



“Sandhar Technologies Limited
Q3 FY '26 Earnings Conference Call”

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MODERATOR: **MR. CHIRAG JAIN – EMKAY GLOBAL FINANCIAL
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Moderator: Ladies and gentlemen, good day, and welcome to the Sandhar Technologies Limited Q3 FY '26 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chirag Jain from Emkay Global. Thank you, and over to you, sir.

Chirag Jain: Thank you, Huda. Good morning, everyone. On behalf of Emkay Global Financial Services, I would like to welcome you all to the 3Q FY '26 Earnings Conference Call of Sandhar Technologies Limited.

Today, we have with us from the management team, Mr. Jayant Davar, Executive Chairman (Executive Director) and CEO; Mr. Neel Jay Davar, Director; Mr. Gurvinder Jeet Singh, Whole Time Director and Head of Corporate Strategy; and Mr. Yashpal Jain, Chief Financial Officer and Company Secretary.

We will begin the call with opening comments from the management team, followed by Q&A session. Over to you, Mr. Davar.

Jayant Davar: Thank you, Chirag. So let me begin with my gratitude to Emkay as well as to Chorus for organizing this call. Good morning to everyone. It seems we are in good times. From what I understand and if I reflect on what Mr. Chandra, President of SIAM said that 2025 has been a landmark year for the Indian auto industry. The year began a little subdued in the first half, but has picked up in the third quarter.

And to give you the good news, the passenger vehicle segment posted its highest ever sales of quarter 3 at 12.76 lakhs. In 2-wheelers, quarter 3 again, 2-wheelers posted their highest ever quarter 3 sales of 5.7 million. If I look at 3-wheelers, again, quarter 3 has posted their highest ever quarter 3 numbers of 2.15 lakh. Commercial vehicles, again, recorded its highest ever sales of quarter 3 of 2.90 lakhs.

So as we sit here today, of course, these are the final numbers of the OEMs in quarter 3, which meant that the auto component industry was most active in quarter 2 because there is a lag. But what I see going forward is that the outlook for this particular quarter for the auto component industry and even the first quarter of the next financial year for the auto segment itself seems to be very, very bullish as we sit and talk here today.

We, as a company, have very clearly given our investor presentation. I'm sure all of you have a copy. But to give you some highlights of this particular presentation, we've largely divided it into 3 different parts.

One is the India operations, which is the existing business. One is the India operations, which are new businesses that the company has added or have taken in, in terms of the acquisitions. Then there is the overseas business, which again, is the third element of this particular

presentation. Add to this, there are elements of the EV business, the subsidiaries and the joint ventures.

So to give you a broadside, let me just give you some numbers. I know you have those numbers. But if I look at quarter 3 numbers, our revenue from operations grew by 24%. On a 9-month basis, we grew by 26%.

Overseas business, the revenue of operations was down by 0.6%, but EBITDA was up by 68%. If I look at 9-month period, the revenue from operations grew by 2%. On a consolidated business growth, quarter 3 numbers, we've grown by 22%. On a 9-month basis, we've grown by 24%.

In terms of joint ventures, all the 5 joint ventures have performed satisfactorily, registering revenue of INR61.69 crores. And total EBITDA is INR7.40 crores for quarter 3 and INR21 crores for 9 months of the current financial year. Overseas subsidiaries and business, I've already mentioned, there has been a slight decline.

But despite the slight decline in revenue, the losses have been cut down to INR8 crores versus almost INR11 crores in quarter 3 '25. And the company, you'd be happy to know, has taken many steps to reduce the cost, increase operational efficiency and expand the customer and product base.

We are very, very hopeful that this particular quarter, we should be able to break even, as I had mentioned even in the previous calls. The European markets continue to witness uncertainty. But with the steps that we have taken as a company, I'm sure that we will move ahead in a positive direction from now on.

In terms of EVs, we've started doing commercial invoicing of battery chargers and motor controllers. We are getting a positive response from the market. So far, we've generated a revenue of 12.18%, which is multiple times of what we had done in the previous year. And now that it's fully operational, we expect that the next full year will dramatically improve over the performance so far.

So those are my opening comments. In the call today, there is me, there is Mr. G.J. Singh, Whole-Time Director. There is Mr. Neel Davar and there is Mr. Yashpal Jain, who's the CFO of the company, who should be able to answer all your questions regarding any kind of numbers, what has happened, what is likely to happen are things that he would be able to take on very comfortably.

With that, I open the conference once again with a big thank you. We are happy to take your questions from now on. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aditya from Complete Circle Capital.

Aditya:

Congrats on a great set of performance. My first question was on the margins, if you can just give any outlook on that? And number two, in the EU or any other geographies abroad, are you looking at any more acquisitions?

Jayant Davar:

Aditya, thank you for that question. Just to give you a broadside so that everybody also understands. Like I said, we've divided the presentation into 3 distinct parts. On the existing business, the revenue has grown by 14.5%. The EBITDA margin has gone up from 10.5% to 11.9%.

The EBIT again has increased. And the interesting thing is that the ROCE annualized for the existing business has gone up from 16.3% to 21.1%. So there is a distinct improvement that is happening in every segment.

If I look at the new projects, the new projects are obviously very, very small. In terms of revenue, we have gone up from a revenue of only INR2.74 crores to INR305 crores in the 9-month period. The EBITDA, which was minus has come into positive territory. And again, we are very bullish on this going forward.

Overseas business, again, while the revenue is -- has gone up only by 2% in this 9-month period, we do believe that this last quarter will be the turning quarter for the company in terms of negating any negative numbers that we were getting so far. Yashpal ji, in case you could come in and explain this a little more to the satisfaction of Aditya?

Yashpal Jain:

Yes, sure, sir. So Aditya, if you see the figures, basically, the 9 months figures, if you say we have a cumulative loss of INR25.81 crores in the overseas business, which is partly on account of translation losses, partly on account of the operational operations. But now the effective measures have been taken.

So going forward, starting quarter 4 of the current financial year and quarter 1 of the next financial year, this would be turning to positive. So if we consider the coming financial year, this negative contribution from the overseas is likely to be eliminated.

Similarly, the new projects, which has sustained a loss of close to INR24.98 crores. So again, around INR25 crores. So taking together is INR50 crores for both these overseas as well as our new projects. So new projects are also showing a healthy sign of turnaround, which is currently visible from the improvement in EBITDA level also. So starting from April 26, these projects will also turn around. So gradually, the margin should go up.

Aditya:

And sir, any color on any acquisitions or any potential targets that you're looking at?

Yashpal Jain:

Well, Aditya, this is an ongoing process. If any good opportunity comes up, we keep on evaluating. But if it fits into our parameters, then only we pursue the same. Otherwise, we don't pursue it. We have set some internal parameters in terms of financial and operational evaluation for the target entities.

And unfortunately, for the last 1.5 years, we have been in touch with many of these opportunities, but none of them could fit into our parameters. So we are on the lookout. But at the right time, for the right opportunity, we might go for it depending on the other -- I mean, many factors.

Jayant Davar: In simple terms, Aditya, there is nothing on the table today. If there is something that were to arrive, which was going to -- which is very, very exciting, we are open to pursuing it is all I'm going to leave you with.

Moderator: The next question is from the line of Aniket from C.R. Kothari and Sons.

Aniket: First of all, congratulation on a great set of numbers. My specific question would be regarding to the previous guidance...

Moderator: Aniket there is a lot disturbance from your line. Can you please cut?

Aniket: So my specific question first of all, I have 2 questions. The first one would be regarding like the previous guidance which was provided in the earlier calls were about like 30, 40 basis points improvement in the EBITDA. Was it including other income or excluding other income?

Jayant Davar: There is a lot of background sound, Chorus. Can we -- Yashpal, do you want to take that question?

Yashpal Jain: Yes, yes, sure, sir. I mean I was just waiting for the second question also, if you can put the second question also.

Aniket: The second question is regarding the -- currently as India is foraying into multiple trade deals and deals with European countries as well. So I wanted to understand what would be the impact on the company's like product demand and supply side?

Yashpal Jain: Sure. So first question, I'll answer. So earlier guidance that we have given to you was excluding this, I would say, onetime profit on sale of our one of the existing land parcels in Peenya, Bangalore from which we got a profit of INR34 crores.

So obviously, that is only extraordinary income, you can say, but that plant was a part of our operations, and we merged that operation into one of our -- another plant I mean, as a part of our -- to lean the operations wherever we don't require the larger facilities or I would say the headcount in the number of the facilities.

Secondly, in terms of 30 to 40 bps improvement in the margins, yes, we were projecting it. But as we have, I mean, tried to present to the investors that existing business, we are up to the mark that we were expecting to go, except there has been a slight fall in the quarter 1 that we explained to the investor community during quarter 1 also due to disturbances in the productions from one of the OEs and also the slowdown in the off-highway vehicle segment.

Apart from that, we are very well on the track that we have guided to the market. And quarter 4 will be a more better quarter because quarter 3 has a lesser number of working days in terms of there's always a closure in the last week of December at various OEs. So quarter 4 will be the better one. And I think we would be able to improve our margins.

Aniket: So just for the final remark, it would be excluding or including other income?

Yashpal Jain: We -- whenever we count, we count excluding extraordinary other income. But there are certain regular income, which are classified as per the accounting standard other income, but they are part of operations only. So the classification is based on the accounting standard, the Ind AS.

But some of these incomes are in the nature of operating income, but they are not classified as revenue from operations, they are classified as other income as other operating income. Second portion, sir, you would like to reply in terms of the trade deal with Europe?

Jayant Davar: What was the second question? Come again? It wasn't very clear. There was a background...

Aniket: Okay. So it was regarding the demand supply of our products in overseas markets as India is getting into multiple deals with just recently EU and the U.K as well. So just wanted to understand the total impact on the products of our company. If I can get a bifurcation, that would be great?

Jayant Davar: To be honest, Aditya, if you look at the entire auto industry and the auto industry that was largely supplying to OEMs, there is hardly any impact because if there were parts that were going to the commercial vehicle segment or otherwise to the U.S. or to the EU, there were exemptions already in place where the punitive tariffs were not being considered at all. It was only in the case of aftermarket that the impact of the tariffs was felt.

So to that end, people who are in the aftermarket in terms of exports, they will probably benefit. We, as a company, we are an OEM-directed company largely wherever our incomes from overseas is concerned, whether they are from India or from our international operations. So the impact on us in terms of our current operations is not there.

But we do believe that going forward, this would lead to several other opportunities as Europe and America start looking at India for a larger base for supply. But to answer your questions directly as of now, is there an impact and will we suffer or gain? The answer is no.

Moderator: The next question is from the line of Basanth Patil from Wealth Company.

Basant Patil: Sir, just wanted to understand your thought process on overseas debt actually. So if you look at last 1-year trajectory, we are on the elevated curve only. So there is no declining trend actually, which has not seen. Even if you look at the performances of the overseas, actually still at the operating level, we continue to do the losses.

So what would be the rationale or what do you think going ahead down the line 2, 3 years, if there could be any opportunity to liquidate some of the assets to repay the debt or you have to burn the cash from India earnings what we earn here and we should be able to sell the debt there?

Jayant Davar: I'll let Yashpal ji answer the question, but a large part of it is translation in terms of debt that was already there. Yashpal ji, you want to comment?

Yashpal Jain: Yes, sir. So like in overseas, yes, there has been a little pressure on account of the business being slow over there. So the increase in debt is because of 2 factors. Like one is if you see, if you

compare from March '25 because we have our borrowings there in overseas in USDs and euro, which are serviced in USD and euros, and we are earning in the same currencies.

So directly, on a realization basis, we are not incurring any exchange losses. But the euro has moved from INR92.43 to INR105.49. And similarly, dollar has moved from INR85 to INR90 in terms of translation. So partial of the debt increase is on account of the translation losses that we have been putting to convert the same into Indian GAAP as per the Indian GAAP because we are -- our group currency is Indian rupees.

There is -- yes, there is an increase in the debt in clear terms in USD that is shown in the investor presentation chart also. This is on account because earlier they were having the bill discounting facilities., which were classified into current liabilities because as per the accounting standard, even in IFRS also the current liabilities and in Ind AS also, the current bill discounting is a part of current liabilities.

But since it was a costly affair for us because bill discounting was literally about 10% over there, the bill discounting entirely, we have switched from to a clean debt in terms of WCDL. So now it is being added to the overseas debt. So these are the major 2 components.

And some is the routine capex that we have done over there, which is not a bigger amount. It's around INR18 crores to INR20 crores in terms of maintenance and like stuff. In terms of repayment of the debt, we are -- we have been able to service the debt from there itself. As of now, we haven't remitted any money from India.

The only arrangement with the bankers is that we have extended the confirm letter from India and the standby letter of credit from India. And borrowings have been secured at overseas level. And they've been able to service their debt requirements, although there has not been a cut down in the debt. But starting April '26, once the operations are back to the track, they will start -- I mean, repaying their debt in a proportion of the cash earnings that they will be generating.

Basanth Patil:

And one more question, sir, actually on the overseas performance. So what is your thought on for next at least for 1 year? When you are going to see the aggressive ramp-up and improvement in the margins, especially? I hope all the 4 geographies are aluminum die casting only. So even going to be -- going ahead, there is a lot of pressure on the aluminum prices, which have been elevated since now.

So how we look at these kind of big losses, so you won't be able to take a passthrough agreement to repay to the clients or how it is actually. So definitely, there could be losses. What is the word -- just wanted to understand in that second...

Yashpal Jain:

Yes, sure. So with the -- I mean, with the efforts put in place, with the changes put in place, starting April 26, the overseas should not sustain losses. This is the first thing despite aluminum prices being stronger. Because we have pass throughs with the customers also. But operationally, I mean, the entire operations have been, I would say, restructured. Many of the things have been put in -- I mean, new things have been put in place. Some old practices have been done away with.

And it's not only from the financial restructuring also, but we have done from the operational side also. So I don't think there is any reason why we should not see any improvement starting April '26 in the overseas also. So we are hopeful that starting first quarter of the next financial year, overseas will go back to the old trajectory that they used to be.

Basanth Patil: So old trajectory means I think it's close to high single digit kind of the operating margin?

Yashpal Jain: Yes, yes. Around 9% to 10% of margin starting.

Moderator: The next question is from the line of Meet from Equirus PMS.

Meet: So firstly, on Sundaram ADC business, what was the contribution in Q3? And how are the margins trending in that business?

Yashpal Jain: So in Q3, as we -- I mean, informed in the earlier quarters also that this year would be a pressure year for the Sundaram business because we are operating from a different premises. So this year, it was at a breakeven at the EBITDA level. And on our revenue side, it was INR82 crores of revenue the business gave us. However, the EBITDA was around INR5 lakhs only. So it was more of a breakeven at the EBITDA level.

Going forward, like April '26 or early week of May '26, we will be completing the switchover of the plant from the existing to our own premises. So starting financial year '26-'27, we are expecting to -- in the first year to go back at a margin of 7% to 7.5%. And in the next 3 years to reach -- I mean, to reach the level of 9.5% that we are getting in the other ADC businesses also.

Meet: And in terms of revenue run rate for Sundaram, can FY '27 exceed INR500 crores?

Yashpal Jain: They should be around INR500 crores.

Meet: And second, in terms of -- if you look at the product mix, so what products are housed under the other segment? So I just wanted to understand maybe a seasonality aspect or some other thing because contribution of others has decreased from 7.5% to 2% in this quarter, if I look at Q-o-Q?

Yashpal Jain: Yes, exactly. So others are very miscellaneous products. I mean there's a big set of other activities that we are doing like there's a plastics business. There's other businesses also, which are not classified into about, say, 7, 8 categories. So one of the reasons for the -- if you see the fall in the above categories that some of those businesses have matured and they have been, I would say, they have been merged with the above businesses.

This is the nature of those businesses. But largely, it remains to be a very residual class I would say more than 18, 20 type of other businesses are there. I mean small type of products, which cannot be classified over here.

Meet: So contribution from those products will remain at around 2%, 3%?

- Yashpal Jain:** Yes, it will be 2%, 3% only. If that crosses around INR100 crores or INR200 crores of the mark, then it would be classified as a separate product in the list. Till that time, it will be forming part of others already.
- Meet:** So sir, if we -- if you look at 2 things, first, Sundaram business turning profitable in FY '27 and maybe some meaningful improvement in overseas profitability, which you just highlighted. So how one should look at FY '27 and '28 margins at a consol level?
- Yashpal Jain:** Yes, yes, sure. So I would respond in a manner like INR25.81 crores we have sustained losses in overseas business, right? And another INR25 crores is a loss from these new businesses and the higher side is on the Sundaram Clayton one.
- Out of this 24.81 if you see our Slide Number 5, right. So at the current level of the P&L account, this INR50 crores should add to our bottom line that we have shown in this 9 months to be very fair side. So we are showing a net profit of INR134.84 crores for the 9 months, right?
- So in the Slide Number 8. So INR50 crores eventually should add plus quarter 4 of profit. So it comes to INR193 crores, INR190 -- sorry, INR184 crores and another -- should be around INR225 crores something roughly, it's a rough estimate, sir. And by the starting of first quarter, we'll come back with the new guidelines, sir. But this INR50 crores would eventually add to our margins. We are hopeful that the business will turn around.
- Moderator:** The next question is from the line of Aniket from C.R. Kothari Sons and Stock Broking Limited.
- Aniket:** So my question is around the EV side of our business. Can I get a bifurcation for the Q3 and 9 months of this current year, if that is okay?
- Jayant Davar:** This is for the EV business?
- Aniket:** Yes, EV.
- Jayant Davar:** EV business is just starting to ramp up. And yes, so in terms of revenue base, it's at INR12 crores of revenue that we have generated as of date. And the larger portion has come flown in the third quarter itself, around INR5.5 crores of revenue has flown in for this third quarter.
- Fourth quarter would be more much better as per the estimate, this would be higher. So it's slowly ramping up. But as of now, these figures are not so comparable with other business verticals that we are doing. It's a INR12 crores of revenue that we have got.
- Aniket:** So we can say it is kind of growing, but aluminium die casting and cable fabrication would be on the greater side of the percentage?
- Jayant Davar:** Aluminium die casting, the casting, machining and tooling and the sheet metal one because sheet metal, we have 2 types of business. One is the cabins and fabrication and other is the sheet metal other than off-highway vehicles. So the off-highway vehicle will have a growth, but not up to that level with the sheet metal we have because we have done investments more into sheet metal business compared to the cabins business. Cabins is also expecting a growth of 15%, 16% in the coming financial year.

- Moderator:** The next question is from the line of Chirag Jain from Emkay Global.
- Chirag Jain:** Sir, just a few clarification or, let's say, questions around the new businesses, let's say, smart locks. We have, let's say, 2 OEMs as of now in terms of orders. So any progress in terms of how the ramp-up would be and any, let's say, new client addition in that part of the business?
- Jayant Davar:** Chirag, from what I understand, we have 2 main customers. The rest are still to be -- still to take to commercial production and commercial launch for their products with smart locks in the market. The way I see it, the volumes that were projected about 3 years ago, seem to be slowing down in terms of adoption because of high prices.
- But the ones that have been launched, while the movement and the adoption is slow, it is definitely there. We will -- we do expect that going forward, there will be more adoption, but the levels of adoption and the speed and pace of adoptions will not be as was expected 3 to 4 years ago. So in this particular year, which is '26-'27, the coming year, we do expect that the numbers for this would still be less than 2% to 3% of the overall market.
- Chirag Jain:** And any update on the Hyundai business for the electronic mirrors in terms of SOP?
- Jayant Davar:** Yes. Yes. So we've got a go-ahead now. We start supplies on the 1st of April. It was supposed to be end of February, but now we've got a go-ahead for mass supplies from the 1st of April.
- Chirag Jain:** And just lastly, in terms of overseas business, I think we had mentioned about a few new client wins. So any update or progress on that?
- Jayant Davar:** Yes, we have new client wins. We also have seen that the market in Europe and America is sustainable. It's not growing as we had expected. But luckily for us, the new wins that we had in terms of substitution from other suppliers is now becoming active. And therefore, what Yashpal ji said will take shape in the -- starting from next quarter.
- Moderator:** The next question is from the line of Radha from B&K Securities.
- Radha:** Sir, you mentioned in your opening remarks that the commercial vehicle sales has been all-time high in this quarter. But if we compare the cabin and fabrication performance as compared to the industry sales volume, it appears to be muted. So is there any market share loss in this cabin and fabrication department? Or how is the way to look at this business, sir?
- Yashpal Jain:** Yeah, Radha, Yashpal on this side. There are -- yes sir, you can answer.
- Jayant Davar:** Radha, I'm sorry, I was on mute and I was speaking. The commercial vehicles have had their highest ever quarter 3 sales of almost 2.9 lakhs in quarter 3. But the cabin and fabrication doesn't fall into the commercial vehicle category. We call it the construction and off-highway equipment.
- There, we believe that because of the change in the engine norms that happened last year, the initial year, the first half and even quarter 3, there wasn't much movement. But we do see the increase in volumes and increase in orders starting from this particular quarter. So you would

see that, that will also ramp up the way we look at how things are going to be in the quarter that we are running in and for the next full calendar and financial year.

Radha: Sir, if we compare the 4-wheelers, including CV, that performance with the industry CV sales volume. So I'm not taking the cabin and fabrication, but I'm just taking 2-wheeler, 4-wheeler, that number. So that also remains muted. So this can be compared with the CV industry sales, sir?

Jayant Davar: Which one? Come again?

Radha: In the 4-wheeler sales, sir?

Jayant Davar: No, are you talking about our India operations?

Radha: Overall, sir, in the presentation, we give bifurcation 2-wheeler, 4-wheeler off-highway, looking at the 4-wheeler sales.

Jayant Davar: Let me look at that number.

Yashpal Jain: So I'll just answer, sir. The breakup you are referring, it comprise of our overseas business as well as India passenger car vehicles. That you are referring to the passenger vehicle, 4-wheeler sir in the presentation.

Radha: Yes, sir, 4-wheeler including CV.

Yashpal Jain: Yes. So like if you go with the vehicles, PV, CV, commercial vehicles, we don't have a much larger share in the commercial vehicles. So it has been margin others, while passenger vehicles is showing separately. This is how it is 11.2% for quarter 3. And on 9 months, it is 12.8%. The fall is basically primarily in India, we have Honda cars as the customer.

So the volumes Honda cars are down and as well as the overseas business is now again going - - I mean, it will go back to the old levels. So once this happens, the volumes will again go back to around 15%, 16% as we used to have earlier.

Radha: So what gives us confidence of turnaround in overseas business in the next quarter?

Yashpal Jain: The turnaround, there have been many factors, as I mentioned in the earlier -- to the earlier participant also. At the operational side also and in terms of the financial restructuring also in terms of the payables, receivables, debt, we have done a complete restructuring. The effect of will start flowing from next month onwards because it normally takes 2 to 3 months to get the documents endorsed from the counterparty in overseas.

Similarly, in operations side also because overseas have some, I would say, strict norms compared to India in terms of the labour also in terms of other operational aspects. So now, we have been able to do the same. So that's the reason we are hoping and expecting that starting April 26, there should be a turnaround in the overseas business also.

Jayant Davar: Radha, let me also add that -- let me also add that some of the new projects, which were in the pipeline now go into manufacturing with us. So with that happening, obviously, the revenue will also rise.

And as Yashpal ji said, in terms of restructuring our operations, both from a financial standpoint as well as from an operational standpoint, we plugged in a lot of gaps that we felt we could with how we anticipated things to be. Those have been done. And keeping all these measures in mind, we are very, very hopeful and bullish on these operations now going back to track as to how they used to be.

Radha: And volume growth, you're expecting 15%, 16% in the overseas business. Is that right, sir?

Jayant Davar: Well, it could be on the overall platform and on the basis, yes, we do believe that the volume and the revenue growth could be of that order, yes.

Radha: The last question is on the Sundaram plant. The Sundaram revenue used to be INR100 crores per quarter and EBITDA at INR3 crores, INR4 crores. So on a Q-o-Q basis, you mentioned to the previous participant the numbers. So it seems that both the revenue and EBITDA has come down. While the plant was at the same premises in the previous quarter as well, then what has led to this? And by when do you expect INR500 crores revenue? And at INR500 crores, what margins are you expecting?

Yashpal Jain: So quarter 3, the revenue and margins are down because for a week, the operations were running at a very low capacity and last 5, 6 days, they were shut down because TVS was also under maintenance. So we could supply them before that period. So that's the reason the revenues have been INR82.5 crores against INR100 crores that we were getting in the earlier 2 quarters.

Similarly, the reasons of fall in profit is also attributable to the low volumes because the fixed cost remains the same. And as I mentioned to the earlier participants starting April '26 for '26-'27, I think this plant should be at around 7% to 7.5% of EBITDA margin in the first year.

And in next 2 to 3 years, it should go to 9% to 9.5% that we are getting from other businesses in aluminum diecasting because our shifting will be completed by the end of April or the first week of May. And then we will have the full ramp-up capacity in the new plant.

Jayant Davar: Radha, there is no shortage of orders. It is the constraints that we have operating from the existing facility, which is transitory. And for your information, the new plant is almost complete now. We are now fixing it up with utilities, and we are quite confident that we should be able to run trials in the beginning of April. And within April itself, we should be able to move the entire facility to the new plant.

Moderator: The next question is from the line of Maitri Shah from Sapphire Capital.

Maitri Shah: Just a few questions. Firstly, on the target revenues for the existing business on the India side, we grew more than now 11.9% margin. So do you see such growth being sustainable for the next fiscal year? Or are we targeting even more?

Jayant Davar: Maitri, quick answer to this is, we've grown at the number that we had projected. And I see no reason why the next year and the year after that should not continue with the same rate of growth. We have the infrastructure in place. We have the orders in place. And of course, unless something unduly happens in the world, which obviously is something which we cannot control. We do believe that our highway is now quite clear and is allowing us that particular kind of growth for the foreseeable future.

Maitri Shah: And we do maintain the 12% EBITDA margins going forward as well on the existing side?

Jayant Davar: Well, we are looking -- so this is a combination of margins. It depends on the average out of both our proprietary business, our aluminium business, our sheet metal business. But suffice to say that each one of these areas is looking to improve their margins. I would not be able to give you an exact number, but I can definitely say that the overall margins will improve from here on even further.

Maitri Shah: And on the new businesses, we've seen a massive growth this year. What sort of margins do you expect going forward from next year? And any growth targets you have for this business on the India new business side?

Jayant Davar: The India new business side? The India new business is largely businesses which have -- which are new plants. So there is a plant that we -- 2 new facilities that have become active in Pune. There is a new facility in Chennai, and there is, of course, the Sundaram Clayton business. These are things that we've defined as our new projects, which have been in initial stages. Again, there would be a hybrid of several things.

But like I said, there would be a dramatic difference and improvement in the -- in these businesses in terms of margins and a dramatic growth. You've already seen revenue go from 9 months '25 from INR2.74 crores to INR305 crores. You would see a dramatic improvement in the revenues, and you would see an even much more dramatic improvement in terms of margins.

Maitri Shah: Any quantification on the margin side since you mentioned that.

Jayant Davar: Like I said -- see, like I said, it is a hybrid. For example, Mr. Yashpal ji just said that in terms of casting businesses, we do imagine that the new businesses would take us from a breakeven EBITDA to about 7%, 7.5% in the coming year.

So in the sheet metal business, again, there have been improvements, and we will continue to see those improvements happening as we go forward. The -- there are some elements of the EV business, which are in losses. And we do imagine that in the next year, we should be close to breakeven there as well. So if you were to combine, it leads up to several hybrid numbers for which I cannot give you a single number today.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Jayant Davar: All right. With that, I think we come to the end of our question and answer. I hope we've been able to satisfy. We try to, to the best of our ability. Let me once again use this platform to invite



you all to visit some of our plants for you to get a closer look at what we do, how we do, how we operate, and we'd be very happy to answer your questions in person as well.

But for today, I want to thank Chorus. I want to thank Emkay and Chirag for putting this call together. I will leave you all on a happy note, which says that the immediate quarter looks extremely exciting and the next year also looks very, very exciting with our plans, roads all ready for take-off.

With that, thank you all once again on behalf of me and my entire team here at Sandhar. Thank you.

Moderator:

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