Belrise Industries

Operator: Ladies and gentlemen, good day and welcome to the Belrise Industries Limited Q2 and H1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company based on the company's beliefs, opinions, and expectations as of the date of this call. These statements do not guarantee future performance and may involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Shrikant Badve, Managing Director, Belrise Industries Limited. Thank you, and over to you, sir.

Shrikant Badve – MD: [pause] Belrise Industries Q2 and H1 FY27 earnings call. On the call today, I have with me my sons Sumedh and Praful, along with our CFO, Mr. Rahul Dhanu, our CMO, Mr. Sunil Kulkarni, and SGA, our investor relations advisor.

Coming to the results, against a backdrop of continued uncertainty, we delivered our strongest quarter ever. We reached INR {? 1,663 million ?}. Total revenue from operations for Q2 FY27 stood at INR {? 27,464 million ?}, up 17% year-on-year, including manufacturing revenue of INR {? 23,441 million ?}, which grew 26% year-on-year. Our EBITDA stood at INR {? 3,306 million ?}, with a margin of 12%.

Last quarter, we had indicated that the worst of the cost pressures were behind us, and we are pleased to report a return to stable margins this quarter. Perhaps the most exciting development this quarter has been our entry into the ecosystem of one of the largest American smartphone manufacturers, with our maiden order for precision tooling and fixtures. This order has been 18 months in the making, during which we have been actively engaging with the OEM ecosystem to explore how Belrise can contribute to their rapidly expanding operations in India.

We believe that this single OEM represents an opportunity as large as some of the biggest industries in India today. While this is just our first step into this ecosystem, it opens up the possibility of building a much larger relationship. More importantly, we believe this order is a strong validation of our precision manufacturing capabilities across a wide range of metallurgies, including titanium, aluminum, high-tensile steel, and other exotic materials.

Our capabilities in titanium machining have also translated into an incremental order win at {? Beis-Gabo ?}, our recently acquired aerospace business in the UK. This marks our first order win since the acquisition for the manufacture of track beams of the engine pylon for one of the largest aircraft programs of a leading global aircraft OEM. This order further strengthens our position in the OEM supply chain.

Further, over the last few quarters, we have spoken to you about the ambition to become [trails off]

Management: ...an integrated integrator, which means we can be an end-to-end systems partner for global OEMs. This quarter, we have won two programs in which we supply complete assemblies rather than individual parts. With that, I now hand over the call to Parthiv, who will take you through

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the key order wins and operational highlights for this quarter. Thank you very much.

Parthiv: Thank you. Let me take you through the key order wins for this quarter. Firstly, we are pleased to announce a new manufacturing facility in Dharwad for one of India's leading commercial vehicle OEMs, with ramp-up slated for Q1 FY28. Until now, our presence in commercial vehicle chassis has been primarily in long members. Under this program, we will not only manufacture long members but also supply complete chassis assemblies across the OEM's heavy commercial vehicle platforms. This is a significant step up in content per vehicle.

The value of a complete frame assembly ranges from approximately 60,000 rupees to 1 lakh rupees per vehicle. At peak capacity, we expect this facility to generate annual revenues of 1,500-2,000 million INR. Today, we can manufacture parts as light as 400 milligrams and as heavy as 400 kilograms.

Getting here has taken considerable effort. Over the past year, our teams have worked closely with the customer to develop and validate these capabilities, and we see the award of this program as a strong endorsement of our ability to deliver complex, high-value assemblies. We also see this as the beginning of a larger opportunity. Once we have established and demonstrated these capabilities at Dharwad, we believe there is significant potential to replicate this business at the OEM's other locations and, over time, to offer complete chassis assemblies to other leading commercial vehicle manufacturers.

This program also fits closely with our acquisition of {? Hyva ?} India's tipper body business. With {? Hyva ?}, we have expanded into complete tipping systems, and with Dharwad, we have established our capability in complete chassis assemblies. Together, both of these components allow us to address a substantial share of the heavy fabrication content in a commercial vehicle and to become a more deeply integrated manufacturing partner to all of our OEM customers.

Secondly, we are also pleased to announce another significant order win in our three-wheeler portfolio, where we have secured a program to manufacture complete body and chassis assemblies for one of the highest-selling models of one of India's largest three-wheeler OEMs. Historically, this program was serviced by a single supplier, and we have now been selected as a second source. Given the scale of this model, this is particularly encouraging.

For this program, we are establishing a new manufacturing facility in Chhatrapati Sambhajinagar. Our teams have developed and set up the complete production line in record time, and we expect production to ramp up from Q1 FY28. At peak capacity, we expect this facility to contribute approximately 1,000-1,200 million INR in annual revenue. Strategically, this marks our entry into complete three-wheeler body manufacturing, a product category in which we were not present earlier, and it increases our incremental content per vehicle by approximately 9,000 rupees.

Thirdly, during the quarter, we also secured two important wins in the passenger vehicle metal components business, further strengthening our presence with leading global OEMs. The first is our maiden sheet metal order win from a leading Japanese passenger vehicle OEM. We have been supplying plastic components and filters to this customer for the past couple of years, and this order win marks our entry into their sheet metal portfolio. The program will be serviced from our Greater Noida facility.

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The second is a new sheet metal order from one of the largest European passenger vehicle OEMs for its India operations. This program will be serviced from our Pune facility. Both wins are strategically important because they bring leading Japanese and European manufacturers into our metal components customer base. They also provide us with a platform to pursue additional programs and scale our business with these customers.

Fourthly and lastly, building on the wins announced in the last quarter, our proprietary suspension business continued to gain traction in Q2 FY27. First, we have onboarded our sixth OEM customer in this segment, one of the largest premium two-wheeler manufacturers based in South India, and supplies to them have already commenced as of Q3 2027.

Second, we have secured additional orders from a fast-growing two-wheeler OEM in South India, covering two of their models. With scaled-up capabilities to support these programs and production expected to commence in Q4 FY27, with six OEMs now on board in our suspension category, we see a growing acceptance across the industry, and we remain confident of deepening these relationships while adding new platforms as well as new customers.

Lastly, during the quarter, we were also able to improve our ROCE by 60 basis points, from 14.7% last year to 15.3%, excluding the unutilized portion of our QIP proceeds, which we expect to deploy over the coming few quarters. I think this improvement in ROCE reflects our continued focus on disciplined capital allocation, even as we continue to grow faster than the industry.

Looking ahead, we remain focused on further improving our ROCE, with an ambition to reach the high teens over the next couple of years. We expect this improvement to be driven by three key factors: first, a continuing reduction in capital expenditure as a percentage of revenue; second, better capacity utilization across our existing manufacturing footprint; and third, our increasing presence in proprietary product segments across automotive, electronics, and aerospace, which we believe can deliver structurally higher returns on capital.

With that, I now hand over the call to Sumeet to take you through the non-automotive business wins and key partnerships secured during the quarter. Thank you, everyone.

Sumeet: Good morning, everyone. While Parthiv covered our automotive business, I will talk about two developments outside automotive and a new technology partnership that strengthens our product portfolio in automotive.

First, coming to our entry into consumer electronics, I would like to give some more color on the opportunity and how we see this business developing. Our first order comes from the ecosystem of one of the largest American smartphone manufacturers for the supply of CNC fixtures used in their manufacturing operations. These fixtures need to be replaced very frequently, particularly as smartphone manufacturing introduces new models and makes changes to its manufacturing processes. This gives us an opportunity to build a high-margin recurring business.

With most of these fixtures currently being imported from other Asian countries, we see a significant opportunity to localize their manufacturing in India. While our first order is relatively small, we are already in discussions for additional categories, including MLB, which is main logic board fixtures, and FATP, which is final assembly testing and packaging fixtures. We believe there is

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significant scope to increase our share of business within this ecosystem over a period of time.

It has taken us nearly 18 months to secure the first order, during which we have worked very closely with the customer to understand their requirements and demonstrate our manufacturing capabilities in business and engineering across multiple commodities such as titanium, aluminum, and other exotic materials.

In fact, our in-house design capabilities at {? N-Sure ?} and our titanium and aluminum machining expertise at {? Jastro ?} played an important role in accelerating the development of the process know-how and manufacturing capabilities required for these fixtures. We spent the last three decades building our capabilities in precision manufacturing across different materials and complexities. What this order essentially demonstrates is that these capabilities are not limited to the automotive industry, which is what we have highlighted over the past several quarters as well.

Secondly, we have secured our first order at {? Jastro ?} Precision Engineering, our aerospace business in the UK, since the acquisition. During the quarter, {? Jastro ?} secured an extension order for machining drag beams on a legacy program for one of the largest aircraft platforms of the world's largest aircraft OEM.

To give some context, drag beams are safety-critical structural components of the engine nacelle itself, which is the structure surrounding an aircraft's jet engine. The nacelle helps channel airflow generated by the engine's fan blades, which accounts for the significant majority of the engine's thrust.

More importantly, drag beams form an integral part of the thrust reverser system, which helps slow down the aircraft after landing by redirecting airflow forward. These beams guide the movement of the thrust reverser panels as they open and close while also providing structural support to the engine enclosure. Their design and manufacturing require deep material expertise, precision engineering, and extensive load analysis. Importantly, the contract also comes with improved commercial terms, including price increases, which further strengthens the economics of the program.

Lastly, during the quarter, we also entered into a license and technical assistance agreement with a Japanese player called Yamato & Co. Limited. Yamato has established expertise in filtration products and is converting intake manifolds from metal to resin. Under this agreement [trails off]

Management: Yamato's branch serves to design, manufacture, and sell these three product lines in India, including air filters, oil filters, and resin intake manifolds for both automotive and industrial equipment OEMs. Resin intake manifolds are part of the industry's wider move towards lightweight composites, and we see demand for them across two-wheelers, passenger cars, as well as industrial applications.

Yamato supports us across the full product cycle, covering design, development, testing, and manufacturing. This gives us access to proven technology and manufacturing know-how and allows us to offer our customers a locally developed and manufactured product backed by an established Japanese technology partner.

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Strategically, this is a natural extension of what we already do. We have been supplying filters and plastic components to leading Japanese OEMs for the past couple of years, and this partnership also enables us to expand in the aftermarket for filters, which is a very high-wear-and-tear product.

With that, let me now hand over to Mr. Rahul Yadav, our CFO, to take you through the financial performance of the company. Thank you.

Rahul Yadav – CFO: Thank you, Mr. {? Sunil ?}. Good morning, everyone. Let me take you all through the financial highlights.

Coming to Q2 FY27 consolidated financial highlights first, total revenue stood at INR 37,464 million, up 17% year-on-year from INR 31,535 million. Manufacturing revenue stood at INR 23,441 million, up 26% year-on-year from INR 18,601 million. EBITDA stood at INR 3,306 million, up 12% year-on-year from INR 2,962 million. EBITDA margins stood at 12%.

Manufacturing EBITDA stood at INR 3,170 million, up 19% year-on-year from INR 2,663 million. Manufacturing EBITDA margins stood at 13.5%. Adjusted PAT stood at INR 1,663 million, up 25% year-on-year from INR 1,330 million. Adjusted PAT margins stood at 6.1%. Exports contributed 4.8% to our manufacturing revenue in Q2 FY27, that is INR 1,117 million.

Coming to the segmental performance on the manufacturing front, two-wheeler and three-wheeler contributed 79.7%, PVs contributed 5.5%, CVs contributed 9.6%, and others contributed 5.3% for Q2 FY27.

Coming to H1 FY27 consolidated financial highlights, total revenue stood at INR 52,999 million, up 15% year-on-year from INR 46,157 million. Manufacturing revenue stood at INR 45,420 million, up 23% year-on-year from INR 36,923 million. EBITDA stood at INR 6,239 million, up 8% year-on-year from INR 5,767 million. EBITDA margins stood at 11.8%.

Manufacturing EBITDA stood at INR 5,963 million, up 15% year-on-year from INR 5,199 million. Manufacturing EBITDA margins stood at 13.1%. Adjusted PAT stood at INR 2,879 million, up 18% year-on-year from INR 2,447 million. Adjusted PAT margins stood at 5.4%. Exports contributed 4.6% to our manufacturing revenue in H1 FY27, that is INR 2,112 million.

Coming to the segmental performance on the manufacturing front, two-wheeler and three-wheeler contributed 80.5%, passenger vehicles contributed 5.5%, commercial vehicles contributed 9.1%, and others contributed 4.9% for H1 FY27.

ROCE stood at 15.3% as of September 30, 2026. This is calculated excluding the unutilized cash of approximately INR 12,000 million from the total QIP proceeds of INR 17,000 million. With this, we open the floor for questions. Thank you, thank you very much.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. In the interest of time and fairness to others, please restrict yourselves to two questions. For any additional questions, you may rejoin the queue. Ladies and gentlemen, we will wait for a moment while the question queue assembles. [pause] The first question comes from

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the line of Jyoti Singh with Haitong Securities. Please go ahead.

Jyoti Singh – Haitong Securities: Thank you for the opportunity, and congratulations on the good set of numbers. Largely, sir, I wanted to understand the aerospace and defense side. What is the medium-term revenue target from aerospace and defense, and when can this segment become a meaningful contributor at the EBITDA level?

Management: Thank you for the question. Fundamentally, we believe aerospace and defense can become a meaningful contributor to our revenues in the short-to-medium term. We are looking at upwards of 10% of revenue contributing from aerospace and defense, and that is the target we are aiming for. [pause] Does that answer the question?

Jyoti Singh – Haitong Securities: Yes. Also, when are we expecting it to become a meaningful contributor to consolidated EBITDA?

Management: In general, we see the aerospace and defense segment being accretive to our overall EBITDA margins. Last quarter, we had guided that over the next 12 to 18 months, more than 10% of our manufacturing revenues will come from aerospace and defense. Once this revenue actually comes in, we expect it to be largely accretive to what we are doing today. We also feel that this segment will be ROCE-accretive for us. Of course, as we have defined earlier, the growth that will come from this sector will be a mix of organic as well as inorganic growth.

Organically, of course, this quarter we announced the order extension for Tier 1s for one of the largest aircraft OEMs globally. We expect to continue winning orders like this and, more importantly, to leverage the best-cost India manufacturing base to enable this.

We intend to use a hub-and-spoke model, with the hub being the UK and Europe, where we have the complete R&D and marketing capabilities, and India being the best-cost base for us, where we can utilize India's superior and strong engineering base, our very frugal labor costs, as well as the overall ecosystem that we have when it comes to metal forming.

It will be a mix and match between our growth in Europe as well as our growth in India. Of course, we are thinking about a few inorganic steps to also achieve this number.

Jyoti Singh – Haitong Securities: Okay. Thank you so much, sir.

Management: Thank you.

Operator: A reminder to all participants, you may press star and one to ask a question. Participants, please press star and one to ask the question. [pause] The next question comes from the line of Nitish Mangal with Jefferies Group. Please go ahead.

Nitish Mangal – Jefferies Group: Hi, good morning, and thank you for taking my question. First, on electronics, can you talk a bit more about how you see this opportunity scaling up? What is the size of the business right now, and how does it scale up, both in terms of components for machinery and potentially components for the end-product system?

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Management: [pause] Nitish, thank you for the question. Before I talk about the opportunity and what it translates into, I would like to give some context about how we have reached where we have reached.

I think this whole perspective about moving into the consumer electronics segment for us started around 18 months ago, when we hired two senior executives to lead this domain from global electronics majors.

The perspective was that we had to not only establish a capability to enter this sector but also get a strong anchor customer. Often, getting an anchor customer is more important because that one anchor customer allows you to expand into the whole ecosystem.

For the past 18 months, we have been in discussions with this OEM, which has been growing quite fast in India. As you would imagine, this OEM is very quality-conscious and takes a large amount of time to approve a new supplier.

Over a period of time, we were able to give them confidence about our capabilities, given our expertise in metallurgy. The experience that we have in metallurgy has been established, of course, through H-One, where we are working with high-tensile materials of up to 1,400 megapascals, and also through our acquisition of SDM and Westhoff, where we work with titanium, aluminum, and some exotic materials.

When they saw these facilities or experienced these facilities virtually, they were able to understand the type of capability we have built over the past few decades.

Management: This is why we got the entry into the CNC fixtures domain. To give a brief overview, CNC fixtures are the fixtures used on VMCs, HMCs, and other machining components on the assembly line. There are three different types of fixtures: CNC, FATP, and MLB, which my brother focused on.

The market for only this particular OEM is, we feel, a multi-hundred-million-dollar market for this particular OEM and its ecosystem globally. A large majority of these components and fixtures are currently being imported, primarily from Southeast Asia.

We feel that the OEM has a large focus on localizing these components and fixtures within the country, which is why we have been selected. The initial order is modest, but we see a sharp ramp-up happening in this product cycle. The product cycle will begin in a couple of months and then continue for the next 8-9 months.

Once we have been able to establish and go through one product cycle, we really see this business compounding quite quickly. In terms of what this means, I think the initial entry point is fixtures, and that is where we have established capability. However, the conversation with the OEM is across multiple different components as we speak.

While there is no potential timeline that we can commit to regarding when we can enter these additional components, what we can commit to is that we already have many of the capabilities required to manufacture these components.

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The perspective is that fixtures, over a 5-10-year period, will be a small part of the consumer electronics business, with larger components and other key OEMs becoming a much larger part of our business going forward.

Nitish Mangal – Jefferies Group: [pause] Thank you. What is the life cycle of the fixtures? Do these change with the smartphone life cycle, or do they continue for much longer?

Management: No, these are highly recurring, so they change with every model and every variant of every model as well. In fact, a change happens every few months, not even every year. In that sense, while it may seem like a fixture business that is a one-off, it is actually a highly recurring business.

That is what allows us to have continuity of business here because the OEM is not only launching multiple models but also multiple variants of multiple different models. Its India business is also growing quite fast, which gives us immense confidence in terms of our growth with them.

Operator: A reminder to all participants, you may press star and one to ask a question. The next question comes from the line of Nitin with JM Financial. Please go ahead.

Nitin – JM Financial: Hello. Good morning. Thank you for the opportunity. I have two questions. The first is regarding the consumer electronics business, which you have discussed in detail. I wanted to understand our aspiration in that business, as you indicated in the aerospace business that we would like it to become 10% of our manufacturing business. What is the aspiration, given that we are starting with CNC fixtures with a modest order value, but going forward we may have some different components? A long-term view would help.

Management: Thank you, Nitin, for that question. I think we have just entered this segment. It is literally a few weeks old. It has largely been an organic entry, which we have worked quite hard for.

We do see the opportunity being massive in India, but also potentially for exports globally. We will explore how we can segment this business again going forward.

I think it is too early to have a long-term aspiration for this business. If you see, even in the aerospace business, we announced an aspiration only after building the business for more than 2.5-3 years and after completing a couple of acquisitions.

We feel we need to learn how to crawl first, then walk, and then run. Giving an aspiration early would be a little difficult as of now. However, we do feel this is a segment that we want to focus on, and we do see the opportunity being quite large.

Nitin – JM Financial: Okay. The second question relates to the new aircraft aerospace business order that we have received for additional turbine parts. Would it be possible for you to quantify that order and the timelines?

Management: [pause] Unfortunately, we are not able to quantify those aspects. However, we can comment on the timeline because this is an ongoing program and a product that we have been producing for a while.

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This is an order extension, a volume increase, as well as a price increase that has been awarded to us. This is a program that we expect to run for close to the next half a decade at least.

In that sense, the program life cycle is long, and it is for, I would say, if not the most successful, one of the most successful aviation programs globally. It gives us a lot of confidence that this program will continue to do well for a longer period and that we will be a key beneficiary of it.

Nitin – JM Financial: Okay. One last question related to this. Will we start the order back-filling from India, or will the manufacturing happen there itself?

Management: Right now, the complete manufacturing will happen in the UK. Production in India, of course, is a work in progress.

I am also happy to announce that for one of our facilities, we have already obtained the AS9100 certification, which is a very important certification when it comes to the manufacturing of aerospace components. We feel that after this certification, it is only a matter of time before our India manufacturing for this particular OEM also ramps up over the next few quarters.

Nitin – JM Financial: All right. Thank you. That is it from my side. Thanks, and all the best.

Management: Thank you, Nitin.

Operator: The next question comes from the line of Ayush Jhunjhunwala with HSBC. Please go ahead.

Ayush Jhunjhunwala – HSBC: Hi, sir. Thank you for taking my question. I had two questions. One was regarding the merger with {? Oberoi ?} Auto Component business. What is the timeline on that right now?

Management: [pause] Thank you for the question. We have applied to the NCLT for that. Based on our experience and the precedents we have seen with other listed companies, we see a timeline of anywhere between 6 and 8 months for this merger to be consummated. Hence, we expect it to happen maybe at the fag end of Q4 FY27 or in Q1 FY28.

Ayush Jhunjhunwala – HSBC: Okay, sir. Thank you so much. My other question is on the trading business. Manufacturing margins have improved sequentially, but our trading margins are still seeing some pressure. Could you provide some insight on that?

Management: Our trading business margins are seeing a bit of pressure. We do feel that the worst adjustments seem to be largely behind us, and we expect some return to normalcy over the next two quarters.

Ayush Jhunjhunwala – HSBC: All right, sir. And is there any update on having the business in a separate entity?

Management: We have no comments on that.

Ayush Jhunjhunwala – HSBC: Okay, thank you so much.

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Operator: A reminder to all participants, you may press star and one to ask a question. The next question comes from the line of Shubham Jain with Investec. Please go ahead.

Shubham Jain – Investec: Hi, thank you for the opportunity, and congratulations on the strong order wins this quarter. My first question was on the growth outlook going forward for your automotive business. OEM commentaries have been quite strong, and you also seem to have gained market share with multiple new products.

Could you also talk about your trading business? Has that business now recovered? What are your medium-term plans for the trading business? Do you see a need to revise your revenue growth guidance of about 15%?

Management: [pause] Shubham, thanks for the question. As of now, there is no revision in guidance. We continue to maintain our guidance of mid-teens revenue growth with stable EBITDA margins.

Of course, OEM growth has been quite strong, which has definitely benefited all automotive Tier 1s, specifically automotive Tier 1s with exposure to multiple different OEMs, which is an area in which we are currently excelling.

For example, in the two-wheeler OEM space, we are working with all of the top 10 two-wheeler OEMs. In the passenger vehicle and commercial vehicle OEM space, we are working with 12 out of the top 15 passenger and commercial vehicle OEMs.

In that sense, we are quite broad-based in terms of our growth. We expect the gains in the industry to continue benefiting us. There is no guidance revision as of now, but we do feel that if the industry continues performing as well as it has over the past few quarters, we will continue to outperform the industry, as we have done for the better part of two decades.

That is what we can comment on right now.

Management: The growth that we envisage and see in aerospace, electronics, as well as renewables will, of course, be our growth drivers over and above the automotive space. Renewables is a topic we spoke about over the last earnings call, but it is also an area where we are seeing quite a bit of traction.

In the trading business, also answering the last question, we have no comments on it as of now. We expect the business to return to normalcy over the next two quarters.

Shubham Jain – Investec: Okay. Thank you. Can you quantify the revenue contribution from aerospace this quarter?

Management: [pause] We are unable to quantify it exactly, but I think a good estimate would be that it could be anywhere between 2.5% and 3.5% of our manufacturing revenue.

Shubham Jain – Investec: Okay. Thank you.

Management: Thank you.

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Operator: The next question comes from the line of Nitish Mangal with Jefferies Group. Please go ahead.

Nitish Mangal – Jefferies Group: Hi, thank you for taking my questions again. From the automotive business, there was strong manufacturing growth this quarter. Is it possible to segregate that into the commodity price benefit versus underlying business growth?

Management: Nitish, I think our commodity price swings have been less volatile than those of the component Tier 1s that deal with aluminum or a lot of plastics. While we do have a plastic business, which is quite small as a percentage of our total revenue, if you look largely at mild steel and stainless steel prices, there has not been as much volatility in those domains as compared with other commodities such as copper, aluminum, and so on.

I think it is a fair assumption to say that a large majority of the revenues have come from increases in volume and from the fact that we are working in more premium segments. I would say it is a very small portion that has to do with overall commodity prices going up or down.

Nitish Mangal – Jefferies Group: Thank you. Secondly, on the trading business, we are seeing the share of the trading business gradually coming down. Is that more intentional, or is it due to the external market environment? Can you talk about that?

Management: That is definitely intentional. Our focus definitely remains on the manufacturing business. The trading business is supporting our manufacturing business through the insights we are getting into commodity prices.

It is fair to say that the manufacturing business's share will continue to grow going forward. However, the trading business will continue to do well on its own in terms of being profitable and generating decent ROCEs.

Nitish Mangal – Jefferies Group: Okay, thank you. That is it from my side.

Management: Thank you.

Operator: The next question comes from the line of Viraj Sahni with Ambit Capital. Please go ahead.

Viraj Sahni – Ambit Capital: Hi, thank you for taking my question. You mentioned a sheet metal order win from a Japanese two-wheeler OEM. I wanted to know whether this is the first order that you are receiving from this Japanese OEM and what percentage of the opportunity there this particular order would represent. That is my first question.

Management: Sure. Thank you, Viraj, for the question. This is the first sheet metal order that we are receiving from this particular leading Japanese two-wheeler OEM. We have been supplying plastics and filters to them for a couple of years now.

The initial order is small, but as you know, when it comes to Japanese OEMs, they have different entry points for different commodities. While we had been supplying filtration products and plastic products to them for a while, the entire audit and entry cycle for sheet metal took us quite a bit of time.

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We have been engaging with this OEM quite closely, and some of the parts that we are scheduled to manufacture for them are high-tonnage parts, which are high-margin parts in themselves and parts where there is high value addition.

While we cannot provide further guidance on how large this business can become, I think, as all of us know on this call, entry into these commodities is the most important step. Once the entry is established and you are situated, growing on top of that is easier.

Viraj Sahni – Ambit Capital: Understood. Secondly, on the commercial vehicle orders, you are now going to supply an entire chassis. You mentioned the potential for other locations of that OEM as well. Would that extend to the overseas operations of that particular OEM in terms of an export opportunity as well?

Management: That is an interesting question. Right now, for this particular OEM, we are working with them in Pune and Dharwad. What is exciting is that even though we are supplying to them in Pune and will now start supplies to them in Dharwad, we are also supplying to their other two locations, which are in the north of India.

The good thing is that there already seems to be interest in our supplies to them across all four of their India facilities. As you know, there is also eventually an opportunity for exports. However, for that, we will have to wait to understand the OEM's strategy regarding its insourcing and outsourcing strategy and the hub-and-spoke model that it intends to follow.

Based on that, we will be able to decide whether we will also be exporting these chassis.

Viraj Sahni – Ambit Capital: Okay, this was helpful. Thank you so much.

Management: Thank you, Viraj.

Operator: Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for closing remarks.

Management: Thank you, everyone, for joining us today on this earnings call. We remain focused on scaling our emerging opportunities, progressing towards providing Tier 0.5 system solutions, and deepening our proprietary business as time progresses.

We appreciate your interest and continued participation with us. If you have any further queries, please feel free to contact us or SGA, our investor relations advisor. Thank you for your time today.

Operator: Thank you, sir. Ladies and gentlemen, on behalf of Belrise Industries Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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