

# UNIPARTS INDIA LTD.

August 14, 2025

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001  <b>Scrip Code: 543689</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051  <b>Symbol: UNIPARTS</b>
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**Subject: Regulation 30: Transcript of Earnings Call pertaining to the Unaudited Financial Results for the quarter ended June 30, 2025**

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of earnings call on the Unaudited Financial Results of the Company for the quarter ended June 30, 2025, which was held on Monday, August 11, 2025.

The same is also being uploaded on website of the Company at [https://www.unipartsgroup.com/home/quarterly\\_financial\\_results](https://www.unipartsgroup.com/home/quarterly_financial_results).

You are requested to take the above on record.

Thanking You,

Yours faithfully,

**For Uniparts India Limited**

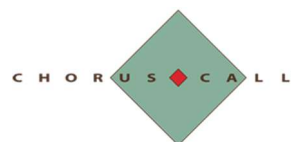
**Jatin Mahajan**  
**Head Legal, Company Secretary and Compliance Officer**

Encl: As above



**“Uniparts India Limited  
Q1 FY '26 Earnings Conference Call”**

**August 11, 2025**



**MANAGEMENT: MR. GURDEEP SONI – CHAIRMAN AND MANAGING  
DIRECTOR – UNIPARTS INDIA LIMITED  
MS. TANUSHREE BAGRODIA – WHOLE TIME  
DIRECTOR AND GROUP CHIEF OPERATING OFFICER –  
UNIPARTS INDIA LIMITED  
MR. ROHIT MAHESHWARI – GROUP CHIEF FINANCIAL  
OFFICER – UNIPARTS INDIA LIMITED  
MR. HIMANSHU SHARMA – DEPUTY GENERAL  
MANAGER – UNIPARTS INDIA LIMITED**

**MODERATOR: MS. MONALI JAIN -- GO INDIA ADVISORS**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Uniparts India Limited Q1 FY '26 Earnings Conference Call hosted by Go India Advisors. 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 Ms. Monali Jain from Go India Advisors. Thank you. And over to you, ma'am.

**Monali Jain**

Thank you, Yusuf. Good morning, everyone, and welcome to Q1 FY '26 earnings call of Uniparts India Limited. We have on the call Mr. Gurdeep Soni, Chairman and Managing Director; Ms. Tanushree Bagrodia, Whole Time Director and Group Chief Operating Officer; Mr. Rohit Maheshwari, Group Chief Financial Officer; and Mr. Himanshu Sharma, Deputy General Manager.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that company faces. I will now request Mr. Soni to take us through the financials and the business update, subsequent to which we can open the floor for questions and answers. Thank you, and over to you, sir.

**Gurdeep Soni:**

Thanks, Monali. Good morning, everyone. Welcome to the first quarter earnings call for the financial year '26 of Uniparts India Limited. Our Q1 FY '26 began with encouraging signs in our top line performance. The off highway industry continues to face volatility with tariff uncertainties affecting short to midterm demand in the Americas. However lower interest rates and stabilized equipment pricing are expected to drive purchases that farmers had previously deferred. Uniparts' resilient business model and dual shore manufacturing capabilities help us navigate market volatility and mitigate tariff-related risks.

Let me give you an industry overview and a little bit about business performance. The off highway market is showing early signs of recovery, particularly in Europe. Inventory build-up has begun in the small ag segment, while the large ag market continues to witness further decline.

The pace of decline in construction equipment segment appears to have been stabilized. Particularly talking about construction, the major OEMs in the construction segment anticipates flat to slight decline. Despite this, Uniparts continues to grow, supported by strengthening relationships with global leaders in the segment and new business across Europe and other regions.

Coming to the large ag. Major OEMs in USA project a 25% to 30% decline in the large ag segment while Europe shows early signs of recovery. With inventory build-up and new business, Uniparts expects a healthy growth in the segment. However, farming income pressures in key western markets may lead to cautious investment in equipment.

On the small ag side, a very favorable monsoon and steady farmer demand are expected to drive tractor sales of between 4% to 7% in FY '26 in India. Uniparts is well-positioned to benefit due to its strong domestic presence. Globally as well OEMs project flat to slightly declining sales,

but inventory replenishment has begun and Uniparts anticipates mid-teens growth in this segment.

Coming to the aftermarket segment, actually grew by 20% in FY '25 for Uniparts. Addition of a customer Mid States who is the second largest group of retail stores in North America is helping this growth and has more room to grow. We expect the segment to grow further in mid-teens in FY '26.

As a strategy, the company remains focused on strengthening the engagement and involvement with the customer. In fact, the new business award book remains very healthy at INR200 crores, and the actions on new business in large ag segment, large construction equipment and geographical diversification remain priority for us. And the forward strategy continues to build on 3 pillars of deepening integration with our customers, driving operational efficiency and expanding our nearshoring footprint in a measured and effective manner.

The diversified dual shore manufacturing business model of the company is helping to maintain its position as a market leader through mitigating the risk of volatilities in supply chain and due to the tariff announcements.

A brief on the financial position of the company for quarter 1. We achieved an EBITDA margin of 20%. Our cash flows remain robust and the company is net debt free with a net cash balance of INR241 crores as of June 30, 2025. We expect to maintain consistent free cash flow generation in line with what we have done in financial year '25 levels.

With that, I'll hand over to Rohit Maheshwari to present the financial performance for Q1 of FY '26. Thank you. Over to you, Rohit.

**Rohit Maheshwari:**

Thank you, sir. Good morning, everyone. Here are the financial and the business highlights for the quarter ending June 30, 2025. Q1 revenue from operations was INR273 crores, reflecting an 8.25% quarter-on-quarter increase and 4.2% year-on-year growth. Q1 EBITDA stood at INR57.89 crores, up 39% from quarter 4 FY '25 and 26% year-on-year basis. Operating cash flow generation for the Q1 was INR54 crores.

The net working capital comprising of big 3 elements of inventory, account receivable and account payables as number of days of TTM revenue from operations stood at 156 days as on 30th June 2025.

Uniparts remains a net debt-free company with a group net cash position of approximately INR241.6 crores at the end of June 2025. Capex outflow during the quarter was approximately INR 7 crores. New business awards over the past 12 months totaled approximately INR200 crores plus in annualized potential value.

Key monitorables include global economic slowdown, geopolitical uncertainties, evolving trade tariffs, persistent inflation and elevated interest rates. With this summary I would like to hand over the conference back to the moderator for question-and-answer session. Thanks very much. Thank you.

- Moderator:** Thank you sir. First question is from the line of Nirmam from Unique PMS.
- Nirmam:** Historically we've seen that Q1 revenues are lower than Q4 revenues, but this time we've bucked the trend. So if you could explain what led to this? And also, was there an element of prebuying related to the tariffs in this?
- Tanushree Bagrodia:** Hi, Tanushree Bagrodia here. Good morning. And thank you for your questions. So as you have seen in the results, the results have been that we've seen a 5% growth in the top line year-on-year and an 8% growth in the top line quarter-on-quarter. And this growth is really driven by what we have been saying in the last few quarters where what we said was that quarter 3 of FY '25 was the bottoming out of the cycle.
- We expected the cycle to turn from quarter 4 onwards, which is what we've been seeing. We've also been very categorical in stating that our efforts have been to win new business because it's the new business that helps us grow. We've won over INR200 crores of new business, as was just stated, which has contributed to this growth.
- And we also look at the markets going forward, the markets going forward, construction globally seems to have stabilized. Small ag is, let's say, minus 5% to flattish. In fact, Asia Pacific and India are growing. It's flattish in Europe and let's say, minus 5% in the U.S. It's the large ag in Europe and U.S. that remains under pressure. So I think that's where the growth is really coming from. To answer your next question, where prebuying due to tariffs, no, there was no prebuying due to tariffs.
- Nirmam:** Okay, ma'am. That's helpful. And secondly, our gross margins have also increased to, say, 65%, 66%. So what led to this improvement also?
- Tanushree Bagrodia:** Yes. Our gross margin went up because if you see our material cost as a percentage of revenue is at roughly about 34% in this quarter, which is in the range of, let's say, about 36% typically. And this really comes because of the FX impact on the inventory valuation, right? You'll see that the inventory has gone up by roughly about INR7 crores, and that's largely due to the currency impact. The euro went up quarter-on-quarter.
- Nirmam:** Okay, ma'am. And lastly, so we've been mentioning that we've won a new business in Europe and in the large agri segment. And so has the offtake started from there? And would we see increasing contribution from Europe this year and from here on?
- Tanushree Bagrodia:** So we've been saying that the large ag is an area that we'd like to grow and that's where we've got the new business. The offtake is yet to start on that, but it remains on track as of now. And this year, as we are seeing large ag is going to contribute a healthy growth percentage to the overall growth.
- Moderator:** Next question is from the line of Viraj from SiMPL.
- Viraj:** Just a follow-up question on the gross margin. So correct me, what I understood is there's a INR7 crores inventory valuation gain in our total RMC cost. And this is one of the primary reasons

why the gross margin is at 66% as against the past trend of 62% to 63%, 64%. Would that be the right thinking?

**Tanushree Bagrodia:**

Yes. That's the right way to look at it.

**Viraj:**

Okay. Second question is, see, if you look at last quarter, our thinking was that even despite the market environment, given the way new business pipeline is shaping up for us, we would expect a mid-teen growth, which would largely be back-ended in the second half. But if you look at Q1 itself, we have seen some bit of good growth in the quarter?

So I think somewhere at the start of the call, you alluded it, inventory filling or normalization of inventory is also one of the key factors. So can you give some perspective, if I have to understand a normal inventory cycle, say at the customer or at the channel level, compared to that, where would now be at as of Q1 end? And what kind of additional delta we would have got in the quarter because of this?

**Tanushree Bagrodia:**

So Viraj, I think let me start by saying that we maintain that there is -- there are good signs of recovery is happening. The growth that we are seeing is driven by our new business growth. Last quarter, we had mentioned that the trailing 12 months new business was about INR190 crores, INR195 crores. This time, we are saying that the new business growth for the trailing 12 months is INR200 crores plus, right? So you are seeing that our new business growth is driving these efforts.

We still maintain that the second half of the financial year is where the growth is really going to come from. If you see what is happening in the larger markets, as I mentioned earlier, construction industry is seeming to stabilize globally, right? We are looking at about a flattish calendar year, all our customers are looking at a flattish calendar year. So that's where we are.

In the small ag segment, again, there is growth in India that is happening, roughly about, let's say, 6% growth in this fiscal due to the good monsoon that we've had. Asia Pacific is looking at growth. Europe is looking flattish. Americas is best at minus 5%. Large ag remains in trouble. I think what has happened is that the inventory destocking that was happening has stopped to happen.

So there is some amount of pickup that has started in small ag and in construction. And I think that's where we are in the market. Our quarter 1 results even in quarter 4, we had said that quarter 1 would be -- quarter 1 FY '26 would be closer to quarter 1 of FY '25. That's where we have landed. So we had visibility of saying that the order books remain to be healthy, also driven by the new business that we are winning.

**Viraj:**

No, I got that element. What I was also trying to understand, if you have to compare just the inventory cycle at customers or at the channel level compared to a normal cycle, where would that behavior now normalize or there's still some more time or more restocking has to happen for it to reach a normal cycle? So that was one question.

And second question, which I also wanted to understand is now given the tariff rates are playing out, especially from India. Somewhere we were earlier looking at eventually having our own

manufacturing presence in Mexico or U.S. So how does the relative position do you think it will put us in especially from exports from India if 50% were to materialize? And any thoughts on Mexico plant setup? So these are 3 questions.

**Tanushree Bagrodia:**

Right. So I think, Viraj, let's look at it for small ag and construction, I think we are okay on the inventory cycle. I think large ag is the new business that is helping us grow because large ag, you're still seeing a double-digit fee growth for OEMs, right? So I think I think that's where we are on the inventory cycles. I think coming to your question on tariffs, I think tariffs are an interesting opportunity for a company like Uniparts.

In the first phase of tariffs, as you would have noticed on our call last time, we had said that we concluded with our customers, we were looking at a P&L neutrality situation. And today, we are in discussions with customers to arrive at a position which is a win-win for both the customers and us.

What enables us really to do this is also having U.S. local manufacturing, which allows us to produce something locally where it may make sense for the customer and hence taking away the tariff impact. I think in a similar way, our warehousing in Mexico is on track, and we will be operational in the next 2 months, October '25 is when we will be operational with our warehouse.

That will then allow us to supply to our customers from Mexico as and when it would make sense. We have always maintained that this is the first phase of our expansion. And as and when the opportunities deem fit and we come across those opportunities to expand our operations in Mexico, we will do so. Is there anything that we can concretely bring to the table and share with you at the moment? Not really. But as soon as that happens, we will share.

**Moderator:**

Next question is from the line of Prolin B. Nandu from Edelweiss Public Alternatives.

**Prolin Nandu:**

So Tanushree ma'am, first question would be on the growth for the remainder of the year, given that while the last time when we were on the call, you gave a guidance or some forward-looking statement. But since then this tariff is a news spanner, right? Nobody knows what to do about it. But what is your sense, ma'am, how should the rest of the year pan out to be given that there is an uncertainty at least in terms of growth on the tariff part?

And has any of your subsegments that you've discussed, including aftermarket or for that matter, geography, large, small ag, right, has anything changed in terms of their outlook because of this tariff thing, right, or general macro environment? So can you just paint a picture for us as to how should one think about the rest of the year in terms of growth?

**Tanushree Bagrodia:**

Hi, Prolin. So Prolin, we maintain that we will look at a mid-teen growth for the full year of FY '26. Quarter 1 was on track. Quarter 2 remains on track. So we are seeing no change on the growth for the full year. I think your question on has anything changed in any subsegment or geography due to tariffs. Again, like I said, the short answer to that is really no, right? Nothing has changed. Now let me again elaborate.

When we first came in with the tariff, we had 2 types of tariffs. We went and spoke to customers. We reached an agreement. We were P&L neutral. Once again, we have started discussions with

customers, and we are very confident that we will come out in a position which is mutually viable.

And lastly, as I was just explaining, we remain very uniquely positioned with our manufacturing in the U.S. and with the Mexico warehouse coming up in 2 months to be able to supply the customers. So I think we remain in a very, very strong position to be able to serve our customers and to be able to find a viable solution to the tariffs.

**Prolin Nandu:**

The second question would be on margins, specifically on gross margins. I mean, while you mentioned the INR7 crores impact was due to currency, which equates to around 2%, right, gains on margins. But even if we remove that 2%, which can be termed, let's say, as a one-off, still we are healthy at around 17%, right? So from here on, since you are saying that mid-teens is the growth that we expect for the rest of the year, so growth should pick up for the remainder of the quarter?

So is this quarter a right kind of example as to how the operating leverage in our business will pan out going forward that this at least 200-odd bps of gross margin gain, even if we remove this inventory impact, is this something that is only going to increase going forward? What is your sense? How should one think about operating leverage and gross margin going forward?

**Tanushree Bagrodia:**

So I think, Prolin, very interesting question, right? I think you're absolutely right. This quarter is a good indication of saying how the operating deleverage can play in our favor, right? So I think if you look at it, our EBITDA has -- in absolute terms, operating EBITDA has grown INR17 crores, while the top line has grown INR20 crores, right?

So there itself is the answer for you. And I think that's been our constant feedback to the investors as well that while we are trying to control costs and which is also evident in the P&L that you see this time, we've been maintaining costs even today. The minute our top line is increasing, the profitability comes back. So I think you're absolutely right. This quarter does give an indication of how operating deleverage could work for us.

**Moderator:**

Next question is from the line of Sunil Jain from Nirmal Bang Securities.

**Sunil Jain:**

My question relates to the tariff. Can you clarify how much tariff is right -- was there in the last quarter and how much is right now? And how you expect it post the additional 25% will come?

**Tanushree Bagrodia:**

So Sunil Ji, last quarter we had explained we have 2 types of tariffs, one is Section 232 and one is the reciprocal tariff, which is applicable. I think those are the type of tariffs that continue to remain. And I think what has now happened is that the reciprocal tariff has gone up, up from what was 10% to 25% and now with the Russian oil penalty it's looking at 50%.

What we had been able to do in the first time when both Section 232 and the reciprocal tariffs were employed were, go back to customers, have discussions, understand how we would come to a situation that could work for them and for us. And I think now what has happened is -- and I think what has now happened is that the new tariffs have come in, and we need to restart having those conversations, which we've started to do, right?



How they conclude, we will let you know subsequently. Are we confident that we'll be able to conclude them. Section 232 tariffs also went up from 25% to 50% and even those conversations were concluded. So now what we are looking to really talk about is the reciprocal tariffs that have gone up from 10% to 50%. So I think that's the trajectory that we've been on and which tells us that we are able to work with customers to find winning solutions for both parties.

And what gives us this confidence, I'll again repeat myself, is the fact that our business model affords us the opportunity of doing so. We can manufacture in India and sell it to them from our warehouses. We can manufacture in the U.S. and sell it to them. We can manufacture in India and direct export to them. So whichever first model suits them best, we can deploy that. And going forward, when we have Mexico in place, that becomes another option.

**Sunil Jain:** Yes. Great. So what I understood like last quarter we had a reciprocal 10%, which has now increased to 25%, and that may increase to 50% in the future?

**Tanushree Bagrodia:** Yes.

**Sunil Jain:** And sir, any of our product is exempt from any duty or something?

**Tanushree Bagrodia:** No, we don't have any product which is exempt from any of the tariffs, either it will come under Section 232 or it will come under the reciprocal tariff regime.

**Sunil Jain:** Okay. And again, coming back on the gross margin, the gross margins, what you said that -- see, there was a benefit -- deleveraging benefit which is coming below gross margin. So we are seeing some up move in the gross margin as well.

**Tanushree Bagrodia:** Yes. So we are seeing an upward movement in the gross margin. And like I said, that really comes in from the fact that there has been a currency impact because the euro has actually gone up, which is also sitting in our inventory valuation.

**Moderator:** Next question is from the line of Love Gupta from Counter Cyclical Investments.

**Love Gupta:** So our quarter 1 margins have been great. So are these numbers like margins, revenue and new business orders sustainable going forward? Or is it due to stocking up by customers?

**Tanushree Bagrodia:** Well, I think I don't -- I'd like to say that we were very confident that these numbers at the end of Q4, what we had said about Q1 has panned out. We think Q2 will be in line with Q1 going forward. This is really coming from the new business that we have won, right? Again, we were maintaining a trajectory of about INR190 crores, INR195 crores till last quarter, we've gone over INR200 crores.

And that's what's really giving us the confidence of the growth in the top line. We are also looking at how the customers are responding, how their end order books are looking. So we are continuously monitoring not just tariffs, but we are monitoring interest rates, we are monitoring farm prices.

We remain in dialogue with our customers, where, again, there are green shoots of recovery that we are seeing with customers in Europe and U.S. in segments other than the large ag segment,

right? So I think the top line growth as of now remains a reality. I think the margins, like we were discussing, the gross margins this time are a little higher than what they should be because the euro has gone up.

And that has created an impact. But clearly, we are seeing the deleveraging impact come on the EBITDA, and this is something that will continue, barring the foreign currency movement. I also think as management, we are very keen to ensure that we control costs, and we continue to make investments as needed. And so that prudence and balance is also something that we will maintain.

**Love Gupta:**

Okay. So my next question was that even if we shift our manufacturing to U.S., how would our margins be affected if we do that?

**Tanushree Bagrodia:**

So I think, none of it is going to be done in a manner which is hasty, which is unbalanced, right? Even from a customer perspective, it only makes sense to move those products to the U.S. where there is a benefit for the customer, right? And if there is a benefit for the customer, there tends to be a benefit for us as well. I'll give you an example.

We have one customer where they said that you manufacture, customers have been looking to derisk supply chain. Let me actually just take that, not just from today, but post-COVID. So that supply chain derisking has already happened. And a great example is where one of our customers even when the tariffs were not there had come to us saying that, listen, you manufacture an X percent in India and a Y percent in the U.S. and give us a blended price.

And that's how we were supplying to them. So I think that's the route the customers take. So we gave them a blended price. And I think that's the way forward for us because customers also understand that the business model we have given them a best cost solution possible.

**Moderator:**

Next question is from the line of Rajat Setiya from iThought PMS.

**Rajat Setiya:**

One question about, in the context of U.S. tariff. So we have our plant in U.S. So do you see more of manufacturing happening there?

**Tanushree Bagrodia:**

So, Rajat, yes, I think that's the attempt and that's the opportunity really that Uniparts has, right? But we can go to customers and we are working with customers on saying what more can we do for them over there so that we provide to them with a solution that is a win-win. So I think those discussions really have started, and we are seeing those opportunities.

**Rajat Setiya:**

So the manufacturing that happens there, is it like end-to-end, you need to make it there or you can make semi-manufacture here, semifinished product from India is going there and then you can finalize the product there and then sell it. How is it going to be?

**Tanushree Bagrodia:**

So that entity is capable of doing end-to-end manufacturing, right? We can also actually do that we do part of the work here and assemble over there. I think the question really becomes is, do we do end-to-end manufacturing? Do we do part here, part there? Because remember, even if we do part here now, the tariffs are applicable, right? So ultimately, whatever -- whether we do

end-to-end manufacturing or whether we do part here and part there would really be dependent case to case in saying what delivers the best cost to the customer.

**Rajat Setiya:** So and how big is that facility? And what kind of revenues can you do from there?

**Tanushree Bagrodia:** So I think that facility is big enough for us to be able to actually deliver about 50% more than what we are delivering today.

**Rajat Setiya:** And as a percentage of U.S. customers demand that we have or let's say U.S. sales that we do, as a percentage of that, how much it can get to?

**Tanushree Bagrodia:** So Rajat, again, like I said, it's very difficult to put a number to that right now because this depends customer to customer, product to product, what can we do. I think the question really is, do we have the capacity? Absolutely. Can we do end-to-end manufacturing? Absolutely. And would we need large capex to sort of -- to be able to do that? Not really.

**Moderator:** Next question is from the line of Dheeraj Kumar Reddy Dosakayala from Alpha Square.

**Dheeraj Dosakayala:** I just have like a couple of questions. The first one being, I mean, what is the aspiration to get to like a INR2,000 crores revenue? I mean, when do you see this happening? What is the strategic call the company is taking to move in that direction?

**Tanushree Bagrodia:** Dheeraj, thank you for that answer. And I think as an organization, we have, ever since our IPO, been saying that, listen, the philosophy or the strategy of the organization is we started as a component provider, we grew into a system provider, and we deeply penetrated our customers to grow horizontally.

And carrying on with this horizontal expansion with our customers to get more value per vehicle is something that we will continue. We have 2 very strong platforms, 3PL and PMP. We set up a new entity in Ludhiana to do fabrications. We are actually expanding with that entity into fabrication.

Are we there completely on fabrications? No, but that's a platform we want to solidify our presence into. And then other than that, there are 2 platforms that we want to add, one is hydraulics and one is power take-off units. So as we expand into these 3, our journey to reaching the INR2,000 crores plus sort of revenues is going to become a reality.

We are open to -- of course, we are pushing through organic growth, and you can see the numbers that we talk about the new business acquisition. We are also looking at new customer acquisitions, which was evident when we acquired the second largest retail store chain in the aftermarket in the U.S. And that is on our organic growth, and we are also open to inorganic growth, and we've also said that as opportunities present themselves, we'll look at them. So I think that's the strategy of the organization to grow the business and to double the top line.

**Dheeraj Dosakayala:** Got it. And what is the time line you see for this aspiration to become true?

**Tanushree Bagrodia:** So I think when we look at our 5-year plan, that's where the aspirations are, Dheeraj.

- Dheeraj Dosakayala:** Got it. Ma'am, just to add, at INR350 crores of revenue just because today we are at INR270 crores, but say we are winning new business and also the existing business is growing and if we get to a INR350 crores, the cost will be below the gross margin, do you think the cost will be the same? Or do you see some sort of addition into our costs?
- Tanushree Bagrodia:** I think Niraj, again, it depends, right? Will the costs below the gross margin really go up in proportion to where the top line increase is happening? No, right? Because there is some amount of operating leverage. But there will be certain costs that will go up, right? And that will depend on where this new growth is coming from.
- If the new growth is coming from, let's say, a new product platform, there some costs will go up. If it is coming because we've won a very good business in existing platforms, the growth in the costs will not be so much.
- So again, it's not about just a mathematical answer. It depends on what business we are winning for what customer we are winning, what type of businesses it is, right? Many variables. But clearly, the strategy of the organization and the prudence with which we run the business is to say that if top line is growing, our fixed costs cannot grow in that proportion.
- Moderator:** Next question is from the line of Saumil Shah from Paras Investments.
- Saumil Shah:** Congrats on a good quarterly performance. Ma'am, as we are seeing that Q2 is on track to achieve the desired growth and second half to be normally better than the first half. So can we expect this year we may be similar to FY '24 numbers or even surpass FY '24 revenue number?
- Tanushree Bagrodia:** Saumil, thank you for your compliments, and we continue to endeavor to work hard to ensure that we deliver value. We've maintained that we are looking at mid-teens growth for the full year, and that's where -- year-on-year, right? So I think that that outlook we maintain even today.
- Saumil Shah:** Okay. Okay. And in terms of EBITDA, can it be in excess of 18% this year?
- Tanushree Bagrodia:** So as we are looking at quarter 1 performance and if we continue to perform well, I think we can look at EBITDA in the range of 18%.
- Moderator:** Next question is from the line of Vipulkumar Anopchand Shah from Sumangal Investments.
- Vipulkumar Shah:** What percentage of our turnover totally today is manufactured in U.S., madam?
- Tanushree Bagrodia:** So I think roughly about 10% of our total revenue is manufactured in the U.S.
- Vipulkumar Shah:** 10%?
- Tanushree Bagrodia:** 10%.
- Vipulkumar Shah:** So you said you can increase it by 50% if the -- in the case of adverse tariffs. So maximum potential is 15% of revenue can come only from U.S. So rest we allow to manufacture and manufacture in India and export only. So that will be a very sizable proportion, no?

**Tanushree Bagrodia:** No, I think Vipul Ji, I think the way to look at this is while we are saying that we can increase our capacity by 50%, it also has to be looked at case-by-case basis what would make sense to manufacture there what can be manufactured here and sent there and still be a best cost, right? And we are still talking about our existing facility.

Do we have the ability to do expansion? Absolutely, we also have the ability to do expansion. We're sitting on cash today. As Rohit mentioned, we're sitting on INR242 crores of cash. So I think we have that capability. But I would again urge you to not look at it just as pure numbers because this is a business which is slightly more complex in saying what will make sense of manufacturing in India.

And still supplying to the customer from India and what can we move despite the tariffs and what can we move to the U.S., manufacture in the U.S. and supply to customers to mitigate the impact of the tariff. So I think it's a blended call that will need to be taken customer to customer.

**Vipulkumar Shah:** So at 50% tariff manufacturing in India will still be profitable?

**Tanushree Bagrodia:** In some cases, it may makes sense, absolutely.

**Moderator:** Next question is from the line of Shrinjana Mittal from MS Capital.

**Shrinjana Mittal:** I just wanted to understand the new order wins that you're talking about of INR200-odd crores. Is that expected to be executed in 1 year's timeframe? And also, can you give some color on who these new order wins are from? Are these largely retail sales with aftermarket orders in U.S.? Or is there some other type of customer as well? Yes, that would be my question.

**Tanushree Bagrodia:** Shrinjana, thank you for that question. Shrinjana, we are a business that does 80% OEM, 20% aftermarket and both our businesses are growing. In FY '26, we expect growth to come from -- a large part of our growth to come from construction equipment, a healthy growth to come from large ag, aftermarket and smaller growth to come from small ag where we anyway have a dominant position.

So our new business actually is split across construction, large ag, aftermarket and to some extent, even small ag, right? So it's across. It's also across regions and geographies. There is no particular geography that will sort of dominate. Because, remember, Shrinjana, we are building a derisked business model, and we like to have geographic sectoral diversification.

I think your other question was, is the INR200 crores executed, right? I think when we talk about the new business wins, we talk about in the last 12 months, what are the new businesses that we have won. They get executed over a period of time, right? So what we are saying is that while till the last quarter when we came on a call, our new business in the last 12 months that we had won was about INR195 crores.

At the end of June 2025, when we look at what's the new business that we have won, it's about INR200 crores -- it's INR200 crores plus actually. It's for the last trailing 12 months, and this will now be executed. That's the way to look at the new business that we talk about.

**Moderator:** Next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** A couple of things, sir. Firstly, so whatever OEM supply we have, those OEMs must be having multiple vendors. So if you can just broadly touch upon that those competitors would be from which country that if you can explain?

And secondly, you mentioned that we have to look at in a whole that like we can manufacture, let's say, 15% in the U.S. plant. But let's say, when we are doing discussions with the customers, do we explain them that since the tariff has to be borne by them, so we can do some manufacturing there so that the full tariff could be passed on the products which are manufactured in India?

**Tanushree Bagrodia:** Sorry, can you repeat your second question, please? I didn't quite understand this.

**Dixit Doshi:** Yes. So when we negotiate with the customers, so let's say, if we were not having any plant in U.S.A., then entire production supply to the U.S. client will be having 50% tariff. But now we can give them some product from our U.S. plant. So we are giving them some benefit through that. So does that help us in negotiating that whatever we are producing from India, we can pass on the full tariff to them?

**Tanushree Bagrodia:** Right. Okay. So I think let me take your question in the order that you've asked in, your 2 questions. So your first question was on competition, right? Where is competition coming from? And I think in the tractor market, where our 3-point linkage systems go, I think the way I would look at it is India is the largest manufacturer of the lower HP tractors. And given that the competition in the small ag space is largely from India, the large ag market is largely a Western market and there the competition really comes in from Europe.

I think what differentiates us in India from our competition is the quality and the delivery propositions that we have, which is a very, very differentiated business model where we can provide to the customers either locally in India, we can supply to global customers in their geographies or we can even direct export, right? And our quality remains our great differentiator.

In our second vertical of precision machine parts, we've been working for many, many years with our customers and have developed very deep relationships. And hence, we've been actually been able to grow this segment today to almost 50% of our revenue. A large part of our competition in this segment does come from China.

And again, the differentiating factor for us in this is the fact that we have nearshoring, dual shoring and the best cost country supplier model. I think we have also looked at as a very, very agile partner to our customers. When our customers wanted us to set up in Mexico, we've actually taken the call and we will be active in Mexico in -from October onwards. So I think that's the answer on who competition is.

I think when we then look at the tariff situation, right, I think, again, yes, we can manufacture in the U.S. to be able to mitigate some of the tariff impact, right? But I think what's more key to

understand is that there are certain parts which would still make sense to manufacture in India and to export, right?

And there will be -- and then there will be opportunities where we can consolidate manufacturing in the U.S. for the customer and supply to them. So it will become a blend of the 2 which will mitigate the impact of the tariffs for the customer. It will not be an either/or approach. It will have to be an and-approach.

**Moderator:** Next question is from the line of Keshav Bharadia from Wallfort Financial.

**Keshav Bharadia:** Congratulations on a good set of numbers. Just a few questions. So with the effective tariff rate going up from India and just about having some capacity in the U.S., do we risk losing some business to competitors in other Southeast Asian countries? Or do you think the customer stickiness is high enough that the orders will still stay with us?

**Tanushree Bagrodia:** So, hi, Keshav, and thank you for the compliments. Keshav, as far as competition is concerned, we just discussed, right? I think in the small ag space, our competition is from India, where we are anyways dealing with the same tariffs, right? In the large ag space, the competition is in Europe. And I think that's where, again, we do have an advantage because we are a better cost base in any case.

In the precision machine part where we said we have competition from China, we also have the U.S. manufacturing facility. I think if we numerically look at the number and we said we can do 50% more then suddenly, what is looking at -- what is looking or what looks is that you have limited capacity.

And like I said, instead of looking at it from this perspective, we also need to look at the blend of India and U.S., right, and how that mitigates the impact. I think the other view to take on this is that when we have competition from China, the tariffs are also there on China. And I think we are in a very, very solid position to be able to then react given our local manufacturing, given our local warehousing with respect to competition in China on the precision machine part.

I am not sure -- at this point in time, Southeast Asia is not a competition for us. If you also see, tariffs are now looking at any China supplies that are routed through Southeast Asia being -- having higher tariffs. So right -- and that's 40% higher tariffs. So that anyway gets taken care of.

**Keshav Bharadia:** Got it, ma'am. And just a follow-up question. With all the momentum that we are seeing in FAs in EU and U.K., are we trying to focus our efforts towards kind of diversifying our geographical presence more towards EU and U.S., considering still 50%, 55% of our order book and revenue comes from west, kind of hedge against this tariff uncertainty. And also, ma'am, you said that Q3 FY '25 saw the inventory destocking largely bottoming out. So are we expecting new order intake in this year? Any indication on that?

**Tanushree Bagrodia:** Sorry, Keshav, could you repeat the second part of your question?

**Keshav Bharadia:** So ma'am, you said that the inventory destocking has largely bottomed out in Q3 FY '25. So are we expecting a good momentum in new order intake in FY '26?

**Tanushree Bagrodia:**

Okay. I think let me take your second question, right, first, where we are talking about what the order books are looking like in FY '26. I think, Keshav, the order books for FY '26 look fairly stable. We can safely say that quarter 2 is going to be in line with quarter 1, and we are going to maintain the 15% -- the mid-teens growth that we have sort of said for the full year.

I think that sort of remains a visibility and a line of sight for us as we are sitting here today at the end of quarter 1, right? So I think there's no change to that. And the reason why these order books are where they are for the reasons that we have discussed, right? So I think that's the answer to your second question.

I think on the first question, you mentioned that what is our long-term strategy for the U.S. And I'll take that in 2 parts. See, I think if you look at our business over the years, we have been building a business which is derisked from a customer standpoint, from a geography standpoint. Now we are expanding our product platform. So we are diversifying over there as well.

And in the long term, I think what we believe or the endeavor is that U.S. should be 40% of our revenue, Europe should be 30%, Asia, 25%; and rest of the world, 5%. And our business growth is going to be executed in that line. So I think that really is hedging our bet where we are saying currency, geography, country, customer, product, we don't want to be dependent or overly dependent on any one factor.

**Moderator:**

Next question is from the line of Nagraj Chandrasekar from HT Family Office.

**Nagraj Chandrasekar:**

Congrats on a very good set of numbers this quarter and last since you joined. Just a couple of questions from my side, and again, slightly repetitive, but our peers in the EU and in Japan with higher cost structures now face a 15% tariff. Is that the delta between 15% and 50%. What would be the delta between the manufacturing costs for the relevant competing parts that we make? And is that delta large enough to -- for customers to be able to eat most of the increased tariffs that we can make them eat most of the increased tariffs or will we be able to pass on only part of that?

And secondly, if we were to, over time, move more of our manufacturing to the U.S. from, say, 10% to 15% or 20% to 25%, what sort of impact would that have on our overall margins over time? Just as a thought, what would that do to our overall margins?

**Tanushree Bagrodia:**

Hi, Nagraj, thank you for the compliments. I think Nagaj, when we talk about our competition sitting in Japan and Europe, sitting on higher cost structures and the tariffs being between 50% and 150%, I think I'm going to just take a step back and look at what is happening in the global scenario. Our top 5, 6 global customers, right, have been digging their heels into India deeper over the last 2 years.

They are extending their teams. They are extending their procurement arms. They are constantly working on deepening their engineering and research over here, right? So I think that's one huge indicator that India remains an important geography of procurement for our customers, and that is not changing, right? If at all, customers are only increasing their team sizes over here. So I think that is -- that is one aspect.



The second is, some of our so-called competitors are also customers to us, right? So they're also buying from us. And that, again, is something that sits in their cost structure given the fact that in their high cost base economies, they will not be able to sustain the kind of margins they need to without us being there. So I think that's the second point.

I think the third point which you made was what if we move our manufacturing from India to the U.S., is it going to impact our margins? I am just going to go back and say that, Nagraj, this is not an either/or situation, right? It's not about saying I either manufacture here or I manufacture there.

It's about saying what can I manufacture here at the best cost, what can I manufacture there at the best cost and supply to our customer in a manner which serves their needs and our goals as well, right? And that's the approach to take. And this has been tried and tested with the customer, right, where we have one program where we are manufacturing in India and the U.S., derisking their supply chain and giving them a blended price.

**Moderator:**

Next question is from the line of Praneeth who is an individual investor.

**Praneeth:**

So I understand that we're doing fairly well at this quarter and most of the turmoil that has happened and we also started restocking back to. I was wondering, after the restocking plateaus, what is the kind of growth rate we can expect from there? Because I understand that after -- during restocking, we have a mid-teens or high teens growth. But after it tends to plateau. So I was wondering as a new -- how do the new orders fare into the overall growth rate of the overall company?

And I understand fabrication is a fairly small segment of the overall pipe today. So I was wondering, as a proportion, how is it planning? How is it going to grow? And how are these all going to combine into giving us, let's say, a 15% growth? Or what is the growth rate we can expect after all of these get added? Because as a normalized basis, without restocking and destocking, how can we look and forecast the company's growth or whatever it is for us to get a perspective on when can we reach INR2,000 crores.

**Tanushree Bagrodia:**

So, Praneet, I think we've -- if you've looked at our growth and if you've looked at our performance and our past investor calls as well, right, our growth largely comes from the new business that we win. And the new business that we win gives us the ability to continuously add to the top line and even outperform the market.

So even in the years where Uniparts has degrown, we've actually done better in the industry segment of our customers themselves because we've been able to win the new business that we were talking about in the range of INR190 crores to INR200-plus crores now, right? And I think that gives us roughly a growth of 11% to 12%, whereas the legacy business or the old business that we talk about is just low single-digit numbers of, let's say, 4% -- and that then adds up to saying that we can grow in the mid-teens year-on-year.

So I think that's how we look at growth. That's how we are also saying that in FY '26, we are going to grow in the mid-teens. So I think that was the answer to your question on growth. Sorry, I forget your second question.

**Praneeth:**

So I was wondering on how the proportions of [inaudible 1:01:56] might change because fabric, we want to get into a more system type of product, right? So how is going -- the fabrication fare into the overall system part of our goal of increasing our proportion in the vehicle? And how is the overall pie in terms of changing for fabric? What is the market size that or the revenues you can expect from the fabrication segment on to itself?

Just continuing this question. And with PMP, can you also expand beyond the agri and construction? Is there other further users? I understand PMP is a much bigger market, right? So I was wondering how is it going to because 3PL is largely focused on agri and it has a cyclical, whereas PMP might negate it a little bit. So can you give that point of view also?

**Tanushree Bagrodia:**

Right. I think here is -- Praneeth, here are 2 data points for you, right? Other than construction and ag, we currently also supply to the oil and gas sector. It's a small segment of our total revenue, but there is the intent and the endeavor to grow in this segment and especially in the PMP business.

And I think similarly, wherever there are adjacencies that enable us to go up the learning curve, develop new products that can then enable us to deepen our wallet share in our, I'd say, home segments of off-highway, we also do take those businesses on, right? Because one of our new business actually that we have won is in the PMP is in the industrial segment.

So I think the way to look at this is we take on -- we do take on new business in the PMP segment, which can help us go up the learning curve where we have the capabilities, the capacities and then we can use that to penetrate deeper in our off-highway customer segment. So I think that's the way to look at the way we are growing in different segments, how we look at different segments.

I think on our fabrication business, again, we do supply to OEMs, we do supply to aftermarket. This is a business where some of the attempts that we made on the aftermarket side have taken a little time to bear fruit, but we remain committed to growing this business, and we are seeing traction from our OEMs in extending their RFQs to this business as well. So as and when things fructify over here, we will also come back to you.

**Moderator:**

Next question is from the line of Viraj from SiMPL.

**Viraj:**

Just one question, and basically, there are 2, 3 parts to it. See, if you look at your U.S. operations, the manufacturing setup, it's primarily for PMP, whereas 3PL is largely manufactured in India for us, correct me what I understood. Now U.S. is 55% of your overall revenue mix. I understand we are on a path to diversification, but that is something may play out for us in the next 3 to 4 years. So question is in 2, 3 parts is following. One is for 3PL, where we primarily manufacture from India.

Even if we achieve -- try to achieve P&L neutral impact, somewhere the OE or the customer is bearing this cost increase. So do you see, from your interaction with customer, are you seeing a scenario where either for large or small equipment, the demand is getting impacted? What is your reading because the cost absorption is quite sizable.

And we have seen this also happening with other auto OEMs, say, Ford and others already impacting their earnings. So that is one part. Second is, when you look for a revenue -- P&L neutral impact, how do you go about the pricing, especially with the PMP piece, be it, say, India manufacturer or U.S. manufacturer? What is your approach in terms of pricing with the OEM? So these are 2 parts to the question.

**Tanushree Bagrodia:** So Viraj, I think on the ag side, the question is, is demand getting impacted. See, the large ag business in any case, the outlook for the year is that the large ag business is degrowing, right? High double-digit declines are anyways predicted. The U.S. market is a larger large ag market than a smaller ag market. And I think then to say, is there any impact of the tariffs on the end demand, too soon to say, right, because these sort of tariffs have only come in right now. So I think that's the answer to your first question.

And I think on the -- what is the strategy on pricing that we get. I think it's a very simple strategy of being completely transparent with the customer. We have transparent contracts, transparent discussions. And the fact that we've been able to deepen our relationship over many, many years with customers is because they do value the fact that we are transparent with them. There is no other strategy to pricing.

**Viraj:** So on the pricing cost increase, especially in 3PL, it will be applicable even for the smaller ag chem market, right? Because I mean, from a conversation throughout and even from our interaction earlier with customers in Q1 when 25% was there, the cost increase of 25% straight away, either the OEM or the customer, it's a sizable cost increase, especially where the end demand has been for the last couple of quarters in U.S.? So just trying to understand.

**Tanushree Bagrodia:** Sure. I think that there is -- for every part that they are importing from outside of the U.S., there is a cost escalation. But anything that they are manufacturing in the U.S., there is no cost escalation. So on a blended level, they will have some amount of cost increase. But how is it impacting the end demand? Too early to say.

**Moderator:** Ladies and gentlemen, due to time constraint, we will take this as the last question for the day. I would now like to hand the conference over to the management for the closing comments.

**Gurdeep Soni:** Thanks a lot. Thank you, everyone, and -- we continue to focus on our core strengths and build strong business franchise by strategically partnering with our customers in their journey and success. Our focus and efforts are aligned towards achieving the targeted growth in coming years. With this, I would like to thank all of you for taking out the time for joining today's call. Thank you all very much.

**Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.