“Olectra Greentech Limited

Q4 & FY26 Earning Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Olectra Greentech Limited Q4 and FY '26 Earnings Conference Call hosted by Nomura. 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. Tisha Mandavia from Nomura. Thank you, and over to you, ma'am.

Tisha Mandavia: Yes. Thanks. Good evening, everybody, and thanks for joining the call. We have with us Olectra Greentech's management, Mr. Mahesh Babu, the Managing Director; Mr. Sharat Chandra:, CFO; and Mr. Hanuman Prasad, Vice President-Company Secretary and Legal with us to address your queries.

So I will now pass on to the management for their initial opening remarks, and then we can open the floor for question and answers. Over to you, sir.

Mahesh Babu: So good afternoon, investors. Ladies and gentlemen, my name is Mahesh Babu. I'm a Managing Director of Olectra Greentech Limited. I'll give a small brief about what's happening before the Sharat Chandra, our CFO, will come and talk about financials. We are looking at the EV market.

The EV market globally on bus sold about 70,000 units in 2025, which is about 12% year-on-year increase. While globally, we talk about 70,000 units, 60% of the global EV bus sales -- EV bus sales happens in China and India is the third largest electric bus market. We have sold about 5,423 units last year, which is about 30% higher than the earlier FY '25, which is reasonably good growth, I would say.

And the EV bus penetration in India overall is about 4.7% in FY '26. But mainly the EV adoption happens between 9 and 12 meters. The good news is in the 9-meter and 12-meter segment, we are running about 9% adoption. Typically, about 10% to 15% adoption will have an upward stick. So we are looking at a bus adoption, which is in a large scale coming in the coming 2 years. So this is, by and large, I would say, industry's growth. And India is the third largest bus market now. And we are in the bus segment, which is growing at a 30% rate.

Now if you look at our performance, our deliveries have gone up more than 30%, 32%. We have delivered 1,280 vehicles in the financial year FY '25. And very good news is that our revenues have gone up 30%, close to 29%. We have reached INR2,312 crores first time as a revenue. Not only we have grown in revenue, we have consistently grown in terms of profitability.

Our EBITDA is very at -- above 15% with INR352 crores of EBITDA and our PBT is at about 10%, which is a very good sign. So this we could able to achieve by last 3 quarters of consistent deliveries about 350 vehicles. And we have worked a lot on terms of cost orientation and also internal processes improvement so that we can consistently deliver. And because while we all know that the last quarter has been a turbulent times in terms of war and other constraints in

terms of geopolitics, in terms of battery magnet issues, supply chain issues. So I think I would give credit to the Olectra team who have worked very, very diligently to ensure that we are producing consistently in the last 3 quarters profitably.

Going forward, we are very confident we will work on FY27 to improve further our deliveries, not only being consistent, but quarter- on-quarter increase in deliveries. We have a very good order book in hand. And we are, as we said in the last investor call, investing on two new platforms, one in the bus and another in the truck. The next-generation buses, which will come, which will meet the PME drive requirements.

As you know, we already have 1,000 order -- 1,085 vehicle order in hand. That platform will be launched in the quarter 3, and we are looking at the launch of trucks, which have been approved by Board in the last Board meeting. The development is going on well, and we are looking at launching our own truck in last quarter of FY '27. So that's, by and large, my first briefing.

Now I will request our CFO, Mr. Sharat Chandra, to give a briefing on the financial performance.

Sharat Chandra: Thank you. Good evening, everyone, and thank you for joining us. We are pleased to report a strong financial and operational performance for financial year '25-'26. FY '26 marked an important milestone for the company with consolidated revenue crossing INR2,300 crores for the first time, reflecting the successful execution of our growth strategy and continued strength of our underlying businesses. FY '26 represents highest ever EBITDA, highest ever revenue and highest ever PAT reported by the company on a consolidated basis.

Before I take you through the financial performance, let me briefly highlight a few key developments during the year. As indicated in our early earnings call, we began witnessing strong business momentum from quarter 2 onwards, followed by significant ramp-up in Q3 and the momentum continued through Q4.

The company maintained healthy operating margins across both the business segments, despite changes in product mix and higher operating capacity. The EV segment vehicle deliveries increased to 1,280 units during financial year '26 as compared to 972 units in financial year '25, representing a growth of 32% year-on-year. This increase in deliveries contributed to approximately 28% growth in segment revenues.

Our focus continued to remain on disciplined execution, operational efficiency, prudent cost management and strengthening our delivery capabilities to support future growth. In terms of operational financial highlights, electric vehicle deliveries, 1,280 vehicles compared to 972 representing growth of 32%.

Revenue stood at INR2,312.17 crores, reflecting a 28% year-on-year growth. EBITDA increased to INR352.28 crores, up 27% compared to previous year. PBT stood at INR246.14 crores, representing a growth of 31% PAT stood at INR179.3 crores, registering a growth of 29%. EPS increased to INR21.62 from INR16.92 in financial year '25.

Thank you. Now I will hand over the call to Nomura team for the Q&A session.

Moderator: First Question comes from the line of Disha with Sapphire Capital.

Disha: So just a couple of questions. Firstly, on our monthly run rate. So last time, I think we spoke, you mentioned you were targeting to reach sort of 200 units monthly run rate because of the supply chain issues that you highlighted, you could not do that. So how is the position now, sir, as the supply chain started to normalize? What is the current monthly run rate, sir?

Mahesh Babu: The last quarter, as I said, last 3 quarters, we have been doing about 350 vehicles. The monthly run rate of the first quarter is above -- is likely to be better than that. But Disha, as I said, there is a lot of issues related to supply chain. Our intention is to create higher than that. So I would say this quarter is much, much better than the last run rate. But it's not substantial due to challenges. The war is happening. We are not getting shipping lines to book some of the material.

We have, in fact, suppliers of raw materials, which are related to fuel like plastics, like resins, polymer are all affected in terms of supply. So I would say that we have challenges in ramping up due to the war, but the team is working very hard to make sure we are not getting affected and we keep the target what we are planning for the coming year.

Disha: So, what sort of production are we looking at for FY '27, sir?

Mahesh Babu: See, FY '27, we are looking at around 2,500 vehicles. That's the plan. The budget we are working on. It's not an easy plan looking at what's happening in the scenario in terms of geopolitics. If you look at -- if there are no external factors, I think the team is capable of delivering 2,500 vehicles. We will work based on external factors to ensure derisk it and mitigate it to achieve that target.

Disha: So this 2,500 vehicles target that you've given, so that would imply a run rate of around 600 to 625 vehicles per quarter. But given that you said -- so Q1, you said it is going to be better, but not substantial enough. So will the rest of the quarters...

Mahesh Babu: So what happens is there will be quarter-on-quarter increase. So the average rate will be the one which you are talking about. We will have on the first quarter a different mix and different numbers while we -- second quarter. If you look at the average of all 4 quarters, is the number what I'm talking about.

Disha: Okay. Okay. And sir, for this quarter as we've seen a huge increase in the margins for the Energy division also the Insulator division in general has shown very good growth. So what has led to that, sir? And how should we think about this growth for FY '26?

Mahesh Babu: The quarter 4, we have been always telling on quarter-on-quarter. The profitability is based on product mix and also our Insulator division, some of the products which are export and which are local. So it's basically product mix.

Having said that, I also have told clearly that we could -- overall, in a full year with so much turbulence, we could still able to maintain the EBITDA percentage and the PBT percentage because of the cost engineering exercise and the process engineering exercise we have taken on

the plant and the sourcing team. And that has helped us to mitigate some of the challenges in terms of forex impact, in terms of transportation and raw material impact in the quarter.

Moderator: Next question comes from the line of Pankaj with Affluent Assets.

Pankaj: Sir, what is the probability of us reaching the 2,500 sales target for FY '27? Well, I'll give you the background of my questioning your target. So far for the last 2 years, we have been...

Moderator: Pankaj, I'm sorry, but your voice is low. Can you increase the volume, please?

Pankaj: Sir, just wanted to understand what is the...

Mahesh Babu: I think in the first quarter, I can tell you probably is 100%. Otherwise, we will not make...

Pankaj: Reaching 300-odd sales?

Mahesh Babu: Pankaj, what I understand, you're asking what is the probability we will achieve 2,500 volume. We are at the planning stage in the first quarter. We are fully positive and working towards achieving this 2,500 target. We have full confidence that we and our team will put enough efforts to make that happen, and you will see that by end of the year.

Pankaj: Okay. Secondly, just wanted to understand, is our delivery dependent highly on the performance of EveyTrans?

Mahesh Babu: No, I don't see. We -- while EveyTrans is our customer who is deploying vehicle, I think our -- in this year, what I am seeing, I think it is our probability of achieving depends on what's happening in geopolitics, particularly in terms of raw material and the shipping availability in India. That will be the main factor as I see right now.

It is too difficult to predict 3, 4 quarters down the line, at least in the Q1, I don't think it is any restraint from the front end to deploy the vehicles. It is more of material availability based on raw material available due to the war and other scenarios.

Pankaj: Sir, last question, if I may. We have been -- though we have missed on our sales target, but our margins have been improving. So can we -- going forward, you have guided us that we should assume around 10% of EBITDA margin. But given the performance so far, we have reached 10% at PBT level. So is it possible for us to reach 10% of the PAT level or as we ramp up our production?

Mahesh Babu: See, auto industry is running on at 10% to 12% of EBITDA margin. We are very lucky to run it at 14%. So I would say that we should aspire to be in the current scenario of about, let's say, 15% in EBITDA. But the reality is when we have to take market share and when our order books to come down, I think realistically, we'll have to look between 12% and 15%.

Moderator: Our next question comes from the line of Durgesh with Bhaskar Dalal. Please go ahead.

Durgesh: So today, I have seen that Mahesh interview in the ET Now that in that -- so in order to maintain high EBITDA margin, one of the reason is deliver the volumes to selective orders. So what percentage of selective orders which has maintained high margin on the total order book?

Mahesh Babu: So you're absolutely right. That's what exactly I'm saying that the product mix decides the margin. So some order, you will have higher margin, some order, you will have lower margin. The average is the company's average what we are seeing here. Every order will not be exactly same margin. It's in the business, you know it. That's what I said in the ET Now that the quarter 4 had specific product mix, which the order margins were good enough along with the insulator sales what we did, which were some of the export and domestic mix.

So it is a product mix which you decide. I think you'll have to look at more on an average year, what we are achieving rather than every month because product mix will give different, different margins. That's how the business everybody is. And I'm pretty happy on the margins what we have achieved. I thought you will appreciate us that we are the only auto industry and EV industry, which are making profit and the two at this rate.

Durgesh: So can we maintain the same EBITDA margin in the entire year or something that?

Mahesh Babu: I have just answered the same question to the earlier. I think you will have to expect between 12% margin. If we are getting 15%, it will maybe due to some specific orders, we should be happy. I think anything between them is the one we should look at. I don't think anything beyond it will happen. Of course, the team will continue to try to improve margins. That is the intent of the team. But looking at the market, I think something more than this would be a very high stretch.

Moderator: Our next question comes from the line of Gaurav with Utility Unified.

Gaurav: Congratulations for the Q4 numbers. My question is with respect to the EV platforms that we are developing in bus and truck segment. So there are two key trends which are emerging. One is the 3.5 megawatt charging, which will enable an electric SUV to charge in 15 to 20 minutes for a good 500 kilometers of range. And other trend that we are seeing is the battery swap technology.

My question is, are we building vehicle platforms which are supportive of both these trends, that is megawatt charging and swap technology as well? And sir, my second question is, are these platforms agnostic of the battery chemistry? I'm asking because the battery dynamics are rapidly changing with some new trends like sodium batteries and solid-state batteries expected to hit the market next year. So these are my two questions with Mahesh sir, especially.

Mahesh Babu: Okay. Thank you for the question, and thanks for the first investor to wish us congratulations for what we have achieved. Thank you for that. See, both the platforms, what we are developing, bus and truck has the capacity and capability to do both battery swapping and megawatt charging capability. Now whether we will launch it, that we will decide based on commercials and the customer preference. Now we will develop technologies in the R&D laboratory, and we will

evaluate them at the market. And based on suitability of commercials and the customer preference, we will deliver these products.

So the answer to your question is, yes, we will -- the platforms will have capability to do megawatt charging as well as swapping. The second question you asked is on the agnostic. Yes, the battery pack and the vehicle control unit software, what we are developing is agnostic. We can -- it's like a modular architecture where you can change powertrain, change battery pack and change other electrical aggregate components without affecting the vehicle through a programming in the vehicle control unit. So it is agnostic of chemistries and hence, these platforms are sustainable and reliable over a period of next life cycle.

Gaurav: Okay. Great to hear from an EV veteran like you. So my second question, if I may, is with respect to the BEST order book. So has the delivery block, which was basically existing in Q3 been lifted? Are we going to deliver the 2,500 and the 3,000 order, respectively for the BEST in this financial year? Or are we still under negotiation with the SPO?

Mahesh Babu: The BEST, we have two orders. One is the first 2,100 and 2,400. The second 2,400 we'll deliver. The first one, we are engaging with BEST in terms of subsidy and other challenges in the market. And once that is resolved, we'll be able to deliver that.

Gaurav: Okay. So my last question. Sir, in December 2025, Olectra was L1 in the CESL tender with 1,785 buses. So of which we had received order of 1,085 from TGSRTC. Sir, just wanted to know what is the status of the balance 700 buses and which STU is it from?

Mahesh Babu: See the 700 CESL order, we were L3 in Karnataka. It is for Bangalore. And till now, the L1 and L2 have not closed the agreement with Karnataka government. And hence, our L3 is getting delayed. So see, we have represented to CESL and they are talking with the respective state government. And once the others are done and we are ready to sign, we'll be happy to do that. So we are waiting for the state government to take the next steps.

Moderator: Next question comes from the line of Preet with InCred AMC.

Preet: My first question would be on the line of the product mix, which you mentioned that due to different product mix different margins. If you could elaborate like what kind of product we get higher margins and what kind of products we get lower margin? And what would be the differential between these margins? And also what is our...

Mahesh Babu: Sharat Chandra to answer that.

Sharat Chandra: I think in the last Q3 earnings call, we have mentioned about the product mix wherein 9 meter we have sold more numbers. This quarter, we were able to deliver more of coach buses which has actually contributed to the higher margins. As we have clarified earlier, the product mix depends on the order execution and order production schedules between both our company and the customer.

Preet: And sir, what would be the differential in margin between coach buses and normal EV buses.

Sharat Chandra: We cannot go into the nitty-gritties of margins. We are reporting healthy operating margins at 15.2%. I think as an investor, you should be happy to see our consistent deliveries of margins. So it will be -- as I mentioned earlier, I would like to again reiterate, we were able to maintain more than 14% margin. This is going to be the trend in the short term and medium term. Over the long term, it is going to stabilize at 10% to 12% with higher volumes.

Preet: Another question would be lying on the order book. What would be our current order book, it's executable period? And also if you could bifurcate between this high-margin product and lower-margin products or maybe ballpark numbers of overall order book?

Sharat Chandra: The order book, see, we have major orders from MSRTC, BEST. So we have delivery time is till October 27 for MSRTC and September '27 for BEST 2,400 numbers. As far as BEST [inaudible 0:24:58] number project first project, we are still discussing with the customer because of the other issues relating to power and other costs. So, we have time lines to meet these orders. And as far as the mix is concerned, it's a mix of nine and coach. It is basically 9-meter and 12-meter mix. So it's in the ratio of almost 55% to 45%.

Preet: 55% for 9 meters, right?

Sharat Chandra: Yes, yes.

Preet: Okay. And sir, one more question on the line of other expense and employee expense. For the full year, our employee expense has grown around only 7% where we have done additional plant has came up. So what would be the reason for such a lower growth in employee expense? Are we more staff? Or what would be the reason?

Sharat Chandra: So it is consistently, I think if you see the quarter-on-quarter, there is a growth over compared to quarter 3. So there's a consistent increase in the manpower cost. So -- and as an overall industry number, obviously, it is in line with the trend at 3% to 4% of the total turnover. So in future, as we are ramping up our production, our own platforms, both in buses and trucks, we are going to strengthen our manpower in terms of technical and technical teams. So we expect the overall manpower cost to be in the same region, same percentage when you compare to the overall turnover.

Preet: Got it, sir. And on the other expense line, from quarter 3, if we compare from quarter 4, there is a sudden jump, like our other expense has almost doubled in terms of testing expense or any other expense. What would be the probable reason for that?

Sharat Chandra: So basically, I think when we talk about the testing and other operating expenses, our bus operation costs are in line with the increase in operations. We have reclassified the warranty expenses from other expenses to other operating expenses. That is the reason this is a warranty provision, which as per our internal guidelines, we provide consistently for meeting future warranty obligations, which will happen after 5, 6 years. So this is one of the reasons why you see the testing and other operating expenses going up compared to previous quarter.

Preet: Got it, sir. Sir, one last question from my end. On Insulator business side, we have done a higher margin in this quarter for the same. So if you could just mention what would be our export share for the current quarter and export share for the full year FY26 in Insulator business?

Sharat Chandra: Overall exports, we are doing about 40% to 50% of our Insulator business. So we have delivered significant growth in the numbers from INR54 crores to INR105 crores. Obviously, that has resulted in higher margins. So we have been consistently delivering higher operating margins in Insulator segment by delivering -- by improving on the production efficiencies, we have introduced new machinery, new designs. And obviously, the exports and higher domestic margins have contributed to higher operating margins. So we -- so this is -- yes, okay.

Preet: So this 45%, 50% is for quarter 4 or full year FY26?

Sharat Chandra: Full year, full year.

Preet: And for quarter 4, what would be this share same?

Sharat Chandra: I don't have the breakup for quarter 4.

Preet: And what kind of revenues can we do in Insulator business, peak revenue based on current capacity? And are we planning any further capex in this segment?

Mahesh Babu: See, we are looking at a healthy growth of -- in Insulator division. So of course, we are planning some very minor capex. It's just to increase the molding capacity of the Insulators in the division. So we are looking at least more than 50% revenue growth in the Energy division, which we call now.

Preet: 50% growth for FY27 in the Insulator business?

Mahesh Babu: Yes.

Moderator: Our next question comes from the line of Akash Shrivastav, an Individual Investor.

Akash Shrivastav: Congratulations on the good set of numbers. Just want to -- before I ask my question, I just want to clarify the numbers for Q4. Is it 350 that you mentioned somewhere in the call? What is the exact number of buses delivered?

Sharat Chandra: It is 359 numbers.

Akash Shrivastav: 359 for Q4.

Sharat Chandra: Yes, yes.

Akash Shrivastav: And is there any trucks also or only buses?

Sharat Chandra: Only buses.

Akash Shrivastav: Okay. So you are not getting any tippers orders? You had some partial quantity of tippers pending for delivery?

Mahesh Babu: We finished all the deliveries, and we are now developing a new platform. If you have seen my briefing what it is. Our new platform bus will come in the Q4 of FY27 because we need to put energy in developing a product which is going to last for a longer time. So right now, the pilot of 100 vehicles. We are now learning a lot based on which we are configuring our product and will come by last quarter of FY27.

Akash Shrivastav: Okay. So, my first question is, just like a few OEMs like maybe if I have to name Maruti are increasing the prices. So is Olectra also considering to increase the prices of the e-buses?

Mahesh Babu: Right now, in the new tenders, we will consider this increase in prices and accordingly quote. That's the plan.

Akash Shrivastav: But do you guys have the liberty of increasing the prices as per the raw material? Or once the contract is fixed, we cannot increase the prices?

Mahesh Babu: Once the contract is fixed, we cannot increase the prices because we'll have to look at -- the contract is for two years supply, right? So we'll have to look at average material cost and profitability, not just one quarter profitability because these prices may go up and come down. I have seen in auto industry for 30 years, prices go up, come down, go up, come down. So we'll have to look at average 2 years delivery of a contract.

Akash Shrivastav: Okay. My next question is with respect to your statement made at the bus expo. So you mentioned that India should lead forward for the EV bus export and all those things. So I just want to understand what is the Olectra stand on the export part? Are we also looking for export? And if yes, I mean, I've seen the Facebook post wherein a few representative from Africa and all have visited your facility. Is there any plan for export as well?

Mahesh Babu: See, we -- as I said in the one, India is the third largest electric bus market today and second largest bus industry in the world. So if you have to become from third largest to second largest, I think we need to look at beyond India. So the new generation platform, which we are developing both buses and trucks, we are developing in such a way it is scalable to export market.

Already, there are some engagements, which we are doing in terms of business development to countries outside India who are keen in buying our products. Once we have a firm commitment, we'll come back to market.

Moderator: Our next question comes from the line of Preet with InCred AMC.

Preet: Sir, my first question would be in FY26, what was the overall industry volumes for EV? And what would be our market share? And are we still market leader or at what number we would be?

Mahesh Babu: See, the overall bus market volume was 5,400 vehicles approximately 5,400 vehicles. And we have delivered 1,290 billing we have done. So by and large, we will be upward of 20% plus. And there are 3 or 4 players around that category. So we'll be among the top 3, I would say.

Preet: Okay. And sir, what would be our current order book? It is more than 10,000 something. If you could just give me the exact number of what would be our order book -- total order book?

Mahesh Babu: Our order book is about 10,000.

Preet: About 10,000 only.

Mahesh Babu: Well we delivered something and we got new orders also. So by and large, it's the same.

Moderator: Our next question comes from the line of Gaurang with Utility Unified.

Gaurang: Sir, we mentioned that the order book is approximately 10,000 orders and I understand that's a mix of 9 meters, 12 meters standard buses as well as coach buses. So just to extrapolate the revenue is it somewhere around INR20,000 crores out of this 10,000 orders or it could be lesser than that? I just wanted to know like what would be the revenue realization in the next few years?

Mahesh Babu: INR20,000 crores, definitely no because it is not INR2 crores a bus. It is a little lower than that, that I can tell you. I don't have the exact number in my hand.

Gaurang: Okay, sir. Thank you.

Moderator: Our next question comes from the line of Hrithvik Ram an Individual Investor. Please go ahead.

Hrithvik Ram: Good evening, sir. Many congratulations for the Q4 it is quite impressive. So my question is with respect to the GFRP rebar business. So what are the numbers for the FY26 on the GRRP rebar business.

Mahesh Babu: One second I will ask Sharat to talk.

Sharat Chandra: See basically this GFRP have not picked up actually. We were anticipating some kind of growth. There are huge competition globally and the acceptance levels are very, very low. So we have -- for the time being, we are holding on this particular product. We will see the opportunities in future. If there is an opportunity, we will explore.

Hrithvik Ram: Yes. And regarding the financials, sir, regarding the -- so many corporates when they scale larger, they move from a local auditor to the big four. And regarding the Wage Code Labor code, so because of the Wage Code Labor code amendments, the gratuity bill and the other employee benefits bill will go up. Are you contemplating to set up a gratuity trust to place some money for the crystallized liability for those employees who are 4 years and above? Any plans on that?

Sharat Chandra: Yes, definitely, we are contemplating to create a trust for gratuity.

Hrithvik Ram: Yes. So by when will you do it this financial year or in the next financial year?

Sharat Chandra: This financial year, we're targeting.

Hrithvik Ram: And secondly, sir, are you moving to transitioning to Big four for audit purpose from a local CA firm?

Mahesh Babu: See, Prime Minister Modi is telling Atmanirbhar Bharat and he is telling that we allow to create similar Big four in India. So we will definitely evaluate Big four and we'll also promote local audit firms who are doing a reasonably fair job and we'll continue to explore both of them, and we'll give a fair opportunity to all of them.

Hrithvik Ram: Yes, sir. And regarding the insulator business, any plans to spin it off as a separate legal entity because the insulator business is a cash cow. You can spin off the business and it will be a tracking company. So it will be much easier to govern the Olectra as a group. And also, you can sell a Pratt stake to any big investor for fundraising purposes. So any plans on that? I believe it's a cash cow, but what is your opinion?

Mahesh Babu: No, thanks for your suggestion. We will -- when we take a call, definitely, we'll come and inform you. Right now, we have no such plans.

Hrithvik Ram: Okay. What are the repercussion?

Moderator: Thank you, Hrithvik I'm sorry to interrupt you, but you may please rejoin the queue. Our next question comes from the line of Joya D'souza, an Individual Investor. Please go ahead.

Joya D'souza: Hello. Can you hear me?

Moderator: Yes, we can.

Joya D'souza: Thank you for the opportunity. So my question was related to the first one being, as we see like a significant portion of the company order book has historically come from STUs. Could the management share its plan for increasing its penetration in the private bus segment as we see other players getting orders? Have we done any progress in securing orders from private fleet operators?

Mahesh Babu: Yes. So if you look at the bus industry, the 5,400 vehicles which we -- which the industry has sold, 99% is to the state transport undertaking because that's where the market is. So we are moving ahead in the trend to capture the maximum out of the market. As we also said, it is important that we have to be in private. So we are seeing very large inquiries coming.

In this year, we have delivered about eight buses to Microsoft Employee Transport. We have delivered a few buses to others. We are also engaging with fleet operators and we are likely to get orders once we get we'll announce. We are also engaging in private players as well and working on to get the orders, which I'm hopeful.

If you look at Government of India, I think Ministry of Heavy Industries recently had a meeting with all financiers because private players don't get finance for electric buses and electric trucks.

So Ministry of Heavy Industries had a meeting with all the private banks as well as PSU banks. They are working because EV vehicles need to 8 years, 7 years of funding, whereas right now, banks are giving only 3 to 5 years of funding for vehicles.

So this is being talked about. Once those policy matters are getting debottlenecked, I think large adoption will come from private. We are preparing ourselves on engaging with the customers. We have a few orders like any other industry. And if we -- if that industry grows, we are well prepared.

Joya D'souza: Okay. So we are hopeful that maybe in upcoming quarters or years, we might have some more participation from private operators then.

Mahesh Babu: Yes.

Joya D'souza: And second question was related to the truck launch that you mentioned that we are hoping to do it in the last quarter of FY27. But we have been hearing about this in the last couple of Earnings calls. So will you be able to elaborate on the reasons for the delay, whether it's related to the product development or is it like regulatory approvals and is it being like indigenously developed by Olectra or do we have like a strategic partnership, just like in process, we have it with BYD or any other company? Can you please elaborate on that?

Mahesh Babu: The first 100 pilot, we had technical collaboration or technical tie-up with one of the partner and by which we have done the pilot. While we are doing itself, we are very clear, we are going to do a pilot and learn from it to develop our own platform. So that's the strategy. And that has happened and we are -- even today, we are learning a lot based on those 100 trucks available in the market.

And based on which we are considering the right product, right variant and right pricing to our customers. In the product which we are developing. And when we develop our products, it will be our IPR and there will be many suppliers like any auto industry, suppliers who will supply parts, but the IPR is -- will be owned by us.

Joya D'souza: Okay. So all -- I mean, so we won't be -- have to give any commissions or like profit share with the other vendor in that case. So that would be -- yes, thanks for clarifying that, right? That's the understanding.

Mahesh Babu: Yes.

Joya D'souza: Thanks for the opportunity and congratulations on the wonderful set of numbers and wish you best for the upcoming quarters.

Moderator: Thank you. Our next follow-up question from Preet with InCred AMC. Please go ahead.

Preet: I have no answers. Sir I already got answers from my own question.

Moderator: Our next question comes from the line of Sudhir, an Individual Investor. Please go ahead.

Sudhir: Am I audible sir?

Moderator: Yes, you are.

Sudhir: Thanks for taking my question. And my question is regarding production. Do you have any automation in place for increase in production or we increase manpower or in kind of ships kind of thing? How we will proceed further?

Mahesh Babu: See, right now we have a manual line. We are planning to semi automize it when we do our products of buses and trucks. The automation, we have to understand -- if you look at it, car industry, which produces almost 5,000 a month is completely semi-automated or fully automated because of the volume. I think when our volume goes up, our intention is to bring in more automations and keep a check on the manpower where it is minimum necessary. And that will be in stages while going forward.

Sudhir: Okay. Thank you, sir. And one more question is, how many tenders -- I mean, how many bus tenders we may expect this financial year from Government of India? Any I mean anything on it, please, sir?

Mahesh Babu: Sorry, I missed you. How many tenders. See, right now, there is a PM eSewa tender of about INR4600 vehicles if I remember. There are state tenders to the tune of another 2,000 at various state level being there. I strongly believe these numbers will keep coming because state transport undertakings have clearly understood the economics of EVs.

And at least city buses buying a diesel and running is not any more viable, and its viability gap funding is higher when compared to EV for state governments. So given a choice, anybody would go to EV, provided the supply, the power supply, depot readiness, all of them are there. So, I strongly believe that at least another 10,000 vehicle tenders will come in the next 12 months' time.

Sudhir: And my last question is, is there any issues with the new tenders because we are already having 10,000 buses in hand, right? We need to complete it by another couple -- 2, 3 years. Will it affect our performance if you take new tenders?

Mahesh Babu: See, the new tenders are to be supplied in the next 2 years. We will keep supplying. And typically, these tenders' agreement signing, depot availability, power availability gets delayed. So practically, whatever we are winning today will be delivered after 18 months to 24 months from then.

And hence, we will keep working on tenders and we'll be selective. As you see our financials, we'll be selective and look at profitable tenders and locations where we can make value and profit, and that's where we'll participate and win.

Sudhir: Okay. Thank you. Thank you very much, sir. And congratulations for the team, for a good set of numbers.

Mahesh Babu: Thank you.

Moderator: Our next question comes from the line of Swagat, an Individual Investor. Please go ahead.

Swagat: Yes, thanks for the opportunity, sir. Out of the 359 buses you have delivered, how many of them are adapted with blade battery technology? And in the new bus platform we are developing, right? So, in that is the blade battery technology incorporated or like the other technology?

Mahesh Babu: Out of the 359, I think 40% to 50% is already blade battery in this, what we have delivered, at least 40%, I can say. Exact number, whether it is 39% or 45%, I don't have approximately, I'm saying. Blade battery technology production has already started and a significant portion of in the future will also be with blade battery.

Swagat: Okay. One more question. What is the delivery tender for HRTC -- because in one block, I could see, INR8 crores financing charges to Olectra for delaying in the delivery of new buses. So, is it true?

Mahesh Babu: See, there are a lot of paper news coming. We have not got any penalties because the newspapers skew a lot of news by themselves. So, I have no comment on it. We have not got any penalty. Already, we have delivered 150 buses as per our time line to HRTC, and they are on the way.

Some of them have reached and some of them are on the way. We are engaging with HRTC officials, and they are pretty happy with our bus.

Swagat: Okay, sir. Thank you very much.

Mahesh Babu: Thank you.

Moderator: Our next question comes from the line of a follow-up question from Preet at InCred AMC. Please go ahead.

Preet: Sir just on capex outlook, if you could give some idea on what kind of capex we have done in FY26 and what kind of capex we are planning for FY27 and FY28?

Mahesh Babu: I am asking the CFO to give you the details.

Sharat Chandra Basically, we have, as you are aware, we have completed the first phase wherein about 2500 number capacity has been built with approximate capex of about INR400 crores. So, as we are now planning to introduce our own products platforms both in the truck and bus segment, we are estimating about INR400 crores to be spent in the next two years for our expansion.

Preet: Okay. And on the line of subsidy side, what kind of subsidy do we exactly get from the government on current deliveries? Are we getting anything?

Sharat Chandra: Basically, the subsidies, whatever is -- will go to the owner of the bus, which is operating the buses. So as far as the Olectra is concerned, we manufacture and sell the bus at a gross cost. The subsidy element will go to the operating owning company, which owns the bus.

Preet: Thank you so much sir.

Moderator: As there are no further questions from the participants, I would like to hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Mahesh Babu: Dear investors, thank you very much for your kind cooperation and also support to the Olectra. We'll continue to strive to what we have to achieve. With the stellar performance of delivery and this, we have also had rewarded investors 50% higher dividend, if you would have seen. It's not more about the money, but it's the gesture of where we are growing and where we are heading towards. I'm pretty happy with the transition, what has happened in the last 3 quarters in the industry as well as in Olectra by itself.

We will continue to excel in the areas where we are in and take Olectra to the best automotive EV company in the world. That's the intention we will work towards. And we all appreciate your thanks for your questions and support to the management and staff of Olectra. And thank you very much and wish you all the very best. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Olectra Greentech Limited and Nomura, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.