metros. So technically we are developing dies for all the railway applications.

So in September, we'll get a better idea how the business starts, where we get like first, for example, for Delhi-Meerut or Mumbai-Kolhapur, they'll take a sample from us and test it for around three months, then they will be putting on the testing rig, checking the quality of the product, and then they will start like business from a small piece of business. So like Mr. Aradhye said, it could be anywhere from

INR4crore, INR5 crore to INR25 crore. But as management, we are aiming at all different parts of the railway department, like cargo bogies, passenger bogies, then Vande Bharat, fast trains, then metros.

So we are developing from our end technology where we can do applications at all railway applications. So that's one avenue after dynamometer comes. The second avenue after the dynamometer comes is OEMs. If you see this quarter, the brakes also is doing pretty well. So once the dynamometer comes, we will have access to different OEMs also, original equipment manufacturers in India. So that also will give a boost, a lot of boost for Menon Brakes. So 2027 should be a very good, bright future for Menon Brakes also, a good year. Numbers I can't tell you or you know, we can't want, I don't want to give you any concrete numbers. Because after dynamometer comes, the numbers should significantly increase also.

Arun Aradhye: So this is what is a conservative estimate that we already told to you that is regarding the railways.Apart from that, OEM business is also coming up. And we are very sure having relations with all the OEMs, Menon Bearing is already having relations with them for last so many years. We are 100% sure that we will get additional business from them and maybe there will be substantial and significant increase in the volumes of Menon Brakes in the next year.

Aditya Menon: And currently also because of the -- like if you all follow us for the last couple of years, dynamometer has been delayed. But as management, as Menon Brakes, we have not been stuck up on that. We've developed new products for two wheelers, three wheelers.So that's why the growth currently also this quarter also there's been a good growth in Menon Brakes and good margin also, good EBITDA margin also.

Arun Aradhye: But at the same time, I would like to tell you that right from 12% EBITDA earlier, now we have reached to 25% EBITDA in brakes also.And that is above all other segments.

Aditya Menon: Yes. So that shows our operation efficiencies and how we run our businesses, how we keep everything very tight and professional.

Arun Aradhye: Thank you.

Arnav Sakhuja: Got it. So my next question is that, so I was reading again in your presentation that you are planning to enter Africa via a distributor network. So which products would this be for and what could be the possible revenue potential from Africa?

Arun Aradhye: You see the possible revenue from Africa so far as bearing, bushes and washers are concerned is around INR9 crores. And at the same time, we are working on supplies to Africa so far as brake linings are concerned, and that is expected to be around INR6 crores to INR7 crores for the year. So this is what is the estimated figures that we have as of now.Apart from that, a regular business that we are transacting through the distributor in Dubai, who is catering to the African market, which is to the tune of around INR7 crores to INR8 crores per year.

Aditya Menon: So actually leaving the aluminium parts all other avenues can be done by merchant export to Africa. So before we were doing through Dubai, we still do through Dubai. But now we are looking at different avenues because of the war last three months, we didn't have orders.So actually, our results could have been even better. But last three months, those merchant export orders were stuck because of backlog because of the Straight of Hormuz and the war. So now they restarted.

So till then, our marketing teams have been putting effort. We are finding direct merchant exporters from Africa who are ready to take our parts. But we have our terms and conditions where we need 100% advance.Other things that keep, which is not running behind sales, but other things that are important. So we have found, identified a few suppliers, few merchant export customers who are ready on our terms and condition. So that's what Mr. Aradhye said. So bearings, bushes, washers, and braking system, friction material. So leaving the Aluminium segment, everything else can be given to African markets. And there's a huge potential.

But we are starting slowly, one step at a time. So already this month, we have given small orders already given. But we have few terms and conditions for the payment cycle, where we require 100% advance at least in the initial six months.After there's a relation and a cycle, like a payment cycle, then we can go for something else. But currently, we are very stringent. We don't want to run behind just sale or business that is coming.We want to look at sustainable and secure business. So that has already begun from our side. We have taken a lot of marketing efforts, identifying merchant exporters who are agreeing with our terms and conditions.

Arnav Sakhuja: Yeah. Thank you. Got it.Thanks a lot for answering my questions and congrats again on the great results.

Aditya Menon: . Thank you, Arnav.

Moderator: Thank you. We'll take the next question from Mr. Bhargav. And before we take the question, I would request the participants to limit the questions to two.Next question from Bhargav Buddhadev. Yeah.

Bhargav Buddhadev: Yeah, good afternoon team and congratulations on a very good set of numbers.

Arun Aradhye: Yes, thank you.

Bhargav Buddhadev: My first question is that you mentioned in your opening remarks that there was a trip made to Canada and US and INR50 crores to INR60 crores of additional revenue opportunity can come in the Alkop business from a new customer.So what is the visibility? When can we expect basically this business to start fructifying? Right now, if I'm not mistaken, the quarterly run rate is about INR21-odd crores in the Alkop business.So the annualized run rate is about INR80 crores. So is it fair to say that for FY28, you are expecting another INR50 crores on top of this INR80 crores?

Aditya Menon: For this year, we are targeting Alkop for INR100 crores, next year around INR125 crores. Like I told you, in Alkop for new business to get realized, it takes around 9 to 12 months. So Mr. Aradhye and our marketing head had been in the month of June, around 15 days in the US. They travelled to Canada, they travelled to USA, they were in Detroit, the automobile hub of the world. They were in Cleveland, Atlanta, and for Menon Bearing customers. But after they were very aggressive with the marketing, showing what kind of products we do.So we were specially called from Magna, Linamar, I don't want to take many names, but a lot of RFQs have already come, NDAs have come, just to Allison Transmission, Magna, these are all bearing customers. So these guys, we saw the aluminium plants, Magna has nine plants in Canada alone. They buy INR1,800 crore per year, where we do engine bearing supply for the last 15 years.

So we're getting RFQ, NDA signing, a vendor profile for Alkop. So even if you start small, it's a big ocean to take from. So these customers, because of China Plus One policy, and Menon Bearing brand name for the last 20 years, we have Menon Alkop also gotten the entry.So already RFQs have come, NDA signing has come, technical discussion, it's only been one month, all this has already started. At the same time, looking at so much potential in the US, we have assigned a person there who's based in the US, who will do continuous follow up, and try to make this process realization as short a period of time as possible. If it's 9 to 12 months, we are trying as management, how we can get it to six months, seven months.So that's what efforts have already been taken. And engine bearing and Alkop, a lot of, what do you say, potential from the US we have been observed.

And already Mr. Aradhye said, out of the INR65 crore, engine bearing division, the bi-metal division has already started getting RFQs and orders. So this visit has been very fruitful for us. So you will see by the quarter three, quarter four, where engine bearing will already be started supplying. And maybe by next year, Alkop also should be able -- samples should be submitted by next year, by 2027.Orders for aluminium division also should start coming to surface. So that is of the US trip, like how you have asked about the USA trip, how we as management, we saw a lot of -- as we are a household name now for quality and more technical products.We are getting a lot of attention and demand from the USA. Some of these customers got in touch with us.

So in September, we have a visit to Europe also, we are there for 15 days. CNH, New Holland, actually we don't supply to them in India. But we were there in Delhi with them last month.So we got invited from them to visit their European suppliers. Maybe Indian customers, we are -- they have a more price efficient, I don't know, reasons why we are not in India, but they have invited us personally to Europe to attend their factory visit, their meetings. So we have taken a project in September also to visit a few European customers, see a lot more markets there for merchant export and new customers.So we are very aggressive. So this group, what we are talking about this US trip and Europe trip, this will be realized in 2027-'28. So that will be an addition to our already order book what we have.

So what growth have you -- you all have seen this quarter is already for the hard work what we have done for the last 2-3 years. So we are, as management, now are very happy with the result, but we are taking two steps forward. So by 2028-2029, what order book we will have.So we are taking those efforts right now. And we already -- the guy in the US, we have appointed he is already visiting us for the last 15 days here. So his induction is happening, his planning, which department he has to coordinate with.So we already hired him on our payroll. So we are aggressively taking this project forward. Thank you.

Bhargav Buddhadev: Secondly, sir, in your presentation, it is written that in the Alkop business, the share of EV by FY27 end can be in the range of 8% to 10%. So what is the current share of EV, if you can highlight and also maybe in the next three years, where do you see this going? Because incrementally, when we are talking to a lot of auto ancillary companies, they are now witnessing a lot of RFQs, especially from Europe after this rupee significant depreciation versus China.So obviously, more and more Indian companies are becoming more and more competitive versus Chinese. So just wanted to hear your thoughts.

Aditya Menon: Currently, we are at around 4% to 5% EV. We are only doing around 3-4 main customers. But these customers, like I told you, TACO Prestolite, we started two years ago, we are doing just four parts for them.Now I have gotten five RFQs for Menon Alkop. Tata Motors is an old company, like we are supplying for the last, before I was born, for the last 30 years. But TACO, Alkop, we entered two years ago, started with two products only, we got four, five more RFQs.So Tata Curve, Tata Punch, all Tata EV cars, we are, what do you say, developing new parts for them. Now over time, before we were developing smaller parts for them on 400-ton machine, on a 500-ton machine, they also have got confidence on us. Now we are getting parts on a 1,600-ton machine, 8-kilo part, HPVC part.So that is showing us confidence also that we can do these high technical parts. And we are taking efforts for Eaton Concentric also, when a more critical part comes to them, we are a preferred --Alkop is a preferred supplier for them also. So we are also targeting, so 8% is for the near future, for the next two years.

But as parts come, RFQs come, when it gets samplized, then only I am giving you true figures. So I have RFQs for electric parts, but maybe technically it's not matching or rates are not matching. So once we start the sample production that I am manufacturing, it gets added to our list.So that's what, like the system we work on.

Bhargav Buddhadev: And did I hear correctly that you said in brakes, you are doing 25% EBITDA margins,versus your peers doing 12%,13%?

Arun Aradhye: Yes, yes.

Bhargav Buddhadev: Okay. Great, sir.Thank you very much.

Aditya Menon: But Mr. Bhargav, for that, just to not, it should not be that you ask about the same question. It's about a product mix.So this quarter, what product mix we had could help us achieve that number.

Arun Aradhye: Maybe next quarter, it may go down to a certain extent, but we will try to maintain that.

Aditya Menon: But it's significantly higher than our competitors.

Bhargav Buddhadev: Okay, sir. Thank you so much and all the very best.

Aditya Menon: Yes. Thank you so much.

Moderator: Thank you. We'll take the next question from Rucheeta Kadge. Please go ahead.

Rucheeta Kadge: Hello, sir. Good afternoon. So my question was mainlyon the bi-metal business, right?So currently our utilization is at 85%. So incrementally, we can do around INR30 crores, INR40 crores. So beyond that, what is our plan, sir?How do we, like, are we going to increase the capacity? Are we going to acquire somebody? What is the plan?

Arun Aradhye: If you go through the presentation, Rucheeta, you will come to know that we are investing about INR9 crores to INR10 crores of rupees for this year, this financial year for increasing the capacity and which is expected to increase the capacity by almost 25% to 30%, which may yield the total revenue of more than INR25 crores, which can generate revenue of INR25 crores. So steps have been already taken to see that, looking at the 87%, actually, which is the capacity utilization at Menon Bearing. We have already taken proactive steps to increase the capacity so that even if there is a surge in demand, if at any time, the capacity for the third shift is always at a spare capacity.

Aditya Menon: Third shift currently, we are not running full time, fully bottlenecked operations are on. So any sudden surge also is there, we can always run a third shift and reach more capacity.

Arun Aradhye: And we can cope up with the new demand.

Aditya Menon: Yes.

Rucheeta Kadge: So, with whatever capacity we have currently in just the bearing segment, right? How much revenue, peak revenue is possible for us?

Arun Aradhye: Peak revenue from this, it can be aboveINR400 crores.

Aditya Menon: Only for the bi-metal division

Rucheeta Kadge: In the bearing segment?

Arun Aradhye: Yes, yes, bimetal.

Aditya Menon: Without any land expansion or...

Rucheeta Kadge: Got it. And the aluminium die casting business, considering you guys have been talking about INR750 realisation. But when we calculated like on 60% utilisation, it is above INR800, right, the realisation currently.

Arun Aradhye: Realisation actually...

Rucheeta Kadge: There is some mismatch there.

Arun Aradhye: Realisation, it has gone up to INR900-plus now.

Aditya Menon: Because ofraw material prices

Rucheeta Kadge: Right.

Aditya Menon: Otherwise, it is roughly around when it is INR250 rupees or INR200 aluminium, it is around INR700. But now average aluminium rates have become INR340, INR370.

Arun Aradhye: So it has become somewhat volatile.

Aditya Menon: Yeah. But Alkop also, we have actually in engine bearing also, we have done a 45,000 square feet to building which is 50% occupied. So that land, we have more to utilise.And in aluminium division also, we have done 65,000 square feet new building, a machine shop, which is 50% land, like what do you say?

Arun Aradhye: 50% capacity is available.

Aditya Menon: Yeah.Whatever new development we are doing in the presentation, you can see that is the cost of machinery getting added to increase the capacity. Otherwise, machinery land capacity, we have around seven acres in the aluminium plant still empty. So tomorrow, in four years, we don't have to go and spend there.

Arun Aradhye: Factory building, whatever we have just constructed, which is 65,000 square feet, out of which almost 25,000 to 30,000 square feet is still available for expansion, where we are going to have the machines installed, which have been already ordered. And we are having the CapEx of around INR4 crores of for this year in Alkop alone.

Rucheeta Kadge: Okay. Okay. Okay.So we have everything in place for the additional whatever INR500 crore revenue we are talking about, right?

Aditya Menon: Yes. For the next two years, we don't have to do any significant increase in the capacity to get these values. So that investment in the last two years, we have done looking at the future order book.

Rucheeta Kadge: Understood. Thank you so much.

Moderator: Thank you, Rucheeta. We'll take the next question from Disha Chamriya. Please go ahead.

Disha Chamriya: Am I audible?

Moderator: Yes, Disha.

Disha Chamriya: Good afternoon, sir. Really good set of number. Congratulations for that.The first question would be that the export target for FY27. Historically, it has been around 24% to 30% of range. And this is a big step in one year.So is this driven by existing customers and will there be a new geography, like you already mentioned Africa, but what about the customer? Is that the same wallet share?

Arun Aradhye: Okay.Is it because of additional business with the existing customers as well as acquisition of new customers? It's a mix of both. As we expect that by next year, the export may go up to 37% after total revenue.

Aditya Menon: And we are -- actually we do export to 42 countries, but majority of export goes to the United States. So we are taking new steps. We are taking efforts to do different geographies in the USA.Now, we went to Canada. We were doing very less business in Canada. We visited two big giants in Canada.So different geographies. In September, we have a visit to Europe. So looking at different customers in Europe, South America, we are giving to Argentina, Brazil.That was not -- that was -

- we were not giving there in a big way before. We were just giving small quantities, but that has increased bigger. So that's why our growth is actually Indian customers also increasing.But on average, export majority of the growth is coming from exports. But we are looking at different geographies where we can supply our products to.

Arun Aradhye: So it is a mix of existing customers as well as acquisition of new customers.

Disha Chamriya: Okay, sir.And my second question would be more on this. There's 51 new parts that you are developing and under development. So will there be any money for that?What will be the revenue contribution that you see from that new developments? And for that, you said that the CapEx requirement would not be that significant for the recent years. But what would be the utilization after this next CapEx cycle just get triggers?

Aditya Menon: See, till INR500 crore, we are with this current infrastructure, what we have created, it's good enough. But back of the mind, we are looking at new land plots like Menon Alkop, the aluminiumbrakes division. We don't need to go for a new land parcel or a new factory because you have seven acres of land available already.Menon Bearings as a company we have invested and kept in that. For Menon Bearings Brakesand Menon bushes, washers and engine bearings,we are looking at different opportunities nearby because our synergies work if the companies are nearby.We do -- we share our resources XYZ. But we are looking for the next two, three years also we are actually ready. But back of the mind, we are looking at different MIDCs or different places where we can have our --we are doing analysis, risk analysis, different analysis where we have synergies where a potential factory could be set up.

But we prefer Kolhapur and nearby MIDCs where what has been working for us for the last 30 years, we are with the same mindset, but we are keeping a fresh open mind and looking at different opportunities for that kind of CapEx. But currently, for the next two, three years, we are prepared. So, we are not giving too much like what you say, not focusing on that currently.We are focusing on our operation. Because currently today, because of the war, all the time, we have actually achieved extraordinary numbers because the raw material prices have increased tremendously. Consumables, for example, carbide tools for all manufacturers, all automobile carbide tools are required.Those carbide tools price are increased by 300%. So these costs are not given to us by the customer. So, even though during this tough time and volatile time, we can achieve these numbers.

So, if the war and it was a more peaceful environment, a better working environment, we would have achieved even better numbers and it would have been a very great milestone. So, during these tough times, before if we had to do 20 things when you come for work, today we have to do 50 things. We have to be proactive about 10 more things because of war and the uncertainty.So, during better working environments, we will be doing even better.

Arun Aradhye: Apart from 37 parts that you are mentioning, those have been already approved. Apart from that, we have a considerable list of RFQs that we have received which are under consideration at various stages. That is commercial, feasibility, commercial, then sample, then PPAP, and then approval, etc., etc. So, put together, Alkop, that is Aluminium and Bi-metal put together, the list of such RFQ list is about INR75 crores of rupees apart from the potential business that we may get through our visits to Canada and USA, that is different. But as of now, we are having that list and if we consider INR75 crores of, which is the list under consideration at various stages and with a striking rate of almost 75% to 80%, we can definitely add within this year and next year to the extent of more than INR60 crores of rupees with the additional business we will be getting.

Disha Chamriya: Okay, sir. Thank you so much.

Moderator: Thank you. We'll take the next question from Ankit Mittal. Please go ahead.

Ankit Mittal: Yes, thanks for the opportunity and congratulations on a great set of numbers. My first question is on the demand side. So, as we are exposed to the auto side and the commercial vehicles, do you see any kind of risk from a potential slowdown on the auto, on the commercial vehicle side in the second half of the year?How is the kind of order visibility and demand you have for the rest of the year?

Arun Aradhye: You see, considering the monsoon position that may -- in tractor segment affect today to some extent, not larger, because in some parts there is a drought-like situation, but it is expected to improve within this month or next month. So, we don't have to worry about that. But at the same time, government expenditure on public projects is going up like anything and because of the scrapping policy of the government that is scrapping of government vehicles and other vehicles after 15 years, that is going so that the demand will remain constant.We don't have to worry at all about that.

Aditya Menon: And if you see the pie chart of our segment-wise sale, we are doing around with tractor and HCV-LCV segment, we are doing around 50%. For the other 50%, we have taken conscious effort to diversify into other applications. And if you see in our business, the cyclic nature is always in the first or second quarter.Third, fourth quarter, if you see, normally are much better. They are not affected by the cyclic nature of this auto industry.

Arun Aradhye: Fourth quarter, as it is, it is always the best.

Aditya Menon: Yeah. And actually, first and second quarter are cyclic. And if you see our performance, we have beaten our last year quarter by around 60%, INR23 crore.So, till now, we are not seeing that demand and all our customers, what numbers they have released to us, they are looking very positive. And second quarter also looks similar. And then third, fourth quarter, normally, if you see our 10 years, third, fourth quarter always does better than first, second quarter.So, this year looking promising.

So, as management also, we are focusing very hard on this first quarter. And we have achieved our internal benchmark we didn't achieve, but we've crossed, done a great job, I would say.

Ankit Mittal: And my second question, as you said, the second half of the year is better. And I think in our last fall, we were expecting INR360 crore of revenue this year. And given that we have already done around INR92 crores in the first quarter.So, even if we just analyse the first quarter, it comes to around INR370 crores. So, do you think that your guidance is kind of conservative and we could achieve a higher number and also on the margin front?

Aditya Menon: I don't want to comment on that. But fourth quarter, definitely you would be on a very happier note than what we are. Because first two quarters, we have done a good job.And we have told INR360 crore is a conservative number. But I don't want to comment more on the final number.It's just the first quarter. But fourth quarter, similar call, Ankit, it would be a much better scenario, I would say.

Ankit Mittal: And on the margin also, as you mentioned, there are a few things which have moved significantly in terms of raw material costs. So, do you think this 21%, 22% is kind of sustainable?

Arun Aradhye: You see, even after increasing the raw material prices by about 20%, 25%, still, not only we have sustained, but our margins have increased further. You can go through the details for the past period also. And you will see that it has further improved, and it will improve further.

Aditya Menon: Basic ship cargo transportation has increased significantly. Indian transport has increased. Like I told you, consumable, the oil, gas, compressors, carbide tools, for example, that has increased by 300%.So if all war goes down, it's a more better working environment, we should see better results. I don't want to comment on it too much, but it should be a more better working environment. Because all these are hardship, what I'm saying, it's fact, we all know that.In that, we have achieved these numbers.

Arun Aradhye: And we have overcome all these problems.

Aditya Menon: Yeah.So, like you said, before we used to come, 20 things we had to do. Today, we are doing 80 things to achieve or making our management, our working system even more leaner. We are working harder, more Kaizan applications have been happening.So, we are working overtime here at Menon Bearings in Kolhapur.

Ankit Mittal: Okay. Thank you and all the best for the future. Thank you.

Aditya Menon: Thank you.

Moderator: Thank you. We'll take the next question from Ashish Soni. Please go ahead.

Ashish Soni: Yeah, it's a futuristic question, sir. You're working with Tesla. So, are you going to develop any products or working or trying to get inroads into humanoid robots?

Aditya Menon: I'll like to answer the question. We are a Tier 2 supplier to Tesla Motors through Concentric. So, we are directly not doing any part, like directly not dealing with them.But currently, we are in -- we're not going into robotics, etc. What field we are experts in, we are managing that. We are entering EV, we're looking at different application, defence, railway.So, we're a little bit more in this segment. But if opportunity comes, if it is technically feasible from us, why not? But currently, there's no talks or we have not, what do you say, explored that field.It's a different field, actually, it's a medical field, a lot of high-end robotics, a lot of innovation is required. But if there are some parts which we can do in that, we'll definitely explore it. But that's a different, complete different field from what we are working in.

Arun Aradhye: So, we're taking it as a suggestion and we'll definitely explore all possibilities.

Ashish Soni: Okay. Second question is on the railways, the defence and aerospace you spoke about, right? Railways, you gave us some commentary that there is an inspection next month and then you can get INR5 crore business.So, can you throw some more light, how exactly it will work in railways, like how much quantum of work you can get in like chunks? And defence and aerospace also, just give a commentary on that.

Arun Aradhye: So, so far as defence and aerospace is concerned, we are not really keen into that. But at the same time, railway business is coming and we don't know exactly how much business they are going to offer to us to start with. But eventually, it may go up what we have verified from the records of the orders issued by railways in the past.So, they are gradually increasing the business of all the customers, so far as brake lining is concerned. And slowly, slowly, maybe in the first year, it will be initial period. And we don't expect too much of orders.But after getting the confidence about our quality, we expect that that would increase manifold over a period of time.

Ashish Soni: Defence and aerospace, can you throw some light on what exactly you are trying to do?

Arun Aradhye: Getting into the defence is so critical, we tried much in the past as well as there were so many people they have visited, they were having the conferences, but ultimately, we do not get response that is required from the concerned authorities. So maybe something is short from our side as well. But still, we have not entered into the defence.

Aditya Menon: Aerospace, we are looking at opportunities where we can do critical parts, we've developed some airport lightings, we are looking at some wheel parts for Honeywell. So, those efforts are going on, we have developed a few parts for them. Defence was like Mr. Aradhye said, we are not going for defence parts, but like we do defence parts for the US. Now, when we give to Allison our washers, those go in defence vehicles. So we are looking at exploring opportunities through engine bearings, washers and bushes, those go in defence vehicle as a secondary, not as primary making bullets or missiles or that kind of defence. We are looking how our parts can go as secondary auto ancillary parts to defence sector.Because currently, when we are doing Allison washers, those go in the defence vehicles.

So, we are looking at opportunities like Mr. Aradhye said, it's quite difficult, not difficult, it's not a lot of ease of business working with government and what -- no, it's a very stringent process, meeting the authorities, getting it approved. So, if today our conversion rate -- realization rate from RFQ to sample is six to nine months, government maybe anywhere between two to three years, where you have to have licensing(licing) officers, I don't want to comment more on that, but it's more complex than getting an OEM or a more…

So, that is what, but we are looking at from a tier two supplier, how our engine bearing bushes can go in make in India defence sector, because now have you seen how World War III talks are there, war is going, so a lot of budget is going through this sector. So, we're looking to be a tier two vendor, where wherever we can help our nation go ahead.

Moderator: Thank you, sir. We'll take the next question from Neha Garg, please go ahead.

Neha Garg: Good afternoon, sir, and congratulations for achieving the milestone.

Arun Aradhye: Thank you.

Neha Garg: Yeah, my question is, is the CapEx funded through internal approvals or through debt?

Arun Aradhye: You see, so far as whatever we are considering so far as bi-metal and Alkop is concerned, it will be through internal accruals only, no fresh loan will be taken.

Neha Garg: Okay. And sir, I would like to know what differentiates Menon Bearings from large domestic or the global players? Like, what is the differentiating factor with the company?

Arun Aradhye: Differentiating factor is that we are having an integrated facility, our productivity comparatively is very good. We are accepting only critical components and critical parts where value addition is better. Like other competitors and global competitors, they are into the manufacturing of bi-metal in bearings of cars and passenger vehicles, etc.We are not into that. We are into heavy-duty tractors and other engineering parts and industrial parts where value addition is better.

So, our overheads are comparatively minimum, our productivity or OEE that you can study also, though OEE is really better than -- that is up to the global standards and that's why our cost of production is comparatively lesser and we can give the prices and quote the prices comparatively reasonable so that more and more people get attracted to us.

Apart from that, we are maintaining the quality and time to supply. That is the first priority, quality is the first priority.And considering these factors, like we have got a certificate from many of the OEMs for zero PPM, that is zero percentage of rejection for parts per million. So, that is our strength and that differentiates us from other competitors.

Aditya Menon: Yeah, we're also third generation now, I am third generation now, so last 30-40 years of technology in this field, at the right time we do technological upgradation. Now if you see all our customers, they are there with us for last 28, 30 years. Some customers are older to me also with the company.So, we keep trust, we keep our brand name, we try to be a supplier to them. Like for Allison Motors in the USA during tariff time, we didn't stop our supplier, even if it hit our margins, because our parts are smaller, if our parts don't reach their lines, they have bigger losses. Those times we supported them.So, this US visit we got more RFQs. So, there are X number of things we do right at Menon Bearings, which differentiate us from our customers or our competitors and those -- in the end that shows on our results. So, there are on different levels, we do many different things.

Arun Aradhye: Like Mr. Aditya told you just now, so we are maintaining the relationship with the existing customers for a longer time. Like John Deere, we are single source for them for last more than 20 years. That speaks aloud about our timely delivery, quality and prices.That makes the difference.

Aditya Menon: Reliability, whatever quality issue or whatever, they know they can rely on us. So, that's a very big thing in our industry and our work talks for us. It's just not a marketing, have a good website or have a marketing team.In the end, what quality you provide, what after-sales services you provide, what relation you maintain, that speaks and that gives you the next RFQ, next business going forward.

Neha Garg: Okay. Thank you very much, sir. And best wishes for your future.

Aditya Menon: Thank you.

Moderator: Thank you. We'll take the next question from Nishant Sharma. Please go ahead.

Nishant Sharma: Hello, I'm audible.

Arun Aradhye: Yes. Very much.

Nishant Sharma: Thank you, sir.Thank you for the opportunity and many congratulations for a great set of numbers. This is the first time I'm attending this call and first of all, congratulations, sir. If you can explain us the margin in each of the segment, because in your presentation, you mentioned that within brakes, we are targeting 12% kind of a margin.While, during the call, if I'm not wrong, we stated that it's about 25% what we have achieved in this quarter. So, first question is around margins. How are the margins in each of these segments?If you can help us understand that.

Arun Aradhye: Okay. Okay. So, for the bi-metal is concerned the margin, so, EBITDA margins are around 21% plus. Then Alkop, it is almost 21%. And now, for this quarter, in brakes, we have achieved 25%.So, overall, it is almost 21.5% to 22% as the margins. But at the same time, 25% we could achieve in brakes because of the product mix as already explained by Mr. Aditya. If the product mix is something different in the coming quarter, it may go down or may increase further also.So, we are not very sure. But overall, on a consolidated basis, if you see, we will sustainaround 20% to 21% of margins over a period of time.

Aditya Menon: And just as a layman for you to understand, Menon Bearings, the bi-metal segment will have higher EBITDA margins, then aluminium and then brakes. We were actually, if you see our last two years, we were at 14%. 14% was very good actually in brakes.But this quarter, we've achieved 25%. So, right product mix, right operational efficiencies, like right operation excellency, we can achieve good numbers in brakes also. So that one confidence as management, we also got.

We also didn't imagine that we could achieve that much EBITDA at brakes also. But this quarter was positive for us and new learnings for us also. But in average, as management, if someone asks me on a random day, what will be the margins, so, bi-metal will always have higher than aluminium and then brakes. And that is industry standard also. But we are doing, Mr. Aradhye and team are doing an excellent job here.So, we are achieving good numbers

Arun Aradhye: As he explained just now, I would like to know that from 14% or 12%, it has gone up to 25% just because our exports to African countries to Dubai have halted for last quarter. And since there is a steep competition from China, particularly in Dubai and African countries for brake linings, we have to keep the minimum margins so far as exports are concerned to these countries.

Aditya Menon: Only for brakes.

Arun Aradhye: And because of that, the margins are comparatively lesser when the export to these countries is more. You understood, no?

Nishant Sharma: Yes, sir.So, going forward again, if we see the exports rising to these countries, we may again go back to the similar levels of about 12% to 14%.

Arun Aradhye: No, no, it will improve further. We will try and see that it goes to 20%, which is our standard level because we are not only depending upon the export as we have seen that our sales have gone up in spite of no export to these countries. But at the same time, we have entered into 2 wheeler, now we are entering into 3 wheeler.

Aditya Menon: But main reason for EBITDA margin is product mix.

Arun Aradhye: Product mix and we will try and see that we retain the same over a period of time.

Aditya Menon: This quarter has given us an idea which products to focus on which are higher margin products. So, as management, we have identified those. We are looking at more avenues where these products can be sold or we can get more customers in this product mix.So, efforts have already been started. So, that is the scenario.

Nishant Sharma: Okay, sir. And in terms of growth, if I have understood well, one, it would be export-led growth primarily as we have recently got orders from or we have worked in Canada and US. Along with that, we are also adding Europe and directly entering Africa.So, that's one piece of growth. Are there other avenues from which we can grow?

Arun Aradhye: You see, there is domestic number of opportunities are there which are under RFQ, I told you just now. That is more than INR75 crores of

RFQ list is there which is under discussion at various stages and with target rate of conversion, maybe around 75%, 80%. We expect to get around INR60 crores of additional business in domestic alone in next one next this year.

Aditya Menon: And when we say export-driven, export is only 60% I think out of the whole order book. Domestic also has a good 40%, 45%. Domestic also, we are looking at different customers, different applications, more compressors, maybe air conditioning, industrial fridge, generators, tractors.We are looking at different applications also from a traditional HCV LCV. So we are looking at more diverse pie chart and that's how we are going forward.

Nishant Sharma: Okay, last bit, if I am not wrong, you have alluded INR360 crore kind of a number or a guidance that we are looking for this year. From 2 to 3 year perspective, is there a guidance or a target that we have kept for ourselves?

Arun Aradhye: You see, there is always a target, we have set ourselves on a conservative basis of 20% plus year on year. Considering our recent visit to USA, Canada and then now we are approaching Europe as well, so Netherlands, they have already invited us to offer us the business. So considering that, we don't know, it can be 25% also.

Aditya Menon: We were supposed to reach INR500 crore in 2030, but we are trying to do it as soon as possible. So, in the next 2-3 years, it's our internal target, but let's see.

Arun Aradhye: Actually, fingers crossed, we expect more.

Aditya Menon: Actually, last year, if you see, who all follow us, we had given INR270 crore like 3 years back. I had given target that we are going to achieve INR270 crores. We have broken our own benchmark and reached INR300 crores.So, hopefully, this year also we can do that for our shareholders and for our company. So, let's see. We don't want to comment on this because we still give more than other -- I attend other company meetings also, they don't give that much numbers.We still are more liberal with the numbers. So, INR360 crores, I would say is a conservative figure and we will stick to that. And the coming quarters will give you an indication also how are we going to be close or are we going to exceed it or how it's going to happen.

Nishant Sharma: That's great, sir. And we will be hopeful of getting that kind of a growth going forward and will definitely give you good wishes on that. One bit on, you added capacity on bi-metal by about 25% odd.So, still we have a scope for growth over there, right?

Arun Aradhye: Yes, yes.Tremendous growth.

Aditya Menon: Yes. Currently, we have a lot of RFQs. Like, like I mentioned before, we are looking for a new plot also for bi-metal division for the next two years.If you start looking now till the land government permissions will be built, it will take two years. So, current investment, what we are doing,we are doing modular.What machines we require? What lines we require? What heat presses we require?So, that is going on to achieve these numbers for the next two years. We have done the CapEx. After that, what do we require, we have already started the process for that also.

Arun Aradhye: There are n number of customers who are following us for business, maybe domestic as well for exports. And we expect very good volumes.

Nishant Sharma: Thank you very much and all the very best. We'll look to follow you up. Thank you.

Arun Aradhye: Thank you.

Moderator: We'll take the last follow-up question from Rucheeta Kadge. Please go ahead.

Rucheeta Kadge: Good afternoon, sir, again. Sir, just on the utilization part. So, this quarter, what was the utilization in each of our segments?

Arun Aradhye: Whenever we reach 80% of the utilization, looking at the RFQs in hand and the business on the horizon, we go for -- we see. When there is a business on the horizon, as you know that in bearing, maybe bearing or washer are as Alkop also, it requires eight, nine months to almost nine months, 10 months, et cetera, to start the actual production because of testing and validation. So, looking at the business on the horizon, whenever we cross 80%, we go for the additional CapEx for increasing the capacity.Got it?

Rucheeta Kadge: Understood.But this quarter, what was the utilization?

Aditya Menon: Roughly, I will tell you bearing around 80%. But we don't calculate extra land and the land using space we have. We just calculated machinery.That at 80%, aluminium around 65 to 70%, and brake also around 65 to 70%. In all this, we are not running our third shift at 100%. So, that also we get eight out of a whole shift.So, that is extra additional capacity which we have. Third shift, we are only running bottleneck operations today. So for achieving these numbers as management, we are confident what numbers we have for the next two, three years.We don't have to do any big capacity investment what we have done in the past couple of years. We just have to do modular investment to achieve these numbers for the next two years what we have mentioned to you all.

Arun Aradhye: To be precise, what he is trying to tell you that we have already invested into the infrastructure.

Aditya Menon: Yes.

Arun Aradhye: And now only machining capacity has to be added.

Rucheeta Kadge: Right. Understood. No, just to understand how much is realization growth and volume line? So, that when realization does go down, then to understand how much would be led by…

Arun Aradhye: See, whatever future CapEx that we are going to do, the additional CapEx will have asset turn of around 2.5.

Rucheeta Kadge: Got it, sir. Understood.

Arun Aradhye: Thank you.

Moderator: Thank you, Rucheeta. Sir, since that was the last question, would you like to give any closing comments?

Aditya Menon: I would like all our shareholders, well-wishers, stakeholders to come to Kolhapur. There are flights. So, we will arrange a tour for you to see all our plant, what kind of work we do, engineering, what kind of work culture we have, so, you all have a better understanding, a first-hand experience of what Menon Bearing does. And thank you. Hopefully, see you all soon next quarter and Menon Bearing keeps up with the same result.Thank you, everyone.

Arun Aradhye: Thank you.

Moderator: Thank you, sir. Thank you to the management team and thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.

Arun Aradhye: Thank you.