



Date: December 11, 2025

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai- 400 051
Symbol: RACLGear

The Bombay Stock Exchange Limited (BSE)
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
Scrip Code: 520073

Subject: Investor Conference Call Transcript

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find enclosed herewith the Transcript of Analysts/Investor Earnings Conference Call which was held on Friday, December 05, 2025 at 03:00 P.M. (IST) to discuss the Company's Q2 of FY 25-26 earnings.

The aforesaid information shall also be made available on the website of the Company at www.raclgeartech.com.

You are requested to take note of the above and oblige.

Thanking You,

For RACL Geartech Limited

Neha Bahal
Company Secretary and Compliance Officer



RACL GEARTECH LIMITED
Q2 FY 2025-26 EARNINGS CONFERENCE CALL
DECEMBER 05, 2025

MANAGEMENT:

MR. GURSHARAN SINGH – CHAIRMAN & MANAGING DIRECTOR

MR. PRABH MEHAR SINGH- CHIEF OPERATING OFFICER

MR. JITENDER JAIN- CHIEF FINANCIAL OFFICER

Ms. Neha Bahal	<p>I am Neha Bahal, the Company Secretary and Compliance Officer of RACL Geartech Limited. On behalf of the Company, I would like to extend a warm welcome to all of you to this post result conference call for the second quarter of the financial year 2025-26. I will be your moderator for today's session. Before we begin, I would like to make a few important announcements. Please note that this conference call may include forward-looking statements based on the company's current beliefs, opinions and expectations. The statements are not a guarantee of future performance and are subject to various risks, risks and uncertainties which may cause actual results to differ. Additionally, all participant lines will be on mute during the presentation and we will have a question and answer session. At the end of the presentation, where you can ask any question that you may have.</p> <p>If you need any assistance during the call, you can submit your question via Q&A box or raise your hand, ask for the available options on the screen and we will assist you accordingly. Please be informed that this call is being recorded. We are pleased to be joined today by the management team of RACL Geartech Limited represented by Mr. Gursharan Singh, Chairman and Managing Director, Mr. Jitender Jain, Chief Financial Officer and Mr. Prabh Mehar Singh, Chief Operating Officer.</p> <p>With that, I now invite Mr. Gursharan Singh for his opening remarks.</p> <p>Over to you Sir.</p>
Mr. Gursharan Singh	<p>Hi friends, Good afternoon. First of all, interacting with you is brilliant. Another from North India, but I know most of people are from Mumbai but still in Mumbai weather is also very pleasant these days. So please have enjoyment of this. So, in fact, our team will really come through the complete presentation, facilitation information and all the parts and all the feature looks like, but I just wanted to appreciate the meeting with you, things are really looking very good. Indian economy is really resilient economy. Things are really getting better by each passing day. Keep passing order and globally. Also, despite all the challenges.</p> <p>Global situation is also proving a lot, so we really see that coming year 2026 will be full of improvement and yes, of course with quarterly initiative of being in contact with all of you. Rest that will always go and we'll keep you updated all the future in, but just for to start with I'll hand over to Prabh and Jitender Jain to initiate the complete information of the performance of the last quarter.</p>
Ms. Neha Bahal	<p>With that, we will start today's presentation with a brief introduction about the Company. It is my pleasure to introduce RACL Geartech limited and share an overview of what we do and who we are. Our journey began in 1983 and since then we have grown into a trusted engineering and manufacturing partner. We are based in New Delhi, registered with DUNS and proudly headquartered in Noida, India. We are a publicly listed company on both BSE Limited and National Stock Exchange of India Limited and also have an Austrian subsidiary.</p> <p>Over the years, we have built a strong infrastructure that supports our global operations.</p>

	<p>Today we operate 2 manufacturing locations, a corporate office and three warehouses in Europe. Our team comprises 869 dedicated employees who contribute to our collective success. Our products serve a wide range of applications across industries. 2 Wheelers, 3 Wheelers, passenger cars. Commercial trucks, ATV, agricultural equipment and industrial gas. Our product range includes transmission, gears, sub-assemblies, precision machine parts, chassis parts and industrial gears. These offerings are backed by a deep core competency with span gear cutting, precision machining, aluminium machining, process R&D and concurrent engineering, heat treatment sub-assembly, laser welding and laser cutting, as well as export logistics handling.</p> <p>We proudly support 22 active customers with over 900 SKUs demonstrating our capability and versatility. In financial year 24-25, we recorded a revenue of INR 4.27 billion, reflecting a strong business performance and customer trust.</p> <p>Financially, we continue to maintain a strong and positive outlook. Supported by an A minus credit rating. Quality and compliance remain at the heart of our operations. We operate under all essential global quality, safety and information security standards, including our tisax rating of 2.8 and permanent label certification reflecting our strong commitment to excellence and operational integrity.</p> <p>As we move forward, we remain dedicated to innovation, precision and customer satisfaction. Our legacy of more than 4 decades continues to inspire us to reach new heights.</p> <p>I would now request Mr. Jitender Jain, Chief Financial Officer of the company, to take us through the financial performance for quarter two of the financial year 25-26.</p> <p>Over to you Sir.</p>
Mr. Jitender Jain	<p>Thanks Neha. Good afternoon, everyone. So, I'll present the financial performance for Q2 and H1 for the financial year 2025-26. So, quarter 2 of financial year 25-26, we clocked a turnover of 122.84 crores. Out of which, close to 89 crores was exports and close to 22.5 crores was domestic turnover. The other operating income was 5.83 crores and other non-operating income was 5.56 crores. So in totality, 122.84 crores of turnover. This is a slide on the business segment. So, for this particular quarter, our export contribution was close to 72% and the domestic turnover was 28%. Yeah, so This is why standalone Q2 performance.</p> <p>So Q2 of financial year 25-26, we clogged a turnover of 122.84 crores as compared to 105.71 crores same quarter last year which is representing a growth of 16.2%.</p> <p>Our result in absolute terms have grown from 22.27 crores in same quarter last year to 29.79 crores. In Q2 of financial year 2526, representing a growth of more than 33% in percentage terms from 21.06% to 24.25%. Accordingly,</p>

the PBT has grown from 6.75 crores to 16.13 crores, representing an outstanding growth of close to 139%. On percentage terms, it has increased from 6.38% to 13.13%. This slide is comparison of quarter one versus quarter 2 of current financial year.

So current financial year our turnover we have achieved a turnover of 122.84 crores in Q2 as compared to 1 close 208 crores in Q1 representing a growth of 13.78%. On EBITDA, we have 29.79 crores in Q2 of current financial year as compared to 26.8 crores of Q1 same financial year, representing a growth of 11.15%.

In percentage terms, it is almost flattish 24.83% to 24.25%. Our PBT has grown from 11.25% to 16.13 crores in Q2 as compared to Q1 of this year, representing a growth of close to 43%. In percentage terms, the PBT has gone from 10.42% to 13.13%. This is standalone half yearly performance YOI comparison.

So, in current financial year in H1, we clocked a turnover of close to 2:30 crores as compared to 211.51 crores in H1 of last year, representing A turnover growth of 9.11%. EBITDA, we have earned EBITDA of 56.6 crores in H1 of this financial year as compared to 44.6 crores as compared to H1 of last year, representing a growth of 26.66%. In percentage terms, if it has grown from 21.09% to 24.52%. However, in PBT has grown from 15.18 crores to 27.38 crores in each one of this financial year, representing a growth of almost 280% in percentage terms. It has grown from 7.18% to 11.86%. This is the consolidated half yearly performance YOI comparison to consolidated basis, we have clogged a turnover of 234.56 crores in H1 of this year as compared to 219.71 crores of last year, representing a growth of 6.75%, has grown to 56.82 crores from 44.23 crores same period last year, representing a growth of 28.46 crores.

In percentage terms, it has grown from 20.13% to 24.22%. EBITDA has grown from 14.68 crores to 27.45 crores in same period last year representing a growth of close to 87%. In percentage terms, it has grown from 6.68% to 11.70%. So this is the snapshot of basically various financial ratios on a standalone basis. This is for everyone to look at. I just want to highlight 2,3 points here. Our cash from generation has grown from 19.81 crores to 29.87 crores in H1 of this year as compared to H1 of last year, representing a growth of close to 50%. As you all are aware that in Q1 of this financial year. Here we had these preferential allotments and that entire money was used to reduce the both long term and short-term debt. So accordingly, our overall total debt has come down from 305 crores to 218 crores from last from 31st March till now.

So, which is a decrease of almost 28% and accordingly most of our financial ratios have changed significantly, on debt by equity is close 0.67.

Fixed asset turnover ratio, which we always discussed. So it has improved now from 1.33 to 1.45 on 1/2 yearly basis but ratios in yearly basis and DSCR has improved to 1.68 times and the right-hand down

	<p>corner shows the profitability ratios in return on equity. So this is the profitability comparison which we always share on a standalone basis. So, this is the breakup of difference in EBITDA and PBT from Q2 of 2425 and from each one of 24-25.</p> <p>So, as I've shared that our EBITDA has from Q2 of last year, EBITDA has grown by a by 3.19% and from each one of last year it has grown by 3.43%. But this is the breakup of basically how this from which all heads it has this growth has come in and we have been able to consistently maintain our EBITDA margin above 24% from now, from Q1 and Q2 of this year. So, this was the basically financial performance both quarter on quarter and half year to half year.</p> <p>Now we'll come to the business updates, so we are proud to share that we have done a technical collaboration with the German entity called AARK Engineering GMBH. They are basically expert in product designing, prototyping, virtual simulation, testing, validation. So till now, RACL was doing a prototyping and all but we were not doing the product designing and all. Now with this technical collaboration with AARK Engineering, now we will have a capability to do the product designing right from the inception of the product.</p>
Mr. Gursharan Singh	<p>I'll just add what JJ explained, in our real business language we say, until now we were doing built to trend. Technically customer gives our drawing. We do the entire activity right from prototyping to sample development to precise and of course most product. Now with this new technical collaboration arrangement with the German company AARK Engineering GmbH, so in our business language we call it concept to print. Now a customer will not give us the drawing, he will say again look this is a vehicle. This is the power. This is the output required.</p> <p>This is the how many speeds are required and this is the load characteristics. So, we are to design the component, we have to create the concept, have to select the raw material, we have to select the equipment process and also exercise and then eventually where to create the design and, in this case, then we are responsible for the overall product, fit for function. Now we're responsible for fit for function. Now we're responsible for even the design, and we're responsible for the entire material selection. So, this really puts us into league of many advanced companies who are really able to offer this service to end customer. Reason why I'm this fast because you know, Europe is gradually now shifting its focus on the vital design to the component design level. They are really expecting the supplier should get the upgraded in this. So, this is a kind of initiative which we're starting and right now we are talking to some customers to take it forward and eventually in coming time, some positive results will come out of this.</p>
Mr. Jitender Jain	<p>Thank You Sir. So just to add now, this is basically a step shown in our journey to move up the value chain from being just being a component supplier to end</p>

	<p>to end engineering and industrialization solution provider. Next so this is the new business nomination. I'm really proud to share that your company has received second nomination for transmission parts of our gearbox assembly from that large one of the largest premium 2-wheeler manufacturer in the country. Now this is the same large premium 2- wheeler manufacturer from whom we had got our first order in the last quarter. So, I'm happy to share that we have got a second nomination now from the same OEM for the transmission part of a gearbox assembly, this project again falls under the high-volume business segment for the new engine category which is currently not available in the market.</p> <p>So, and I'm happy to share that this project we will be executing at Gajraula plant and the SOP is expected to start from July 2027.</p>
Mr. Gursharan Singh	<p>I'll just add to what JJ said Of course, we've got the new business nomination for the second project. First project has been very successfully developed and the samples submitted to the customer. Right now, the situation is that some of the testing at the customer end and very shortly. We'll be turning the mass production and this will be additional business revenue in coming tank.</p>
Mr. Jitender Jain	<p>So, this is regarding external credit rating, so I'm happy to share that again this year our external credit rating has been reaffirmed by care as a minus for long term banking facilities and A2 plus for short term banking facilities. But I'm happy to share that they have revised the outlook from being stable to positive. So that's an upgrade on the outlook side. One more thing which I want to highlight here is that this time we have got the overall facilities rated of 273.38 crores as compared to 336.93 crores which were rated last year.</p> <p>So, which represent a total decrease of close to 63.5 crores and this facility also includes the fresh terminals which are supposed to be disbursed this year which are not disbursed till now. So overall reduction of 63.55 crores. Thanks.</p> <p>As you all are aware, so we have we have a strong focus on environment, social and governance as well in addition to the manufacturing capabilities and all which we have. So, I'm happy to share every year from last year onwards, we have started getting our company rated from an ESG platform ESG perspective from a very prominent player done in Dun & Bradstreet. So we had got this exercise done last year where they had rated our entire company on ESG platform both on and all on environment, social and governance. I'm happy to share that they have done the ESG rating this time as well and we overall our company has been rated as medium in their overall category and we have also been rated medium in all the three categories which is environmental, social and governance.</p> <p>So, this is back-to-back two years being rated as medium by done in D&B. So these are some of the events which we want to share with all of you.</p> <p>So as a ritual, every year we conduct our shareholders plant visit. So, this year again we this was a third annual plant visit for shareholders which we</p>

	<p>conducted on October 15, 2025 where our shareholders get an opportunity to visit our Gajraula plant, they spend the entire day at our factory premises. They take our entire round of us of all the plans, our manufacturing capability, our capabilities and all and get a sense of what exactly we are doing at the ground level.</p> <p>This initiative we have been doing for last three years and it has got a fantastic response from our shareholder this time.</p> <p>Again, I'm happy to share the shareholders from across India. They have come right from Chennai to West and from north. So, from everywhere the investor shareholders have come in and it was a great learning experience and they also got an opportunity to have an interaction with the management and discuss everything and get the on-ground experience of what we exactly do.</p> <p>Second thing, this time RACL has participated in defence manufacturing execution, not this exhibition manufacturing conclave has happened at Jabalpur between 7th to 9th of November. So, we participated in. In this exhibition, this time, the response to our participation was fantastic. We got lot of interest and we got an opportunity of engagement with from various industry stakeholders and other stakeholders.</p> <p>One of our directors, Brig. Bedi was present there in person along with the marketing team and this platform was an excellent platform for us to showcase our capabilities and all to the world and also, we got an opportunity for networking and networking and other opportunities on the defence sector.</p>
Mr. Gursharan Singh	<p>So yeah, just to add, this is a kind of initiative which we get entry in a sustainable level in the near future because India is fast becoming a hub for defence manufacturing. So, this is a kind of initial first step where we are trying to take into this, let's really see how it takes.</p>
Mr. Jitender Jain	<p>This was the presentation from our side. Thanks a lot everyone and over to you, Neha</p>
Ms. Neha Bahal	<p>OK, Sir. So, Mr. Dheeraj you may ask your questions.</p>
Mr. Dheeraj Reddy	<p>Hi Sir, So I just listed down my questions on the chat. If you can, if you can probably like answer those, that would be very helpful in the interest of time.</p>
Mr. Gursharan Singh	<p>Yeah, we got your question from the e-mail also, normally it is not part of the strategy to disclose the strategy of ourselves and other strategies of the customers. You know customers also, if they give business, they are in very strong relations after complete.</p> <p>Before nominating a supplier and you know, gear is not a commodity that any domain can really develop this product but if they have nominated us, they have their own strategies and they have their own thought processes some of the strategy and thought processes are known to us, but then some of even confidential to ourselves. But even whatever are known to us, we are bound by bit of confidentiality and we are not able to you go in public platform, but this I can really tell you that. Here, as a community is always very long-term</p>

	<p>relationship because changing a supply of adding a new supplier, first of all, it takes almost six months to one year of initial.</p> <p>We never had a relationship with this customer prior to 2025 and I do not remember how many visits, my colleague Prabh and others have taken from our company and how many visits have been taken from the customer, if not last, at least 20 people from that company have visited us. So, it's a very-very long strategy. So really, we are not in a position to give the strategy, but this we can really show. Yes, our very long-term strategic business relationship, it's not really customer supplier relationship. It is strategic business, so I hope I've been able to clarify.</p>
Mr. Dheeraj Reddy	No, no, I understand Sir, but just wanted one more add on point on top of this which is are we a sole supplier to this component or is it like we are one of the two suppliers?
Mr. Gursharan Singh	No, we are actually not supposed to divert this on a public platform but yes, whatever parts are there, they will be always strategic correlations. They take it from us so they do not take it from others. Now it's a long-term relationship because we are also investing money. You know our company's strategy is very clear. Whenever we invest even a single until we are not sure what the business so you can really take it from here. If we are investing money and investing pretty good money on this business, we will not invest until we have 200% sure for this, but beyond this.
Mr. Dheeraj Reddy	Understood, Sir. Very clear, Sir. Got it, got it. Sir, last in the last con call Prabh sir mentioned about parking lot mechanism, the contract which we got with BMW and also Prabh sir mentioned that we can also offer this to other OEM players if I'm not wrong. Right. I mean at a later stage. So what does it exactly mean? Because from a design standpoint, if BMW is giving us parking lot mechanism product, can we also because now we have capability for this product, can we sell this to, I mean can we also help other car companies with this product or how? How does it exactly work?
Mr. Gursharan Singh	No, I think there is some misunderstanding in this topic.
Mr. Prabh Mehar Singh	Maybe I can explain this way. The point was that parking lot mechanism as a product, every architecture will have it electric on platform. So it is not that whatever we are making tomorrow we can pack for other customer and they can put in their car that that's not how automotive works, but in terms of the skill set in terms of validation, in terms of having a strong testimonial for similar projects to flow to us which might have similar application helps to gauge that kind of business RFQS from other customers which might have requirements for similar things so that how it becomes and we become one of then the preferred choices because we then have a testimonial and the capability to deliver.
Mr. Gursharan Singh	You know parking lock is a system. It is not a part that we are developing or the customer BMW has given the part and we can sell this any other customer.

	<p>No, it is their proprietary item and we are working as a supplier. But parking lock is a very safety critical part for the vehicle as many electric cars, fuel cars have this. Idea is to, like we are a gear manufacturer, so the moment any new customer comes know that we are gear makers so they'll come to us and we are a preferred supplier as gear makers. Now we are parking lock manufacturers also and you can imagine that we got the business of parking lot mechanism and BMW, the one of our first customer. So, any new customer will always get attracted, oh! this is a company who has an expertise in making parking lot systems and their first customer is BMW. So, all the big customers will get attracted. This is actually the meaning, but obviously it's very clear, this product is a proprietary product for this particular model, because you know every car has their own design, nothing can be cut and copy like this.</p> <p>Maybe like I think there are many others also that you have any other questions. Maybe you can write for e-mail or other. Let other Members also get a chance to ask their questions. Thank you.</p>
Mr. Tej Patel	<p>Perfect. Thank you so much for the opportunity, Sir. So my first question is in terms of why am I grow 15%? How much was it due to the? Yeah, now, is it OK, Sir?</p>
Mr. Jitender Jain	<p>Mr. Tej, can you be a little louder? Be a little louder. Your voice has lot of echo. Please proceed.</p>
Mr. Tej Patel	<p>Yeah. So I'm asking how much of this 15% growth, I mean, how much of it is attributable to the your appreciation against when it when I completed it wide and wide?</p>
Mr. Jitender Jain	<p>So basically, if you look at I mean on the non-operating income side. So basically, we apply the accounting standard. So as per accounting standards and all yes, we have been benefited from the euro appreciation but then at the same time we borrow in foreign currency as well. Both on the long-term side as well as the short-term side. So then there has been some hit on that side as well. But so overall, if you look at the picture is then about the overall euro in H1 it's about between 8 to 10 crores of impact.</p>
Mr. Tej Patel	<p>Got it, got it and Sir in this quarter and probably the next last quarter, you know there are a couple of projects were you know supposed to start for example the park lock mechanism, the TVS project and you know ZF project also the steering gear one. So if you could help us give an update, you know are the things on time, you know according to timelines or you know I have a few projects, I mean let's say delayed or you know the timelines have changed. I think there are a total of four projects which are supposed to start maybe by the end of this quarter or you know Q2. So, so if you could just give an update on that.</p>
Mr. Prabh Mehar Singh	<p>I will just clarify, first of all, all the projects are very well on time and that is really reflecting that on the second quarter, we have been able to achieve growth. So that really reflects that progress on time, but probably, we'll just correct you some of the projects like parking lock might be BMW and all, they</p>

	are not starting this year. They're starting next year. Right now, they're sample serious phases are going on. So that is also adding to the value because the pre-series phases are also off quite good numbers. It runs in 2026. It's not that only 50 or 100 cars have cars. So then, eventually that also leads but guess all the projects are exactly on time, so there is nothing is now.
Mr. Tej Patel	Yes Sir. Sorry Sir, it was it was my mistake. I get it. It was 2026, but I think the TVS project was supposed to start by the end of this calendar year, right?
Mr. Gursharan Singh	Yes, you might have already witnessed. TVS has launched this bike at exhibition in Italy, and you know this is the first time that two top models were launched had a global launch in Italy, where TV has had launched a new vehicle called RTX 310, and then they had launched in Norton brand as a global brand and I'm proud to say that all both the models and products are from your company.
Mr. Tej Patel	Great. Great.
Mr. Gursharan Singh	And now what production of that RDX 310 is already starting, as already has started in November. They're produced a couple of hundreds more cycles and you know, November, December always. These customers will not put the product too much in the market because of the model year changing, but generally the model here 36 will start over on 2026. We have pretty hopeful that volume will start picking up but already started for this previous project and Norton project you all are aware; our honourable Prime Minister had launched this motorcycle while our British Prime Minister Mr. India and invaded yesterday. Although they were the item that Norton is now planning that even one 1.2 liter motorbike to be launched in India and May 2026 and I'm again proud to share that all those parts bikes are with parts supplied from your company.
Mr. Tej Patel	Got it. Perfect. Thank you, Sir and Sir, this second nomination which we have received from one of the recent Indian customers, is it for some different part?
Mr. Prabh Mehar Singh	It is confidential right now, but it is going to be in the premium segment.
Mr. Tej Patel	Okay Got it, got it.
Mr. Gursharan Singh	You know what the man is always into the premium segment because they have a customer is very particular about the quality, very- very particular about the sustainability in all that stuff.
Mr. Tej Patel	OK and Sir, last question, can I just ask the last question if possible, Sir, please. Yeah. So, if you could just help us understand at a broader level, I think you know what's happening in Europe right now, you know your interaction with let's say BMW, ZF, you know, which are probably let's say I think ZF was not doing up to what we expected, but I think the numbers have started to improve a bit. So, so any improvement there in in Europe and you know particularly let's say ZF and I think KTM also started production but I think we had a little

	very less quantity. So any update on Europe as all and you know in on few particular clients.
Mr. Gursharan Singh	<p>Yeah. We're too small to predict on the global economy, but our experience and our thought processes that globally Europe achieved a plateau in 2024 and 2025. So, whatever now is going to happen, it is going to happen in the plus direction only because of political scenario. Europeans are spending in a big way into infrastructure projects, particularly in the defence projects and particularly energy sector. So, in defence, there's a big demand going to happen. So, this really gives lot of boost to the what we call logistics end like trucks what you don't then eventually people so eventually these things are really looking up and you also know it that you don't have appreciated against dollar in past six months by almost 6- 7%.</p> <p>So that really shows that European economies resilience coming into shape and, you know, Europe is also all put together, they have pretty big size of overall economy. So, they are really face lot of complications, but I personally feel in automotive segment or I'll say in the commercial trucks on this business, things are going to look up and show a positive out.</p>
Mr. Tej Patel	Thank you so much.
Ms. Neha Bahal	Mr. Yogansh you may ask your question, please.
Mr. Yogansh Jeswani	Hi, thanks for the opportunity. Am I audible?
Mr. Prabh Mehar Singh	Yes, yes. Go on.
Mr. Yogansh Jeswani	Yes. So firstly, congratulations to the entire team on winning another order from this domestic 2- wheeler company and that too in such a short span of time. So that speaks volumes about our capability. So big congratulations to the team and hopefully this another order will take us forward on our volume growth and value growth that we are anticipating. So, Sir, coming to my questions, so Sir, can you talk about what would be the Capex spend for this year and similarly given these new projects wins that we announced in the last quarter and then again, this quarter, what would be our Capex spend for FY26 or FY27 broadly if you have any figures in mind?
Mr. Gursharan Singh	<p>I think for FY 26, we have already announced in our capex. Look at all the total spend will be about 50 crores and now it's almost towards the end of the year and we are going to maintain this and maybe a crossover, less of it not higher than this, but definitely. This is taking care of our current year production and gradually it will take over the next year's production. But definitely for FY2027, we are still compiling all the numbers and all and definitely next quarter or maybe next call you'll be having some insight on this but yes, you know, as we always say that Capex is because we are making capital intensive. So, we have to keep on investing and in parallel we have to upgrade our old obsolete technologies also. So, like we had a massive organization in our machining centre forging set up now I'm coming here we have to invest lot of money on upgrading on our heat treatment set up because</p>

	<p>now our heat treatment is also coming towards end of life in fact. It was already come towards end of life, so we are planning all these strategies and this is how we really keep ourselves upgraded on the available technologies.</p> <p>Now of course, preparing for the future mass production. So very few more ones maybe hopefully by next quarter when we do our investors call. So, well, you know, Capex has been first approved by our Board of Directors only it can be made public, but yes, our finance team and project team are really working on it.</p> <p>Now we will witness in numbers as well most of these new projects, whichever we are not that high capital intensive because they are also generating good project turnover. So that fixed asset turnover issue to the sales will also improve because in domestic business, gestation periods are smaller and many of these projects. So that last Capex cycle, what we had what is where some sluggishness came from for the BMW Capex. What we had a year, year and a half back are working fine. Now when the BMW production starts, it will generate good turnover, so we are also going to generate good operating cash flow in the coming year. Even now you see our operating cash was higher by 50%. So that addition to debt will not be that much as it was in prior because cash flows accrual will also take care of the requirements of capital expenditure, which should not get too much borrowed. So, these are good sign capex means companies growing. That is something which sometimes becomes a question but since internal accruals are also increasing because of higher operating cash, so I think it will be a good scenario a couple of years.</p>
Mr. Yogansh Jeswani	<p>Fair enough. Got it. So, I think my second question was on debt only. So partly you've answered that operating cash flow are going to help. So broadly Sir, do you see the debt level at least for next one year will stabilize at this level or we might need some debt for working after that is fine?</p>
Mr. Jitender Jain	<p>Net, net, net will always reduce that is very straight, yeah, but one thing Yogansh, I want to highlight, so I mean you can also see, I mean the overall debt which we have got rated from. So anyways, my overall debt cannot surpass that amount, but to I will I will put it up in a different manner our endeavour is that from now on, our debt by equity should not cross 1. That's what we will try to and that should not generate revenue for the bank. It should generate revenue for us. But evidently my to answer you, you know that we always maintain this and in future also we maintain we as a company have a very, very clear strategy that we will not spend any Capex in anticipation of the business because many industries you know, I know as investors, you guys always have a down low compressing that. You know, I company is very far fall into a trap that they invest. They create the plant and then they start hunting for the business and then eventually if you don't get the business, then you have clock is ticking and you end up in a problem. Moment is customer knows that this supplier has a free capacity. They will squeeze you to your last drop. Our is a different case.</p>

	<p>Our marketing guys are telling very clearly. Look, we don't have the capacity. This is our price. We have integrated setup. We'll give you a sample by that time you test your sample, we'll create the plot. So that is a safeguard with us, even if we raise the dead, it will start generating money. So that is a very, very safe course. Even if we raise the debt but as said that our target is that not to take the numbers of the ratios to the level we found a dangerous level even at the threshold level. Also, we should always try to keep track of whatever prior to that ratio, the priority ratio limit positive.</p>
Mr. Yogansh Jeswani	Point well taken. Yeah. Thank you.
Mr. Prabh Mehar Singh	Mr. Sanjeev, you may ask your question.
Mr. Sanjeev Marwah	<p>Yeah, Hi. Thanks for giving the opportunity, Sir. I have a few questions and pardon the naive nature of the questions. They're very basic. So my first question is, Sir. Sir, I'm assuming that you know for most of our machine parts we would be using some sort of CNC machines and while I was reading you know some literature on CNC machines, they are becoming very advanced and automated to the extent that you know you just feed the coordinates how you want the precision gear or any machine part how you want the coordinates and the shape of that that part B it delivers. All you have to do is feed in the instructions and precisely machines and whatever processes. So, my question was Sir given these sort of CNC machines exists in the market, if you could just throw some colour on how RACL differentiates itself when it comes to precision, you know, gears or precision equipment manufacturing versus someone else who can tomorrow buy these? These advanced Japanese or European automated CNC machines and also deliver you know probably similar products. So, if you could just throw some colour how adoption of these automated CNC machines?</p>
Mr. Gursharan Singh	<p>Glad that no more financial calls and I really feel happy in answering all these technical questions but I'll tell you to because CNC machine is a very- very basic nomenclature for CNC has a very, very long technology and a range of very, very technical CNC machines are available as low as 10-12,00,000 Rupees also, and in Faridabad sector people have put these machines even into the shops and even their backyard of their houses.</p>
Mr. Sanjeev Marwah	Right. Correct, Sir.
Mr. Gursharan Singh	<p>But you know, first of all this technology what I do call it CNC industry kind of technology, but there is a 2 axis- 3 axis and we have our machines. I'll do 11 and gain access machines. Also, not even 6. We have some meetings with 11- 13 access. Now that is again, you said very likely anybody can buy that, OK and then starts producing it, but you know.</p>
Mr. Sanjeev Marwah	Right, right, correct.
Mr. Gursharan Singh	<p>Technology alone cannot really produce a product with respective gear anything it needs lots and lots of expertise. It needs lots and lots of knowledge about the cutting, knowledge about the raw materials. No, I want more than anything else and the real experience there.</p>

	<p>What happened in the past, you know, today is what time is really so short people do not have no time for experimentation. People expect that part should be first time, right? It's not that. OK, you have somebody to sample then? Then they fail and nobody will give you new samples. No, they don't have the time. So eventually you need a lot of patience. What is available on a computer? Anybody can buy it but whatever is available, you will bring that OK. AI is there now. Start replicating the human brain also, but still it has long way to go so you know it's a combination of many things. So we have certain uses which actually do not everybody and anybody can't have it like the CNC's technology. Like we have certain technologies. Now you feed the drawing and machine tool will design the tool part will suggest you.</p> <p>These are the various strategy of the cutting. You are to really choose now which brand do you to choose which tool to use. Here lies experience of the person. It's because of the team, so it is a combination of many, many such factors. But yes, in fact I will suggest you. What's your name?</p>
Mr. Sanjeev Marwah	Sanjeev Marwah.
Mr. Gursharan Singh	<p>My suggestion will be whenever there is a next investor's physical visit to a factory, please join. That visit or will be able to showcase you that what all us feels we have which the others can't replicate, but I have also replicated from somewhere, but it is difficult and challenging to do it, but yes. It is the open word, the Today. I cannot say that nobody can produce what we are producing. Yes, there are people who are producing now. There will be people who produce in future also. So please visit us. You will really get the real first- hand experience.</p>
Mr. Sanjeev Marwah	<p>Sure, sure Sir. Thank you for that invitation. So coming to my second question again, Sir, given and last presentation from Mehar was really impressive where you know we showcased and even showed some videos in terms of how RACL is working on, you know, many futuristic technologies, but my only question was Sir, all these futuristic technologies are right now focused on automotive, automotive space.</p> <p>Do we have an ambition to you know diversify the end use application of our precision gears, for example, humanoids is the next big thing which is happening, you know, globally and they have extensive, you know, usage of precision gears in humanoid robots? So my only point was do we have an ambition or a desire to expand our end application from automotive sector to other futuristic technologies which of course uses the precision gears and the and what we what we manufacture becomes the least common denominator but the end application could be could be varied.</p>
Mr. Gursharan Singh	<p>In fact, I will answer your question in a very one line. While our CFO was making a presentation, he already showcased you one page where we announced our technical collaboration with German company AARK.</p> <p>You know, there is initiatives are in this direction only because we have our own expertise gives us the design and reproduces now we collaborated partner. We have partner now with a human company. Who is designing the product and they have their own expertise in getting new customers and it's</p>

	<p>not only the bigger design houses are not doing only automatic, they are doing in anything. So definitely what you're saying is I really appreciate the thought process of vision which you have asked us this is really very appreciated question from your side, but we have also taken these steps almost six months back and in coming time, you'll really see that some fruits are ripped out of it, and you also saw that the only last month we participated in a defence exhibition. So, in a defence, it will not take years of producing only bullets or guns or tanks. So, in defence, what comes we're going to know. So, it may be even some high-tech drones or even high car tech, only time will tell but yes, these are the initiatives which we are taking to take into this. We have something since you talked about ambition, so of course ambition is why to just gears, why can't we make the entire humanoid right? So that's we shouldn't be always work with it is not one year to where it is 10 years. So that way is the mission is aligned. Only thing is we have to choose.</p> <p>We cannot be everywhere So right now we are focused that automotive business needs to grow to a certain level that is where entire energy and focus is for next three years.</p> <p>However, that is for the operational team we have as management already got committed businesses and runway to reach to 11 in next three years, which we are doing but any growth beyond that will be of course in magnifiers of other than automotive can be aerospace can be such robotic industries and also in automotive what is to be noted is the last three to five years from being a normal competent supplier, we have moved up to a system.</p> <p>Now we are also design validations. So, ambition and plan wise there are lot which can be done, we have to choose, we don't have to be too impatient to grow very fast at the same time. We should not be having that when on the line to side, we also have a very, very conscious that our debt doesn't go across. Then here is growing.</p> <p>Your point is very valid, one has to always think for the future, and yes, our company is really thinking on many, many such avenues, but definitely you know, since this the investors call on, you know, you all, all of you people are grouse. India are spending time on this call, we always give this information to you once things are maturing.</p> <p>So obviously we are also working, our team are working on many, many avenues, many- many new products. Moment something takes shape with the new and thanks for giving your suggestion. We'll definitely add in our thought processes to think on these lines also.</p>
Mr. Sanjeev Marwah	Of course. Thank you so much. That's all from my site. Thank you so much, Sir. Bye.
Mr. Jitender Jain	Thank you. Mr. Chirag, you may please ask your question.
Mr. Chirag Shah	Hello. Am I audible?

Mr. Jitender Jain	Yes Chirag.
Mr. Chirag Shah	Yeah, yeah. Thanks for the opportunity, Sir. I have three questions. Question one is on the KTM side. So, if you can indicate what kind of ramp up we have seen at the like customer end because we were reasonably positive that a large part of Inventory correction would happen soon and even production would start and we would reach with the peak levels sooner than later. So, if you can just indicate where are we in that phase?
Mr. Gursharan Singh	<p>I'll answer you. I'm very glad to share the yes, KTM has started his production and precisely it started on 22nd of July and that really you can also understand that if complete remains stopped for six 7-8 months. So definitely it will have many challenges so they are really ramping up. They have ambitious to ramp up, but they are having some supply challenges because they have to you know, that was a global company, they had a global customer base, global supplier base.</p> <p>So, they are trying to and that's what things are really looking up and so you can understand Bajaj is a hard task master. So, they will definitely put a lot of focus and pressure on operation not only to the past peak but crossing the next peaks in front only yesterday you might have seen that they have decided to launch due to in India.</p> <p>We're definitely now they are thinking to launch all those big brands to India also, but definitely times in the future time things will look up. But yes, right now it's still not at the pause performance level but given my thought process this year, when we close it, there will be having around 40-50% of their past years level, but coming year should be looking very good but this year they started only actual production started on 24 July, so but so far so good because the past two months, our pickup for the parts was pretty good.</p> <p>Now you know, since Christmas time is coming. So again, one month will always in Europe from mid-October Europe doesn't work. So now let's see moment 2026 comes how it performs.</p>
Mr. Chirag Shah	Sir, basically you are saying that if you look at YOY or even Q on Q, that is not major revenue contribution. So, the growth that we have seen in revenue is not coming because of KTM. It is the KTM contribution is yet to really meaningfully come, correct?
Mr. Gursharan Singh	Told you now first quarter was 0. Second quarter, they started only on 24th of July. So technically July was almost gone. So, it was only August and September and initially they had challenges. You know they are having supplies from China, from Japan, from Europe, from Germany, France. Of course, India. I think that question is it means other customers also growing for us will be at the top of the KTM.
Mr. Chirag Shah	So, if you can, if you can just share, if you can just indicators, this revenue growth is driven by which of the new programs there would be some volume growth in the that benefit you would have gone. So, if you can just because

	<p>there were a lot of programs which are starting for the different point of time. If you can just help us understand which program they've actually started contributing to the revenue.</p>
Mr. Gursharan Singh	<p>So, there is absolutely no new project which has contributed to being revenue growth. BMW cars prototyping is happening somewhere. The pickup is good there. Second many for existing projects which were earlier, you know in last year our plan was to grow 25-30%. If KTM bankruptcy had not happened even then, we should have gone 15%. So whatever that is in the last year pickups were there, many for existing projects from customers have shown good recovery signs, maybe because of GST does not have a that much impact on us since exports in there. But in Europe as well and many of our domestic customers also had a good pick up. So that is where that improvement has come in and value why what you also see to be very honest last year was not that good. So percentage wise a bit higher also because it has a base effect, but in general many of the projects which should have delivered last year were delivering now. So that is how even the edge two. That is why we are very confident. H2 should be better than H1 and in this we have not considered any of the new projects to add revenue if they do or if then it should be better than what we are expecting. So, it is a lot on as I said in opening remark. While the things are not looking up, you know. I think it is. It becomes very difficult to pinpoint exactly where growth is happening, where growth is not happening, where decline is happening, where to really see the overall scenario because you know there is always a time gap between what we produce today and what is actually in the field, but there.</p> <p>A gap of almost four months, so eventually I cannot really predict so closely what is happening today. One going to happen tomorrow but as an overall generic feedback, you just things are really looking up and that's the reason that our Q2 was pretty good in performance, not only in performance even in terms of profitability and because you are at break even, your problem is different when you are 10 plus break even.</p> <p>Profitability is totally different moment. You are the 20 plus break even than Operating level broadly is different. So, this is all we are also really focusing all weekend very liberate our profitability. Why always creating some delta positive delta between break even and our actual promise but overall scenario really you know everything will never go up and they will go down also but this is our again. Somebody asked that if anybody can install this technology then. They can also do it, but nobody can have this strategy. We always have a strategy that you are there and everywhere you are there in a 2-Wheeler, you're in a three-Wheeler, you're in tractor, you're in a truck, you're in an off-road vehicle, you're in AC scooter, you're in a snow scooter. Someday will crash, someday will grow but overall RACL will keep growing because the worst of the year last year. I will say one of the very, very bleak year. But we</p>

	<p>still had emotional growth of one percent, and that growth would have not really happened 1%. It would have at least 15% if KTM would have not gone bankrupt and that was actually one of the lifetime kind of thing. But these kinds of events don't happen every day otherwise we would have grown at least 15-6 and 17% even in the one of the worst years. So, this is how our business model is that we are in so many segments. Everything will never go smooth, something will remain resilient. Something will decline even with the same customer, because it's not that if we are working with BMW. So, we are working only with one model. We are working with a 300 ton or 390CC model. Also, we are working for 800CC also. 1.2 liter also 1.8 liter also. So, something will grow something right now like their 1.3 liter bike is selling like hotcakes. They have because I was there in Germany but once back I got to know that now they are committing the lives of customer at six months 11, you know they launched a vehicle with an automatic auto shift mechanism. When they launch this product, they told that they will be putting around 20-30% vehicle with the auto shift. Remaining within manual shift now customers are wanting 100% auto ship. They are not able to deliver, they say OK up to 60, seventy 80% will go for auto shift is really checking again. Yeah, so this is how some models will go out. Some will go down. So they always keep on changing, but overall scenario is really looking very positive.</p>
Mr. Chirag Shah	<p>So last question on this Forex gain in other income, if you can elaborate a bit more, so HQ one was 7 crores, H1 is 10 crores. So is it that it doesn't qualify for cash flow hedges and that's why it comes out in other income or? Is there something else to it?</p>
Mr. Jitender Jain	<p>No, no. I think the answer, but I personally feel the other is not only the Forex. This is Chirag as per the accounting standards and all. So basically, you know the actual gains and all which are there, then the loss on long term borrowing and the loss on short term borrowing. So, this is this is basically as per the accounting standards and then don't you hedge where the income comes. So, so we so basically, we avail pre- shipment credit of borrowing in foreign currency and Indian rupee Indian. So, we are naturally hedged in a manner that we did packing credit in foreign currency and but because this euro is appreciated and also of course the disbursement.</p>
Mr. Prabh Mehar Singh	<p>No, no, I think the answer is because when the invoicing happens immediately T+1, it gets discounted by the Max. However, we don't remove them from our receivables until the banks receive the money, and that is where this hedging in any case is always taken care and once we do this again, because eventually that invoicing was in the receiving has a has a delta to the whatever prevailing rates are and that is recorded and then the liability also you are.</p>
Mr. Chirag Shah	<p>So basically, we don't hedge. Basically, we don't hedge because it's a natural hedge.</p>

Mr. Prabh Mehar Singh	<p>We don't hedge that because most of our receivables are actually done against pre- shipment credit. So, within one month, our money is taken care of. If we do anything, if our cost is not less than 200 a half percent per year, so that is unnecessary loss to us. We have found that we always end up the day we get gain. We never get a loss. This will reduce our profitability. I'll answer your question a very, very clear thing. Hedging people will take where their syllables are pretty long and then banks normally do not give this kind of credit to them, but our business is OEM business. If you're doing aftermarket business, you're working with traders. Bank will not give you credits. Bank will not give you pre-shipment credits.</p> <p>Regarding the supply and completion of BMW trucks, so banks really fight with each other. Then who gives the pre-shipment credit before, so we have an actual add. So technically our risk of gain is limited to 1.5 months only and there also will find that there is always a gain because Rupees really appreciating month on month and I don't know all the things will really take care whether it will ever works but when really we'll see but today, the forecast is that rupee not going to get appreciated.</p>
Mr. Chirag Shah	Okay, this is helpful. So, nothing is there in our revenue item, everything of and almost 100% of the Forex gain is sitting in other income. That is the correct understanding.
Mr. Jitender Jain	Yes, but other income is not only the Forex gain because.
Mr. Chirag Shah	No, no, I understand. I understand, Sir.
Mr. Jitender Jain	That is the accounting standard. As accounting standard says very clearly that whatever is the Forex gain, that is whatever is the Forex gain that has to be in the other income.
Mr. Chirag Shah	Yeah, yes, Okay and how much that would be?
Mr. Gursharan Singh	This is very clearly that whatever the Forex, again that will go into the other operating income. Now this whatever is the loss shown to the, there is a loss after that because so that we can do the same expenses, I guess that will bring into the expenses. So accounting standard has this. I'll say we're getting other side, we're losing also netting in the. But while the netting the EBITDA, you will get the real value.
Mr. Chirag Shah	Yeah, yeah, that's why I said it would be helpful if you can give a separate disclosure in PPT or somewhere because their margin seems to be underreported. As this has lost other expense, which are gain other income, other expense is a part of EBITDA probably or it would be helpful if you can just call it out separately subsequently.
Mr. Jitender Jain	Chirag, we'll consider as per accounting standard. We will check with our statutory auditor to how we can.

Mr. Chirag Shah	No, no Sir. In the in the presentation that you share no over there you can just highlight it.
Mr. Gursharan Singh	Yes. That will that will evaluate and then we will come back.
Mr. Prabh Mehar Singh	Next. I think lastly, Mr. Shashank Kanodia. Mr. Shashank, you can unmute yourself.
Mr. Shashank Kanodia	Hello, am I audible?
Mr. Prabh Mehar Singh	Yes
Mr. Shashank Kanodia	Yeah, hi, good evening Sir. Sir, I just wanted to check hypothetically, is there a possibility of Bajaj Auto shifting some part of KTM production in India? And if that's the case, how does it bode well for us given that fact that Bajaj Auto also manufacturers from the other marquee brands like Triumph and others?
Mr. Gursharan Singh	<p>You know, I'll answer you. We'll send you a Christmas tree and wherever it is, there will grow. If it is in India, we'll start supplying in India. So, doesn't matter much but I'll answer you on a serious note, Bajaj Auto first of all, it's not that Bajaj is not anything doing even in India even now this 390 Duke, which you already see on Indian is being produced in India only. But for the premium sidebar and off road, it's easier said than done because the IT will take lot of time and strategy for Bajaj to do that and Bajaj also has Taken all this company from European company, it has lot of European Union compliance in there to evaluate all these things. That thing is going to happen on a tomorrow basis in future strategies.</p> <p>Yes, of course there will be new synergies being fine, but yes rather, we are seeing a silver lining or a golden opportunity for us. There'll be a lot of resourcing opportunities because you know, when KTM was solely a European country, so they had of course a mix of Indian suppliers and European suppliers and of course Chinese suppliers now.</p> <p>KTM was an Indian company sitting in Austria, so now Indian companies Bajaj strategy will be can look for resourcing as much as possible in India and as low as possible in China and European, of course there do the cost benefit analysis because some key products may still remain in Europe, some key technologies or some key components and the volume and also still there will go but there are a lot of news, analysis and opportunities being flown by must be being explored by Bajaj and we'd rather see a bit of optimistic view and yes, we have to keep our eyes also open that OK moment Indian taking takes then where to really see that, then we are not the only supplier, there will be other suppliers of, but yeah, yeah, also there to also see a very, very balanced view. But we always see that we have a upper eyes because we enjoyed 15 years of relationship with KTM and we had a flawless relationship.</p> <p>So even if Bajaj management takes any decision to resource the bars. First choice will be of course, your company, but of course we're to compete now on it against other course suppliers on so, but yes to answer your question, shifting back to production in India, OK, it will not happen tomorrow, but it may happen at some stage, but still not 100% because they will like to keep the Australian unit also fully operational.</p>
Mr. Shashank Kanodia	Right, right and saying you know in your previous media interactions you have kind of shared an outlook for a 15% growth in revenues for this fiscal year,

	given that we have grown roughly 78% first half, do you see that kind of guidance we maintained given that a second-half would be a dollar score 20% plus?
Mr. Gursharan Singh	I'm already answered. You actually know better than us. Now you have to prove it, he has to sleep in factory for that next one months, so definitely think that looking up, yeah. Well beyond this.
Mr. Shashank Kanodia	So double digit revenue growth in terms of 1415% kind of revenue growth is possible this fiscal year, FY26 versus FY25.
Mr. Prabh Mehar Singh	Do you have any doubts?
Mr. Shashank Kanodia	No Sir, I'm just checking, just confirming at your end too.
Mr. Gursharan Singh	Okay Thank you. You know, nobody can very, very precisely predict the future, but my colleague has already predicted and said you that H2 will be better than H1 but you can very well imagine that if H1 is doing almost 230-232 so if you add 230 even my one. So now the other I will ask him. You have to really prove it for every growth is coming, but to answer you, yes, we are looking very, very optimistic.
Mr. Shashank Kanodia	It's a lastly given a five-way target of thousand course of revenues, right. So that is large in FY 30 target or FY 29 target.
Mr. Gursharan Singh	But we can't predict five years the target again, maybe this is something which is good for the excel sheets. There's a difference between target and a vision. Vision is something which is plotted bases the current scenarios and applications. Thousands of visions which we want to have within three to five years now, will that happen exactly in 2029? We're not there to predict, but the vision is very strong. Our next milestone is 1000 crores and to be achieved in next three to five years.
Mr. Shashank Kanodia	Better. Thank you so much and wish you all the best.
Mr. Prabh Mehar Singh	Thank you. I think now you ask one or two questions from the audience if there is any. We answer on chat, if anybody's having any questions, they can raise hand. No, you can close then.
Mr. Gursharan Singh	<p>Finally, I should say goodbye to all of you and first of all, wish very, very happy New Year to all of you because now we are today's 5th of December, so another 26 days away, so have a good celebration time for the new year & Christmas time and greetings to all of you and where we. meet quarter 4 or maybe first quarter of calendar year 2026. So we'll be having more clearer to our road maps of growth and I'm really very, very glad to answer some of very positive questions. Some of the questions highly technical. Some of the questions related to the future and giving some guidance for the region of technically, diversification and thinking beyond what we are doing, with getting such kind of investors who give us the real insight of the business and very strong financial, you guys have wish you all the best. Thank you once again.</p> <p>Thanks JJ for supporting with this good numbers and thanks Neha probably you started this in the preface. Thank you. Keep it up.</p>
Ms. Neha Bahal	Thank you, everyone. On behalf of the management, I would like to sincerely thank all the participants for joining and engaging with us today. Your participation is greatly appreciated. I would also like to extend a special thanks

	to the management team for their thorough and patient responses to all the questions raised during the session. Thank you everyone.
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Notes:

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