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RL/SE/26-27/50
August 14, 2026

To
The Department of Corporate Services - CRD
BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 500330

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
Bandra (East), Mumbai - 400051
Symbol: RAYMOND

Dear Sir/Madam,

Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript

Please find enclosed transcript of the conference call held on August 7, 2026, with respect to the financial results of Raymond Limited for the quarter ended June 30, 2026.

The transcript has also been uploaded on the Company's website (www.raymond.in)

This is for your information and records.

Thanking you.

Yours faithfully,
For Raymond Limited

Rakesh Muljibhai Darji
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Date: 2026.08.14 15:04:31 +05'30'

Rakesh Darji
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Encl.: as above

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"Raymond Limited
Q1 FY27 Earnings Conference Call"
August 07, 2026

MANAGEMENT:	**MR. RAKESH TIWARY – GROUP CHIEF FINANCIAL OFFICER** **MR. GAUTAM MAINI – MD, ENGINEERING BUSINESS** **MR. SANJEEV SHARMA – JOINT MD & CEO, JKMPTL** **MR. NAVIN SHARMA – CFO, ENGINEERING BUSINESS** **MR. SUNNY DESA – HEAD, INVESTOR RELATIONS**
MODERATOR:	**MR. DHIRENDRA TIWARI – ANTIQUE STOCK BROKING LIMITED** **MR. SANJEEV ZARBADE – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Raymond Limited Q1 FY27 Earnings Conference Call hosted by Antique Stock Broking 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 this 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. Dhirendra Tiwari from Antique Stock Broking Limited. Thank you, and over to you, sir.

Dhirendra Tiwari: Thank you. On behalf of Antique Stock Broking Limited, I would like to welcome all the participants to Q1 FY27 conference call of Raymond Limited.

Today, we have with us from the senior management of Raymond Limited, Mr. Rakesh Tiwary, Group Chief Financial Officer; Mr. Gautam Maini, MD, Engineering Business; Mr. Sanjeev Sharma, Joint MD and CEO, JKMPTL; Mr. Navin Sharma, CFO, Engineering Business; and Mr. Sunny Desa, Head, Investor Relations.

Let me start with, first of all, congratulating the whole team for doing a remarkable job in terms of the business and the growth opportunities explaining to investors, and that's a superb job done So, far.

Now I would like to hand over the call to Mr. Gautam Maini to take the discussion forward. Over to you, Gautamji. Thank you.

Gautam Maini: Thank you, Tiwariji. Good evening, everyone. Thank you for joining us today in our Q1 FY27 results conference call. I hope everyone has had an opportunity to go through our financial results and investor presentation, which have been uploaded on the stock exchanges as well as on the company's website.

Moving ahead, let me start by talking about the broader macroeconomic landscape that has influenced our performance and strategic decisions. India commenced FY27 on a strong footing with Q1 real GDP expanding at an estimated 7%, driven by sustained industrial momentum, robust GST collections, and a sharp rebound in export activity.

While the ongoing West Asia conflict continues to introduce localized supply chain friction and energy market fluctuations, domestic manufacturing has demonstrated high structural adaptability. Crucially, the global trade environment for Indian engineering exports has transitioned into a highly favourable phase.

Look at the India-U.K. Comprehensive Economic and Trade Agreement, the CETA, which entered into force on 15 July 2026, serves as a pivotal catalyst for India's engineering and industrial sectors. By eliminating tariffs, which previously reached up to 18% on categories like machinery, auto components, and metalwork, the agreement grants India-based precision suppliers immediate cost competitiveness in the U.K. market.

Following the recalibration and subsequent rollbacks of punitive U.S. tariff measures earlier this year, trade clarity has returned to the North American corridor. With destocking cycles concluding and tariff uncertainties receding, export orders for Indian automotive and industrial precision components are witnessing a sharp demand revival.

Let's look at the export revival. Building on the record-breaking performance of FY26, the domestic auto sector maintained solid momentum through Q1 of FY27. On the international front, the automotive component export channel has shifted back into growth territory. The dual benefit of the U.K. FTA implementation and rollback of restrictive U.S. tariffs has restored competitive export pricing. Global Tier 1 buyers are actively rebuilding inventory buffers, driving strong order inflows for complex machined components and drivetrain subassemblies.

Aerospace, let's look at the accelerated fleet ramp-up and sourcing execution. The global aerospace sector has entered into a decisive ramp-up phase in Q1 FY27 as major OEMs aggressively address historical order backlogs. OEMs recorded strong midyear momentum stabilizing at higher target production rates. While titanium and aerospace-grade alloy constraints persisted into late FY26, raw material supply channels and engine production schedules have gradually unblocked in Q1 of FY27, converting record order books into executable assembly volumes.

India's position as a core aerospace manufacturing hub continues to expand with global OEM sourcing commitments well on track towards multibillion-dollar milestones. Protected by stringent qualification protocols and a formidable compliance moat, our precision aerospace engineering business remains uniquely insulated from low-cost competition, ensuring long-term value, revenue visibility, and margin stability as global build rates accelerate.

Let's look at the consolidated performance. Raymond Limited continued its growth momentum and delivered a healthy quarterly performance, reporting a total income of INR628 crores, reflecting a 13% increase compared to the same quarter of the previous financial year. EBITDA grew by 14% Y-o-Y to INR100 crores with an EBITDA margin of 15.9% in Q1 of FY27 versus the total income of INR555 crores in Q1 FY26, delivering an EBITDA of INR87 crores with an EBITDA margin of 15.7% in Q1 FY26.

Q1 FY27 performance continued to be anchored by the Aerospace, Defence, and Precision Technology divisions. We are witnessing an accelerated transition as domestic engineering vendors migrate beyond standard component machining into high-complexity subsystems, critical aero-engine modules, and precision-engineered assemblies.

Backed by strong trade tailwinds, capacity expansions, and strict qualification barriers, this evolving capability mix significantly elevates contract stickiness, protects operating margins, and provides unparalleled long-term revenue visibility as global aerospace and mobility supply chains realign around preferred Indian suppliers.

To further diversify our revenue channels, we are capitalizing on our OEM-grade manufacturing ecosystem and contract production capabilities for critical automotive components and white label products to establish an aftermarket business scheduled for commercial rollout in Q2 of FY27. Going forward, we continue to remain optimistic about the future growth trajectory given our expansion strategy in new product categories and new geographies.

Let's look at segmental performance, starting with the Aerospace business, JK Maini Global Aerospace Limited, JKMGAL. At the segment level, the Aerospace and Defence business reported a robust performance with revenue of INR123 crores, which is 40% year-on-year growth, and EBITDA of INR26 crores, which is a 25% year-on-year growth, and an EBITDA margin of 21.2% in Q1 FY27 versus revenue of INR87 crores with an EBITDA of INR21 crores and an EBITDA margin of 23.7% in Q1 FY26.

The Q1 FY27 performance was anchored by a major expansion in production capacity driven with a higher revenue realization across key aerospace OEMs and Tier 1 programs. EBITDA margins saw temporary compression as we incurred major R&D expenses and expenditures, which we naturally write off as explained on earlier occasions to unlock the 40% revenue expansion. As these newly developed programs transition into steady-state production, EBITDA margins will stabilize.

Forward-looking indicators remain positive with strong RFQ activity. As external supply chain friction normalizes, our enhanced capacity positioning ensures seamless execution against a growing multiyear order book. We currently have a robust 10-year order book of INR5,960-plus crores and an active RFQ pipeline of INR1,632 crores. On strategic initiatives, we have commenced mass production of precision defence components.

Let us now move on to the Precision Technology and Auto Components, which is JK Maini Precision Technology Limited, JKMPTL. At the segment level, the Precision Technology and Auto Components reported a revenue of INR444 crores, which is 11% year-on-year growth with an EBITDA of INR61 crores, which is a 46% year-on-year growth, and EBITDA margin of 13.8% in Q1 of FY27 versus a revenue of INR398 crores with an EBITDA of INR42 crores and EBITDA margin of 10.6% in Q1 FY26.

The top-line expansion during Q1 FY27 was primarily driven by a ramp-up in our export revenues. This volume growth unlocks substantial operating leverage, which alongside targeted cost reduction initiatives led to a strong expansion in the overall EBITDA margins.

Furthermore, on strategic initiatives to leverage our B2C brand heritage and Tier 1 OEM base, we are launching an automotive aftermarket product line in Q2 of FY27. We are leveraging China Plus One tailwinds to diversify into high-potential global markets and industrial verticals. By driving integration synergies and operational efficiency, we are successfully scaling momentum across our domestic and global operations.

Let's come to our capex and greenfield expansion. Our INR1,000 crores 5-year capex plan, INR510 crores basically in aerospace and INR430 crores in auto, is progressing swiftly on schedule. Andhra Pradesh greenfield facility, the groundwork at our Gudipalli facility near the Bangalore Airport is on track with commercial production targeted for late 2027. To prelaunch operational readiness to ensure rapid post-launch scaling, we are setting up an advanced training and production facility ahead of schedule near our greenfield facility.

Debt and cash position at Raymond Limited. We continue to remain a net debt-free business with a net cash surplus of INR129 crores as of June 2026, providing the financial flexibility required to fund future organic and inorganic growth opportunities.

In conclusion, Q1 FY27 strong performance serves as a solid foundation for the year ahead. With our Andhra facility on track, the upcoming Q2 aftermarket rollout, and a debt-free balance sheet, we are well positioned to drive high-margin growth and create long-term shareholder value. We are executing our road map with precision and remain confident in our trajectory across all key segments.

Thank you once again for your continued interest in Raymond Limited. We are now happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yeshas Paramesh from Claridian Management.

Yeshas Paramesh: I just had two quick questions. The first one is on the preferential issue that was raised recently. I believe in Q4 FY26, the management had commented that the internal accruals, the operating cash flow as well as the debt capacity is sufficient enough for capacity expansion and the capex plans.

And only if some inorganic opportunities were to come up, then there would be an equity raise. So, just curious as to how the company is evaluating inorganic opportunities, whatever you're able to provide at this stage? Any color on that?

The second question is on the supply chain constraints that pretty much most aerospace players are facing. There was one U.S.-based aerospace component supplier who had to significantly revise down their expectations just because 2% of their components, mainly casting and forging, had very big supply chain bottlenecks. So, are we exposed to these same bottlenecks? Or are we able to bypass these?

Gautam Maini: Okay. What I'll do is I'll take up the second question first. And Rakesh, if you can take the next one, the first one. So, basically, I mean, we are today not exposed as much because a lot of those kind of businesses haven't transferred yet, which are more on the critical side. So, we are in a phase where I believe that there is a large backlog.

And we also, find that the more backlog you clear, the larger the backlog gets, which also, gets me to feel that the supply chain is So, constrained that typically, if you do a good job, you'll just get more business. So, like I've always maintained, this is an execution game. And if you can execute the business correctly, you will always be in the winner's seat.

And I think that's something that I have always maintained over the last several calls. And I continue to maintain that the market is very large. The customers are out there looking for good suppliers. So, if you know how to execute, you will be in the front. And that's our whole aim is to execute well. Rakesh, do you want to take up the first one or Sunny?

Sunny Desa: Am I audible?

Moderator: Yes, sir, you can proceed.

Sunny Desa: Yes. Okay. Great. So, with respect to the question on the warrants that were issued, basically, the whole idea is that we, as a company, keep evaluating various opportunities across our 2 businesses from an inorganic growth standpoint. They may or may not fructify. As and when we are close to closing and giving information about the success stories of our potential acquisitions, we will come back to the markets.

When it comes to the overall aspect of what are we targeting, the targets are across our segments like the aerospace business, auto components, and defence. So, whichever side where we find there could be synergies and opportunities for us, we can evaluate those. And that is the reason we have gone ahead with the warrants, which allows us with that additional flexibility. I hope that answers.

Moderator: The next question is from the line of Nishita Shanklesha from Sapphire Capital.

Nishita Shanklesha: Yes. So, I wanted to understand the RFQ pipeline in aerospace that we have of INR1,632 crores. So, like are we L1 in any of these orders? Or when can we expect these orders to convert?

Gautam Maini: Okay. So, like I've always explained, I said aerospace business for us is a daily growth business because we are getting RFQs on a daily basis. We are making new product developments on a daily basis. We are ramping up on a daily basis. There may be a time lag depending on how critical these components are. So, this is an active pipeline as of a recent number. Obviously, it changes on a daily basis. So, these are live items.

Our goal is always to try and go for what suits our production, what suits our margins, what suits our ROCE, etcetera, So, that we can keep in line with commitments we have made to our Board and our investors. So, we are quite confident to use the active RFQ pipeline to generate the level of business that we need to make sure that we can keep the momentum that we already have generated as you have seen in Q1. And we would keep closing these orders as they come.

So, today, it's a question of choice from our side rather than a constraint. And like I've said, the market is quite large. And therefore, you also, don't want to disappoint a lot of customers. So, you want to make sure that you have something more than you can grow, but not go and do something where you will disappoint customers in execution.

So, it's also, important to keep a balance and at the same time, to ensure that you have the right mix in the right segments. So, it's a lot of activity that goes on behind at a strategic level to ensure that you can pick the right businesses.

Nishita Shanklesha: Hello?

Moderator: Yes, Ms. Shanklesha, you can go ahead with your question.

Nishita Shanklesha: Yes. Yes. Understood. So, actually, my line was dropped. So, if you can please reiterate what you just said.

Gautam Maini: Sorry, can you clarify what you want?

Nishita Shanklesha: My line was actually dropped when you were explaining the whole RFQ pipeline thing. Yes.

Gautam Maini: Okay. No worries. Yes. So, basically, when you look at the pipeline, like I said, we grow business on a daily basis. We get RFQs on a daily basis. We make new products on a daily basis, and we scale manufacturing on a daily basis with certain lag times depending on what kind of products you have.

So, our goal is always to keep a good balance. We choose our businesses. We make sure they have the right margins, the right ROCEs. So, our investment patterns, our ramp-up patterns are all showing growth on a daily basis. That's how we try and do our business.

So, depending on -- we have enough RFQs for us to do more than the growth we want at the conditions we want. So, as we continuously expand, we will keep deciding how we can increase the RFQ pipeline because that will -- we don't want to disappoint customers in case we have to do something much more than we can chew because today, the demand is So, much ahead of its supply that it's very important you don't disappoint customers.

And I come back to the same game of how well can you execute. So, the execution is not only about finally giving the product. The execution is also, about ensuring that right from RFQ stage to the delivery stage, how you can manage the expectations of all these customers who seriously want to grow in a country like India. I hope I've answered your question.

Nishita Shanklesha: Yes, yes. And my next question is on our EBITDA margin. So, we have been expanding our EBITDA margins quarter-on-quarter since the past 3, 4 quarters. So, what can we expect our EBITDA margins to look like in FY27? Can we expect them to be in the same range of around 12%-13%?

Gautam Maini: Yes, we can -- I mean, we can expect the EBITDA margins to have the same trend as we've shown now at a consolidated level. I would say you can expect the same. We can see that our trends are better than the previous year. So, we expect to keep the same momentum.

Moderator: The next question is from the line of Harshit Chheda from Centra Insights LLP.

Harshit Chheda: Congratulations on the great quarterly results. I have two questions. Currently, Raymond Limited, the 20% of your revenue comes from the aerospace and defence sector. So, how much are you expecting it to grow by the end of the year?

Gautam Maini: Well, you know that aerospace definitely has a higher growth rate than the other sectors. And the base is also, smaller. So, it's easier to grow at a percentage level. And therefore, it will marginally keep increasing quarter-on-quarter to a small extent, considering the smaller pitch it has. But considering the high growth rate that we've been able to achieve, you will definitely see it incrementally going up over a period of time.

Harshit Chheda: But could we expect the revenue to be by the end of the year? Can you give us an estimate?

Rakesh Kumar Tiwary: So, we have committed 25% growth. We are a little bit ahead of what we have committed, but we expect to keep momentum, but I would still say that a 25% growth in aerospace is a good growth. And of course, we have exceeded it in the first quarter.

Harshit Chheda: All right. My second question is, currently, Raymond Limited is producing north of 350 components for the LEAP engine program. So, is your future plan to produce more components or to get into the subassembly sector where you directly assemble parts of the engine and supply to OEMs?

Gautam Maini: So, our goal is definitely to continuously upgrade and go up the value chain. There are several stages that it takes to go up the value chain. So, today, we are in a stage where we've reached a fairly good level to make critical components. So, the mix of critical components will keep increasing and the subassemblies will keep increasing. So, it is our definite goal to go up the value chain.

We're also, going to be adding special processes, and we're going to bring in heat treatment and other things in our facility in Andhra. So, being more vertically integrated will help the customers to have more confidence in us, and we expect them to be able to go higher up the value chain.

Harshit Chheda: All right. And my final question is, are there any new certifications that Raymond Limited has applied for?

Gautam Maini: Well, we've just you know -- it's just been information very, very new. But just today, we got our certification for making medical components because medical components also, need the same titanium and stainless steel, and we have been working on that certification, and we got it today.

Harshit Chheda: Congratulations. My question is related more towards aerospace. Are there any new certifications you are trying to get in the aerospace sector?

Gautam Maini: Well, most of the certifications that we need are already there. We've also, got our build-to-spec design certification now. So, at the moment, whichever new customers we are adding, we obviously get certified by them. But as of now, we have all the necessary certifications to ensure that we go up the value chain.

Harshit Chheda: Congratulations on the great result.

Moderator: The next question is from the line of Navin Vijay from NS Capital.

Navin Vijay: My first question is on the order book. Compared to the last presentation where we had mentioned INR2,350 crores with a 5-year horizon. We now seem to have mentioned INR5,960 crores is a 10-year horizon. So, that's a significant jump up in the order book. Could you please talk about it for a minute, sir?

Gautam Maini: No, it's just that aerospace businesses are long-term in nature. So, I think a 5-year period is very small. So, we just wanted to give you a longer visibility on what potentials we have over a period of time. And therefore, we changed the period to a 10-year period. And therefore, you have a larger number there.

Navin Vijay: Got it. Got it. And you also, briefly mentioned about R&D expenses being expensed and written off. Do we have a percentage that we also, capitalize? Or is it fully written off, sir?

Gautam Maini: No, we don't capitalize any R&D expense. So, as of now. So, for instance, if we increased our speed of new product development, that's what got us to 40%. So, all of that new product that we developed and all of the expenses related to the development of new products are all written off in the same quarter.

So, therefore, you see a slightly lower percentage of margin. But like I said, as those products become over time, they become more -- the efficiency will come, first of all, on those products and they'll get more mature, it will all stabilize. But if you want to grow at the percentage that we actually grew in the quarter, we needed to do a lot more on this product development, which we write off.

Navin Vijay: Got it. My last question is on the M&A front. Is there anything that you are actually pursuing? I'm not asking for names, but in terms of competencies or some kind of...

Gautam Maini: Can you just repeat? I lost you for the beginning for a second.

Navin Vijay: My last question is on the M&A activity, sir. Are we on the lookout for any competencies that would add to the aerospace and other sectors?

Gautam Maini: Yes. So, are you talking about competency? Did I read it correct?

Navin Vijay: Yes, particularly with respect to M&A, mergers and acquisitions.

Gautam Maini: Mergers and acquisitions. Okay. This is like Sunny mentioned, the company is going to be looking at opportunities. And as and when we really get something that's more definitive in nature, we will definitely come back and inform all of you. Sunny has already clarified that we are looking at mergers and acquisitions in that space.

Sunny Desa: But just to add to what Gautam said, Naveen, to answer your question, the lookout for inorganic growth is a business as usual. We keep evaluating various companies across both our business segments, and that is what I had mentioned in the previous question.

Moderator: The next question is from the line of Vatsal Kothari from AlfAccurate Advisors.

Vatsal Kothari: I have a couple of questions. My first question is, is it possible for you to just state your asset turnovers on a segmental basis? So, what are the typical asset turns which you would be enjoying in the aerospace vertical in your view and the precision vertical?

Rakesh Kumar Tiwary: In Aerospace, our typical asset turnover for the new business that we are winning right now is hovering somewhere around 1.8 to 2.2 kind of. And for automobile, it is somewhere between 2 to 2.5. The way we are closing businesses now, we are aiming for better EBITDA margins and high-tech businesses. So, that kind of asset turns are expected at this point.

Historical asset turns had been a little higher. But as I said that we are looking for a higher EBITDA margin product. So, asset turns a little bit would be on a lower side, but on a better EBITDA margin, thus still giving us the similar kind of ROCE that we are enjoying So, far.

Vatsal Kothari: Understood. And typically, what stabilized EBITDA margins are we looking at over the longer term?

Rakesh Kumar Tiwary: In Aerospace business, we aim that somewhere around 25%. That's our aim at a mature level. And then in our precision manufacturing business, somewhere around 12%-13%. That's a decent margin that we are looking. And of course, there can be an upside, but these are the margins that we are looking in the now and near term.

Vatsal Kothari: Understood. And what is the current customer concentration in aerospace specifically? So, what would be your top 3 OEMs as a percentage of your total order book? And what is the kind of order intake growth, which we can be looking at on a yearly basis over the next 3 to 4 years space?

Gautam Maini: So, we have over 25 global customers. And therefore, our goal is definitely not to have certain customers having a high concentration. So, our goal is definitely to spread that concentration. Currently, I would say it could be up to 40% to 45% with the top 3. But the goal is that with our huge increase in RFQ pipeline, one of our goals is to decentralize most of our businesses to have at least 8 or 10 really high-value customers from the current 3 or 4. So, that -- and since they are already our customers, it's an easy path for us.

Rakesh Kumar Tiwary: And also, number of customers are not that much. I mean, see, if you look at the overall skyline, we don't have those many customers. It's not like that we have hundreds of customers to go. So, even a 40% concentration is really a quite diversified number for top 3, 4 customers.

Vatsal Kothari: Understood. So, is it -- am I thinking correctly that the current INR5,960 crores of order book, 40% of it is concentrated to the top 3 customers, if I'm not wrong, or that's the wrong way to look at it?

Gautam Maini: Well, as the order book keeps increasing, that ratio will keep changing. Like I said, we grow on a daily basis. And our attempt is to go to as many new customers. So, it's at a point in time and then it changes every day.

Vatsal Kothari: Understood. So, what is the kind of order intake growth which one can expect over a longer 3-year annualized basis? I know you're getting new orders every day and everything is good. But in terms of any quantitative color?

Gautam Maini: So, we'd like to say that a 25% growth is a healthy growth in the industry on an organic basis. And I believe that we have enough orders to grow at that 25%. Like I said, we have outperformed this quarter, and we'd like to work towards that momentum, but the commitment to the market would be that we would definitely do a 25% increase.

Vatsal Kothari: Understood. Just one last question from my side within the aerospace and defence vertical. What is the mix like in terms of N1 to N4 currently? And what is the mix which you aspire to get towards assuming your margins and ROCE targets are met?

Gautam Maini: Are you talking about the engine critical parts that I talked about?

Vatsal Kothari: Yes, correct. Correct.

Gautam Maini: Okay. Yes. So, obviously, like I said, on N4, we are self-certified. And therefore, you will increase the numbers. Like I also, told you last time and what we clarified, your asset turn ratios have to be maintained. The more you go towards N2, your asset turn ratios decrease. So, you have to continuously work the RFQs in such a way that you can average your ROCE in a better way.

And therefore, we also, have a mix of structural components. We also, have a mix of landing gear components, hydraulic components, fuel components as well as other parts from the aircraft. So, while we definitely are predominant on the engine, which is the main area, we always try to work the mix to make sure that, a, our growth is continuous; and b, our ROCE and investment levels are at the right level. So, we are not one side of the spectrum.

Vatsal Kothari: So, is it safe to assume around 50% to 60% in N4 right now and the rest divided from N1 to N3 over 3 years down the line?

Gautam Maini: Yes, it would be safe to assume that we are not in N1 yet because those are rotating parts, and we are not there. Our goal is to get.

Moderator: The next question is from the line of Niraj Mansingka from White Pine Investment Management.

Niraj Mansingka: Sir, just a clarification. The order book that you said gave earlier was a 5-year order book and the order book that you gave now is a 10-year order book. Is it right?

Gautam Maini: Yes, that's right.

Niraj Mansingka: So, if I just add the 5-year breakup that you gave, and it is adding to INR2,765 crores versus INR2,350 crores that you gave last year -- last quarter. So, it's safe to assume it's a 17% growth on a sequential basis on a quarter-over-quarter.

Gautam Maini: Yes, that's safe to assume for sure. Yes.

Niraj Mansingka: Okay. And sir, this order book that you have is only for the existing facility, not the under-construction facility that we have?

Gautam Maini: Absolutely. It's only for the existing facility. And we are not counting what orders we close on a daily basis. Like I said, it's a point in time. And every day, we close new businesses. So, it will keep increasing as we go along the quarters. And we are still over a year away from the new projects. So, this will keep building.

And as we get closer to the new project, we will see hopefully a further increase as customers start to realize our new capacities. So, this is just current building, and we will accommodate it in the current building, yes.

Niraj Mansingka: Okay. So, but what was the -- I think over the discussion, I was an impression that we are running quite full on the existing utilization with some smaller increase in utilization that can inch up. So, how much more can this existing facility go on the revenues?

Gautam Maini: So, we've made some huge improvements in our company as well in terms of -- and you can see the kind of growth we've seen. So, our estimated numbers earlier were -- you are absolutely right, our estimated numbers earlier were at the INR600 crores range, but we do believe that we will go more than INR600 crores at this point in time and necessary improvements have been made. So, we've introduced sort of an improvement mandate in our company called Parivartan, which is bringing a lot of change, and we expect it to exceed INR600 crores now.

Niraj Mansingka: Okay. And sir, when you said you start the facility from '27 and how will you start? Like will you start straight away with the revenues? Or is it just some local manufacturing with an approval process being left?

Gautam Maini: You can assume that it will have up to 6 months approval processes. So, really, I would start looking at FY28 for numbers starting and then the ramp-up will happen slowly as we go along because like you know, Aero takes a lot of time for approvals. Many customers have to come, etcetera. But we also, have the precision auto business next to it, which is also, what we are starting. So, both are going to start in parallel.

And therefore, the time line might be slightly different for both. But the customer approval process, we have to give time. And that's why we are making improvements in our current facility So, that we do not see any slowdown in growth as we move to our new facility. It should be a continuous curve.

Niraj Mansingka: And Sorry, just any color on how many percentages of N4 can you move to -- Sorry, N1 can you move to when -- or N2 even move to when you start the new facility?

Gautam Maini: Well, not as yet because it will take time. We are negotiating with customers. And every quarter, as we speak to you, we can keep talking to you about the progress made, but it's still over a year away. So, there's a lot of things in the pipeline. Once they get fructified, we will definitely keep you updated quarter-on-quarter.

Niraj Mansingka: Okay. Sir, last question. Can you really go to customer without the new facility because for N1, N2, you may end up issuing the new facility? So, would the customer go ahead and do some partial approval and then later on a full approval?

Gautam Maini: Okay. So, you're jumping the gun a little bit. So, first of all, we've got a lot of RFQs already with us, right? They all include very complex subassemblies and future items for which we don't have capacity. We are also, bidding on products which will come in 2029 and 2030. So, you have to understand aerospace is a long-term game. You're not working today for tomorrow; you're working today for the next 5 years.

So, you have different level of projects with different complexities, and you have to work with all of them, Some of them well in advance. Some of them, you have to work 5 years in advance. So, we are working in parallel with everything that we need to do to create value in the new expansion.

Moderator: The next question is from the line of Keval Shah from Sanctum Wealth PMS.

Keval Shah: Congratulations on getting the certificate -- for the certification for the medical side of the business. Can you throw some more light on this medical side of the business? Like what is your strategy? And are you in talks with any potential customers? And how do you see this business panning out over the next 3-4 years? Can you throw some more light on this side of the business?

Gautam Maini: Too early to say. We just got the certificate today. So, we will come back to all of you next quarter to see what the plan is and after that. But too early to say right now.

Rakesh Kumar Tiwary: See, many such initiatives keep on going on a concurrent basis. It's one of that for which we got certification today. But it's a part of routine exercise that we -- I mean, we have -- we run a capability cloud. So, we keep on exploring X, Y, Z. So, these things will keep on coming. I mean it's too early to have a business plan around it at this point.

Keval Shah: Okay, sir. And in terms of margins, this time, the better margins we saw, is there any kind of inventory gains currently or it's more of a sustainable basis kind of margin that we saw?

Gautam Maini: No, no, it's extremely sustainable. In fact, like I said before, there's a pressure on writing off what we do in R&D. So, as we -- as the periods go along, it will, in fact, even stabilize to more realistic levels.

Rakesh Kumar Tiwary: See, what has happened into this time is we got operating leverage. You might have seen vis-a-vis last year, this year, quarter 1, we have significant rise in our revenue. So, naturally, we got operating leverage. We also, had product mix-related gains basically.

So, operating leverage, will it continue? The answer is yes. Product mix, while if it varies from quarter-to-quarter, you may see some fluctuation into the margin. But directionally, it will remain more or less in the range. But do you expect exactly the same? Well, it depends quite a lot on several other internal external factors, including product mix, but operating leverage as we continue to grow, will continue to reflect more on to the margins.

Keval Shah: Okay, sir. And currently, in the volatile macro environment, is there any supply chain-related risks that we are facing currently?

Gautam Maini: Well, more than supply chain, the cost for logistics have definitely gone up. So, we have noticed that. We have noticed costs have gone up in terms of tools, the carbide and HSS costs, and we are trying our best to mitigate all of these costs in the best possible manner where we are in discussions with customers, right? We particularly also, had a minimum wage cost increase.

So, we are fighting with certain costs, but we're trying our best to see that either with better efficiency, better operating leverage, we can offset some of them and some of them we are going back to our customer to offset. So, that you might see a quarter where there could be some pressure, but then it will again start to ease off as we find solutions to these issues.

Moderator: The next question is from the line of Midhun James from Moat PMS.

Midhun James: So, recently, we saw a filing regarding one erstwhile CXO from BEL joining your company for the defence business. So, can you give some more color on what is that we are aspiring in the defence business? And yes, a little bit more on that.

Gautam Maini: Sunny, you want to answer that question?

Sunny Desa: Yes. Thanks, Gautam. Yes. So, yes, Mr. Bhanu Prakash Srivastava has joined us, and you've seen the exchange release. We plan to work on the Defence segment as well. We are working on our strategy, and we'll be coming to you guys hopefully by the next quarter or 2 about the future as to how we are trying to go about this.

Midhun James: Okay, sure. My next question would be that now we are seeing a lot of auto ancillary companies getting into aerospace business. I mean, when you look at it, earlier, there were a few companies now every -- more of -- there are many, many, many more companies which are sort of in their presentations coming out with sections on aerospace and defence, primarily on the aerospace side. I think there is -- their capabilities are sort of extendable to aerospace business.

So, how do you find the competition from the Indian players? Or is the pie So, large that everybody can sort of eat into it? What are your views on them?

Gautam Maini: Yes. So, it's good for us because we've been 22 years in this business. We were amongst the first to start with engine parts. So, like in any field, we are a leader in the field. We have the advantage. We have a large customer base. We have -- we're producing more than 1 new part a day. So, it's very good. I would say the demand is So, high that it will take many years for us to actually worry about competition.

Yes, you will always have some competition. But in this case, it's very collaborative in the aerospace business because there are very few approved sources when you really look at compared to automotive. So, I would say that good competition is always great, but we have an inherent advantage, and we'd like to keep that advantage going forward. The bigger thing is China Plus One because I think what business would probably be going to China much more than that would come to India.

So, in a way, it's great for everybody in India. I think it's a great story for all Indians. And I think the more people that will be able to cope with the standards and understand the variations because unlike an auto business, the aerospace business is high mix, low volume. Not everybody has a culture or can accommodate such differences. And those who can and who can build a business over the next 4, 5, 7 years, they can then be part of the aerospace industry, but it's a very different industry.

Midhun James: Sure. And one more related clarification that I have. So, last time during the call, we discussed on some expansion or some ideas towards the behind-the-meter power generation business. You are saying that, that is something you're trying to explore. Have we made some inroads into that?

And another related question is, we see that several precision auto component manufacturing companies have certain ideas or are looking into the humanoid robotics side as well. So, some companies in India already have started working on that. So, can you throw more light on the other businesses, which are related to auto and aerospace that you are venturing or you have plans or something on that line?

Gautam Maini: See, obviously, as a strategy, we are going to continuously explore adjacencies and those areas which will help us in the future and including margin expansion and product expansion. So, those efforts will continuously go on. But as of now, I have nothing to share out here. And as plans get concrete, we'll definitely share with you on the calls. But as part of our strategy, we will explore all adjacencies and all areas where we could potentially grow and expand.

Midhun James: Sure. Just last one question. So, if you look at your business, the aerospace business, the growth rates are good and 40% is actually pretty good. But when you look at the consolidated business, the growth rates are in the middle teens, for example. So, which may not be as exciting as your aerospace business.

So, do you have -- I mean, probably your -- the venture into the aftermarket business can be in that -- I believe, is in that line. So, can we look at this business to be more exciting, I'm saying the combined business, can we look at a 20% plus growth rate? I'm not holding on to any guidance. But what are your thoughts about it? Maybe next year, next to next year, we get to a higher growth trajectory? Or we'll have to wait for the capacity expansion to come online?

Gautam Maini: Yes. See, I mean, I'm not going to commit numbers. But as far as I'm concerned, I think the scenario is much more positive. We are going to do everything in terms of strategy to obviously get either more market share or more revenue. By combining our Tools and Hardware business with the aftermarket business, we're seeing massive synergies. Obviously, we'll leverage brand. We'll leverage the markets we already have, and we'll grow those businesses.

Again, on a margin expansion, there will be a better margin expansion if we do that right. So, I think what we are doing is to take every possible step to look at better synergies, better leverages, better margin expansion, better business models, higher value products. So, we will do everything that sort of is the right thing to do for the company to grow. The rest, we will see how we can capture a higher market share and grow at a higher rate. I mean that's always going to be the ambition, but I won't be pulled into any number at this stage.

Moderator: Ladies and gentlemen, that was the last question of the day. I would now like to hand the conference over to Mr. Sanjeev Zarbade for closing comments.

Sanjeev Zarbade: Thank you. Before we conclude, I would like to once again congratulate the management of Raymond on delivering an impressive performance in the first quarter. I also, extend my sincere thanks to the management team for giving Antique Stock Broking the opportunity to host this earnings conference call.

With that, may I now invite Mr. Maini to share his closing remarks. Over to you, Mr. Maini.

Gautam Maini: So, once again, I want to thank all of you for being on the call and asking some very relevant questions. I think there's a very high level of intelligence, knowledge in the market, and I really appreciate the 2-way conversations and the open conversations that we have. Yes, I look forward to seeing you all in the next quarter. Thank you once again.

Moderator: Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.