June 03, 2025

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 **Scrip Code: 543689**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Symbol: UNIPARTS**

Subject: Regulation 30: Transcript of Earnings Call pertaining to the Audited Financial Results for the quarter and financial year ended March 31, 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 Audited Financial Results of the Company for the quarter and financial year ended March 31, 2025, which was held on Wednesday, May 28, 2025.

The same is also being uploaded on website of the Company at 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

Digitally signed by JATIN MAHAJAN
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Jatin Mahajan
Head Legal, Company Secretary and Compliance Officer

Encl: As above

UNIPARTS GROUP

"Uniparts India Limited
Q4 FY25 Earnings Conference Call"
May 28, 2025

MANAGEMENT: **MR. PARAMJIT SONI – PROMOTER – EXECUTIVE DIRECTOR AND VICE CHAIRMAN – UNIPARTS INDIA LIMITED**
MS. TANUSHREE BAGRODIA – DIRECTOR AND GROUP CHIEF OPERATING OFFICER – UNIPARTS INDIA LIMITED
MR. ROHIT MAHESHWARI – GROUP CHIEF FINANCIAL OFFICER – UNIPARTS INDIA LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the Uniparts India Limited Q4 FY '25 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will remain 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 telephone. Please note that this conference is being recorded.

I would now like to hand the call over to Ms. Monali Jain from Go India Advisors for opening remarks. Thank you and over to you.

Monali Jain: Thank you, Ryan. Good evening, everyone and welcome to Q4 FY '25 Earnings Call of Uniparts India Limited. We have on the call Mr. Paramjit Soni, Promoter, Executive Director and Vice Chairman; Ms. Tanushree Bagrodia, Director and Group Chief Operating Officer; and Mr. Rohit Maheshwari, Group Chief Financial Officer. 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 risks that company faces.

I will now request Mr. Soni to take us through the financials and the business update, subsequent to which we will open the floor for questions-and-answers. Thank you and over to you, sir.

Paramjit Soni: Thank you, Monali and good evening, ladies and gentlemen and welcome to the Q4 FY '25 Earnings Call of Uniparts India Limited. As a trusted partner to leading OEMs, we maintain a strong presence across the evolving landscape of the global agriculture and construction equipment supply chains. As we enter FY2026, we do so with strategic clarity and a long-term perspective.

The industry is navigating a period of significant transformation, perhaps the most notable in recent decades. Encouraging early signs of recovery were visible in our Q4 FY '25 performance and we are cautiously optimistic that momentum may gradually build in the second half of FY2026.

Our forward strategy continues to build on three pillars. Deepening integration with our customers, driving operational efficiency and expanding our near-shoring footprint in a measured and effective manner. To give you a sense of the industry overview and the business performance, in Q4 FY '25, the off-highway industry experienced year-over-year decline, with the impact more pronounced in the agricultural sector than in construction.

Our performance followed these broader trends. Construction industry sales declined in the low double-digit during the period from April 2024 to March 2025. Rising interest rates and economic uncertainties led to a more cautious approach to new projects and new equipment purchases, with the most significant impact observed in the North American markets.

At Uniparts, this translated into requiring agility and a keen focus on inventory management and OEM production schedules. Driven by a strategy centered on fostering stronger customer ties, we achieved growth within the segment by expanding our engagement with the largest construction industry customer.

The outlook for this segment is expected to remain flat in the near term. Despite that, we expect growth driven by new business awards across America and Europe. The global large agricultural equipment market was the most impacted sector in FY2025. Farmers in key regions, including North America and Europe continue to face increased input costs, fluctuating commodity prices and higher interest rates.

This led to our customers reporting high double-digit year-on-year sales decline and inventory levels being reduced by the dealers. However, the pace of decline moderated in Q4, indicating an emergence from the bottom in FY2026. The pressures on farm income in some of the key Western markets are likely to persist in the near term, suggesting a continued cautious approach to new investment in equipment.

While we expect the Americas to remain under pressure with continued high double-digit declines, Europe and Asia Pacific are projected to remain flat or see a contraction of up to 5%. Uniparts' performance in this segment was aligned with broader industry trends, with Q4 showing signs of improvement. Industry headwinds notwithstanding, we established a new partnership with the European tractor OEM, which will add to the growth in the current fiscal.

In the small agricultural segment, Indian tractor demand benefited from a strong monsoon and harvest, ending the fiscal largely flat in terms of unit sales. Globally, however, the segment declined in the double digits. Despite these headwinds, Uniparts outperformed the broader market, thanks to our strong positioning.

Looking ahead, although global industry demand is expected to range between flat to a 5% decline, with the American market expected to decline by 5% to 10%, Uniparts is poised to grow in FY 2026, supported by sustained market share in India and continued expansion in Asia Pacific.

Our aftermarket business, a crucial area for us, delivered robust results in FY 2025 as farmers focus on maintaining and upgrading their equipment. We continue to expand our footprint in North America and Europe, and we remain optimistic for further consolidating our position in FY 2026.

Our engagement with customers remain strong, and the pipeline for new business across 3-point linkage and our PMP divisions continues to be healthy. We're also making steady progress on our geographic diversification strategy, helping us manage regional demand fluctuations more effectively. Our entry into Mexico is progressing as planned, offering a new opportunity for the company's growth.

We are continuously enhancing our manufacturing processes and supply chain resilience to ensure that we have the most suited technologies to service our customers and can adapt to the changing market dynamic and potential disruptions with speed. Our focus on sustainability has only strengthened in FY 2025, with the addition of solar power and new water treatment technologies being implemented across our factories.

This is an initiative that we are determined to continue along with our CSR initiatives that enable our teams to contribute to causes that they believe in. On the financial front, the company has reduced inventory year-on-year and continues to maintain a healthy position with net debt-free balance sheet. As of the end of FY 2025, group net cash stands at approximately INR194 crores. We expect to sustain free cash flow generation at levels consistent with FY 2025 on a quarterly basis.

With that, I will now hand over to Rohit Maheshwari to take you through the financial performance for Q4 and the full-year FY2025. Rohit, over to you.

Rohit Maheshwari: Thank you, sir and good evening, all. I would like to share the following financial and business highlights of the quarter ending 31 March 2025. Revenue from operations for Q4 was INR253 crores, which is an increase of 21.43% quarter-on-quarter and decline of 12.8% year-on-year. EBITDA of Q4 at INR41.64 crores was 11.7% higher than Q3 FY '25 and lower by 19% year-on-year. Operating cash flow generation for Q4 was INR30 crores.

The net working capital comprising of big three elements of inventory, account receivable and account payable as number of days of TTM revenue from operations stood at 154 days as on 31 March, 2025. Core working capital during the quarter reduced by approximately INR7 crores. Uniparts' balance sheet continued to be net debt free, with the group net cash position at approximately INR194 crores at the end of March 2025.

Cash outflow towards capex commitment during the quarter has been approximately INR6.5 crores. Total new business award value during the trailing 12 months have been approximately INR195 crores, that is annualized potential value of underlying projects. The company paid a dividend of INR33.85 crores in Q4. Dividend payment till date in FY2025 was INR64.31 crores, which was 73% of the PAT for the year.

Inflationary pressure on operating cost remains in the midterm to be partially mitigated through operating efficiencies. Macro concerns over global economic slowdown, geopolitical uncertainties, evolving global trade tariff environment, impact of persistent inflation, as well as elevated interest rate continues to remain key monitorables.

With this summary, I would like to hand over the conference back to the moderator for question-and-answer session. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Rushabh Shah from Buglerock PMS. Please go ahead.

Rushabh Shah: Sir, my question is related to the new business of approximately INR200 crores, was mainly on the construction side of the business. So, my question is whether the business is from existing clients, or you have added more relationships in various geographies of the world?

Tanushree Bagrodia: Hi Rushabh, this is Tanushree Bagrodia. And thank you for your question and thank you for your participation as well. Rushabh, the new business that we've got is across our segments. It's across construction, large ag, small ag. In fact, in the last few calls, we've been saying that large ag is a segment where we've been wanting to sort of dig deeper and get more business.

So going forward, the new business that comes in is coming from large ag. Going forward, the new business that is also coming is coming from geographic diversification. We continue to live up to what we've been speaking about. We've actually got new business in Asia Pacific. And I think even in the small ag business, we've got new business.

The INR200 crores of past business that we've been talking about has also come from across sectors and industry segments that we cater to and geographies. And of course, aftermarket remains a key part of our entire strategy where in FY '25, we actually grew 20% year-on-year, and we continue to see new business growth in this segment as well.

Rushabh Shah: So since we are on the previous calls, I had one question that in the previous calls, you said that you were trying to expand horizontally with your clients. So, have we been successful in doing that?

Tanushree Bagrodia: Absolutely, Rushabh. I think our strategy remains, that we enter customer horizontally, grow with them and horizontal growth is that we supply to various divisions that they may have, various geographies that they may have. And in that light, we have won new business with the customers in the construction space. We've won business in the small ag space, and we have added new customers as well.

Rushabh Shah: So, my next question is, I just wanted to know that as you said that the construction side of the market is still soft, but you are adding or rather horizontally expanding in that side of the market itself, so in various geographies also. So, just wanted your thoughts about the process. How have you been adding? Like what additions you have made in the past 3 years?

Tanushree Bagrodia: Rushabh, if you see, we've spoken about this in our earlier calls, right, that in the last 3 years, we've actually expanded significantly with Caterpillar, which is the largest construction equipment manufacturer in the world. We've also mentioned that we won one new business where the business has actually done better than when we were even looking at the numbers when the business was awarded.

And I think what that has basically led to is it's given confidence to the customer on how we can support them. And hence, we've been able to grow with Caterpillar. I think we've also been candid in sharing that with customers such as Bobcat, for example, we are growing when it's -- again, we've spoken about this in the past.

Bobcat decided that they were moving to Mexico. And we are also setting up in Mexico to be able to service and bring our near-shoring model to Mexico to be able to service some of these customers. And I think all of these activities, along with the fact that we -- the customers do recognize us for our engineering capabilities and the distribution model that we have, they've led to business growth with them.

And the last aspect also is that we've been focusing on diversifying geographically, and that's the third element how we've grown over the years. In fact, that's also led to us winning some new business in Europe for FY '26.

Rushabh Shah: My last question is, in the previous calls, you mentioned that above 70 horsepower, your market share is about 8% to 9%. Over the 5 years, it could be 20%, 25% of the market share. Completely with you on this goal of yours. So, just wanted to know what steps are you taking to achieve this goal in the next couple of years?

Tanushree Bagrodia: So Rushabh, this has been something that we've been fairly focused on. The teams have been working closely with customers to see where we can partner with them. And on this front, we've won one order with a large European OEM, right, which is contributing significantly to the new business that we are looking fairly excited to execute in FY '26.

Similarly, with some of our other customers, we've been speaking and we are hopeful of getting similar amounts of business. But overall, in the large ag space for FY '26, we are seeing a good growth coming from new business. And I think it would only be fair to say that the efforts continue on this front.

Rushabh Shah: Thank you so much for answering my questions.

Moderator: Thank you. The next question comes from the line of Viraj from SiMPL. Please go ahead.

Viraj: First, just a clarification. You said INR200 crores of new business. So, I think in the past, we talked about annual pipeline of new business.

Moderator: Viraj, I do apologize to interrupt you there, but your audio is not clear.

Viraj: Yes. First, just a clarification. I think in the past, we used to talk about annual new business wins in the pipeline, which we won would be roughly around INR300 crores. So, this INR200 crores is on top of it or...

Tanushree Bagrodia: Viraj, sorry, your voice is not clear still. It's very muffled. So, it's difficult to understand you.

Viraj: Is it better now?

Tanushree Bagrodia: Yes. Little better, I think.

Viraj: Yes. So, question is more on the clarification. In the past, we used to talk about annual -- the new business, which we won on the annual, potential to be roughly around INR300 crores. So the INR200 crores business win we talked about is just a repetition of that, or it's incremental to the business win?

Tanushree Bagrodia: So, Viraj, we talk about business that we are realizing over the last trailing 12 months, right? So this is -- so this includes new additions that we keep doing. And when we are talking about those new additions, we are talking about INR200 crores of new business coming through.

Viraj: Okay. So in last 12 months, what will be the contribution from new business win?

Tanushree Bagrodia: So like we say that in the last 12 months, the new business would be roughly about INR195 crores on an annualized basis.

Viraj: Okay. Second question is post the tariff announcement in U.S., given that we have a dual-sourcing model, so if you could just give some perspective where does that put us in terms of, say, so how does that -- so how are customers looking at us in terms of overall position? What are they seeing? Any color you can give?

Tanushree Bagrodia: Sure. That's an interesting question, Viraj. I think before we get into tariffs, I think let's look at what the customers have been doing over the last many years, right? I think a number of our customers have been doubling down on their India teams and on their India sourcing. Pre-tariffs, a number of our large customers have reiterated in various forums that they would like to increase and double in some cases, their sourcing from India.

Post-tariffs, I think that stance still remains. I think this is systemically something customers are wanting to do, which is to derisk the supply chain. I think as the tariffs have come in, the tariffs have come in, in two buckets. One is what got announced in March '25, which was the tariffs on the steel and aluminium products imported into the U.S. And the second one was that got announced in April, which was a reciprocal tariff.

We have worked very closely with our customers on this since then. And we have reached a position where we have an agreement with most of our customers today on how this is going to be -- on how this is going to impact them and us. And I think we are looking at being a P&L neutral from a tariff perspective.

Viraj: But given the -- so if I talk about 3PL or PMP, in 3PL, we have players operating out of -- major players operating out of Europe, while in PMP, you have competition both from China and other regions. So from a relative position point of view, where does -- post-tariffs, where is Uniparts placed? And in that perspective, what is the communication we are getting from our customers?

Tanushree Bagrodia: I'm glad you asked this question. I was hoping that this would be your follow-up. So, I think -- see, it places Uniparts fairly uniquely, right? Because today, in our PMP business, we actually have dual shoring. We can manufacture in the U.S. for customers. I think given the tariffs, given the benefit that India has, we do have opportunities that have open doors.

And coupled with that is the fact that we do supply to them from locally. So, there is nearshoring. And I think all of these put together gives us opportunities to be able to increase business with our customers. But bear in mind that while in the aftermarket, this can be more immediate with the OEMs.

While this opportunity is there, there are approvals and processes that need to be completed, and they would need to be completed for us to be able to see the reality of these opportunities in our P&L.

Viraj: So, how will pricing and margin really work in this kind of a scenario? So, our approach will be more focused on a blended margin rather than where it's manufactured or what channel delivery it is? How are we approaching this?

Tanushree Bagrodia: So Rushabh I don't think our approach has changed. We are looking at the best cost manufacturing solution from our customer perspective. So, if it means that the best cost country post-tariffs is the U.S., we will manufacture in the U.S. for our customer. India still has an advantage over China in terms of tariffs. And I think that story for us remains strong.

And I think given that we are now moving into Mexico to be able to supply to their Mexican production, to that extent, that business is anyways delinked from the U.S. So, I think the approach that we have doesn't change. I think it only strengthens or reiterates the strength of our business model, which is that we've always wanted to offer a best cost opportunity of manufacturing to our customer and the dual shoring and the near-shoring benefits that we bring to the customer.

Viraj: Okay. Just one last question. So, I understand the environment is quite weak in terms of the end industry is going through a tough phase. But in terms of the cost take-outs or initiatives in terms of further leaning the overall cost structure internally at Uniparts, can you give some perspective what kind of a cost take-out or cost savings we have been able to get either in terms of where is the breakeven point now for us, say, vis-a-vis 3 years or 4 years back?

So, it kind of helps us also get a perspective when the cycle turns, we might also see parallelly to that degree, the gains on the efforts we have been making.

Tanushree Bagrodia: So, Rushabh, if you -- sorry, so Viraj if you actually look at it, right, our gross margin levels haven't really changed year-on-year. FY '24 to FY '25, our gross margin levels remain fairly stable, except for a few decimal of percentage points. And if you then look at our fixed costs, you will actually see that our cost control has been fairly, fairly strong.

This is a journey that we started and we've only built on, right? So, throughout the year, we've been focusing on increasing efficiencies and containing costs where we could. And that is why despite a 15% drop in the top line that we are seeing, we've been able to hold our EBITDA percentages and we've been able to still have a healthy PAT percentage.

So, I think we are going to continue on that journey. And that's the commitment that we, as a management team and as an organization have to all our stakeholders.

Viraj: Okay. I will come back in queue. Thank you for answering all the questions.

Moderator: Thank you. We take the next question from the line of Sunil Jain from Nirmal Bang Securities Private Limited. Please go ahead.

Sunil Jain: First of all, again, question on tariffs. So, you said that it will be P&L neutral. So, are the negotiations with the customers are over and you are not facing any margin pressure in the short term?

Tanushree Bagrodia: Yes. So, Sunil, with most of our customers, we've reached an agreement. What will happen is that there will be some working capital impact because of the tariff, because we will pay and then collect subsequently from the customers, but it will be P&L neutral.

Sunil Jain: Okay. And the second question is how much is the share of large agri in our total sales?

Tanushree Bagrodia: The large ag is roughly about in the high-teens for us as a percentage of total business. It is about 16%, 17%.

Sunil Jain: Okay. And any new development on fabrication or hydraulic side, so we can expand our TAM?

Tanushree Bagrodia: I think, Sunil, we've maintained that these are 2 areas along with the PTOs that we will continue to focus on. On the fabrication side, we have our own facility that does, what I'd call, small to medium-sized fabrications where we are picking up some traction with OEMs. And we are hoping that the efforts that we are continuing to make in the aftermarket channels will also yield results.

It's been slower than what we would have expected. But I think that's on the small and the medium-sized fabrication. And as we continue to evaluate and look at opportunities as something fructifies, we will inform the stakeholders. But we do continue to work on these opportunities.

Sunil Jain: Okay. And anything related to acquisitions, which you had alluded in the earlier quarter calls?

Tanushree Bagrodia: So, Sunil, that's what I was referring to, that on the acquisition space, the power take-offs, hydraulics and fabrication, remain three product platforms that we are interested in. We continue to work on that. We continue to evaluate opportunities. But acquisitions are fluid. Opportunities come and they take time to evaluate, understand, etcetera. So as and when something happens and something is more concrete, which we can share, we will let the stakeholders know.

Sunil Jain: Okay. Great. Thank you very much.

Moderator: Thank you. We take the next question from the line of Parth Lahoti from Equitree Capital. Please go ahead.

Parth Lahoti: So, my first question is, could you provide more detail on inorganic growth plans or potential acquisitions mentioned as a future growth driver? Are any specific markets or technologies being targeted?

Tanushree Bagrodia: Hi Parth, ever since our IPO, we've maintained that there are three -- so currently, we supply 3-point linkage and precision machined parts. These are two verticals that we have. Since IPO, we have been saying that hydraulics, power take-off and fabrication are three platforms that we would like to enter into, and inorganic growth or acquisitions could be one way to get into these. We continue to evaluate opportunities, like I said.

But like I said, we spend time and effort on these, but acquisitions are fluid by the very nature that they are. So as and when there is something more concrete, the company and the management will inform the stakeholders.

Parth Lahoti: And my second question is what progress has been made in expanding the company's offering in synergistic verticals like PTOs, hydraulic cylinders and fabrication? How do you see this contributing to revenue mix over the next 2 years to 3 years?

Tanushree Bagrodia: So, on the fabrication side, Parth, on the small and the mid-fabrication, we have -- we set up our own facility, which is, where with some of our OEM customers, we are beginning to get traction. It should start adding revenue in the next, let's say, 10 months to 15 months' time horizon.

Some small -- some revenue has actually already started coming in also from the aftermarket. But the big bang that we are looking at is a little away. And on hydraulics, we don't have anything internally. Like I said, there, we will look at inorganic. And as and when that happens, we will let you know. So that's where we stand.

Parth Lahoti: Thank you so much.

Moderator: Thank you. The next question comes from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, for FY '26, what kind of growth can we expect in our top line? And can we expect the margins also to improve from a low of 14%, which I believe post listing were the lowest margins that we ever did last quarter?

Tanushree Bagrodia: Yes, Madhur, that's the we've been making effort in winning new business because we've maintained and that's where growth is going to come from. So, in FY '26, we are looking at the mid-teens of top line growth as we stand today. And of course, as the top line comes in, the operating deleverage also starts to turn itself around and the margins should improve.

Madhur Rathi: Great, ma'am. And madam, what kind of capex do you have for this year and the next year?

Tanushree Bagrodia: So typically, our capex in the last 2 years to 3 years has been in the range of, let's say, about INR30 crores to INR40 crores. And this capex really goes towards investing in capabilities or balancing equipment that we may want to or need, right? And that is what we are going to continue with.

We've stated in the past that we'd like to keep our capex at 2.5% of our top line. And I think we continue with that, unless it is a very compelling reason to need to invest.

Madhur Rathi: Great ma’am. Thank you very much and best of luck.

Moderator: Thank you. The next question comes from the line of Nitin Shakdher from Green Capital Single Family Office. Please go ahead.

Nitin Shakdher: This is Nitin Shakdher from the Green Capital Single Family Office. So, my question is more as an investor rather than an analyst. Now over the last 8 to 12 quarters, there is a declining trend.

Tanushree Bagrodia: Nitin, I'm sorry to interrupt. Could you come closer to the microphone? Your voice is a little feeble.

Nitin Shakdher: Okay. Sorry. So, my question was more as an investor rather than an analyst. Is it clear now, the voice?

Tanushree Bagrodia: Thank you so much.

Nitin Shakdher: Okay. So, there is a sort of a declining trend over the last 8, 12 quarters, which all of us are aware of. Earlier on, the EBITDA margins used to be 21%, PAT margins used to be 14%. So, are you seeing any green shoots, any recovery, any countercyclical trends that are emerging for this year? Just wanted to get a sense of what the management feels about arresting the declining trend?

Tanushree Bagrodia: Sure, Nitin. Let me give you a little bit of perspective on that, right? And I think in the opening remarks, Paramjit alluded to -- actually, he described where the industry was in FY '25. And let me tell you what we are seeing in FY '26 segment by segment. The largest impact that we saw as an industry was in the large ag space, where the industry was down in double high-digits.

In the North American markets, we still think this is where the industry is going to be in FY '26, but Europe obviously looks better. Asia Pacific doesn't have large ag. And in this particular space, we actually have won a good order from a large European OEM, which then gives us that much more strength over and above what the market does.

I think the real green shoots that we are seeing are in the small ag industry. So, the small ag industry declined in FY '25 by -- in the high-teens or close to 20%. And this in America also is projected, if you listen to what our -- or if we listen to what our customers are saying because we hear from them, and we see what the end industry is doing.

So there, we are seeing Americas will likely to be in the negative 5% to 10% range, and the rest of the world will be flat to 5%. Now, small ag is where we have quite a stronghold. India is actually in terms of the number of units, the largest producer of small tractors, right? And there, we are very, very strong. We will grow in India.

We have won business in Asia Pacific. So, as Asia Pacific is growing, that growth will come to us. And we continue to maintain a strong position in America. So, that's on the small ag business. The construction industry in FY '25, again, we saw a dip, which was at about, again, in the high-teens. And there, we actually performed better because we continue to grow with customers.

And in FY '26, that industry is globally projected to be flat to a negative 5%. In this particular case, again, we have won new business, both in the U.S. and in Europe. So, we remain very optimistic and excited to execute these new orders. The aftermarket as a segment is a largely Europe and U.S. for us. And that as a segment has been growing for us and we will continue to grow in FY '26.

So, yes, we've seen green shoots. Large ag still sees trouble and the new business that we've won should help us grow in the mid-teens, as I said earlier.

Nitin Shakdher: So, that includes Mexico is what you also hinted on that you are going through customers there within the business of the customer and then that Mexico initiative is on track?

Tanushree Bagrodia: Yes. Mexico, our Mexico entry remains on track. In our earlier calls, we had said that Jan '26 is when we will start operations, and we are absolutely on track to commence that as of today.

Nitin Shakdher: Okay. So, my last question is, is there any thought on sort of infusing more young blood and some succession, which leads to more innovation and identifying new trends? Just some thoughts on the management. I mean, you were also brought in by the management with that thought, I'm assuming. So, just some innovation trends what people are thinking of Uniparts?

Tanushree Bagrodia: So Nitin, that's a very, very interesting question, and I'm laughing because I consider myself to be still very young, yes. And -- but I think -- no, you're right. I think there is a thought that we do have of seeing how we can bring new talent and younger talent into the workforce. In fact, if you actually see, some of our colleagues in our U.S. business are very, very young. They're youngsters.

And I think when we are now talking about recruitment even in India, we are looking at taking in younger blood. But having said that, I think one thing that I'd like to caution is, we would like to energize our team, but with youth as well as the right experience to take us to the next level that we need to get to. So, we'll need to strike that balance. That's the effort.

So, we've just hired a new CHRO who comes with a great pedigree. He is relatively on the younger side, has a lot of hunger, a great addition to our senior leadership team. So, I think that's the trajectory that we are going to be on.

Nitin Shakdher: Okay. Great. Just wanted to complement on management on key things. One is maintaining the healthy cash position and the prudent cash management, which obviously is leading to a high dividend payout ratio. That's one. And second is I'm very impressed with your financial information page on the website. It's very clear, concise and structured and congratulations to Investor Relations and the Company Secretary for that. So that's all from our end and all the best.

Tanushree Bagrodia: Thank you. Much appreciated. Thank you so much.

Moderator: Thank you. The next question comes from the line of Nikunj Doshi from Bay Capital. Please go ahead.

Nikunj Doshi: I'm sorry if this was answered earlier. I just joined a bit late. So, just wanted to understand since we are talking of mid-teens and higher teen kind of growth for the current year, so can we expect quarter-on-quarter growth, or it will be a lumpy H2 kind of a scenario?

Tanushree Bagrodia: So, I think -- Nikunj, thank you for the question. Nikunj, if you look at our quarter 4 results, our quarter 4 result is better than quarter 3. In our conference call on quarter 3, we had already alluded to the fact that the bottom is potentially behind us. I'd like to say that largely that looks true, except for the large ag segment. The quarter 4 has been better.

Quarter 1 for us should be similar to quarter 4. But I think what we are expecting and what we hear from customers, we speak to our large customers; John Deere, Caterpillar, Bobcat, Kubota. And what we hear from them is that second half of the year is where they are really going to see meaningful differences coming up and really calendar year '26.

So yes, we expect quarter 1 to be in line with quarter 4, but the second half of the year is going to really see the green shoots of recovery taking shape.

Nikunj Doshi: And this Trump administration is going to decide on tariffs, say, in July. So, are you seeing any pre-order or pre-buying happening in this quarter because of that or inventory build-up in U.S. because of that or are you witnessing any of such phenomenon?

Tanushree Bagrodia: Nikunj, given our near-shoring model, we have been carrying inventory, which is the pre-tariff scenario, right? So that, in any case, gives us an edge. And like I was mentioning, we have reached an agreement with all our customers. So, even our customers also realize that the sooner we understand where both of us stand, it's better for normalcy of business because you can't keep buying for the entire year.

At some point in time, we will need to come to a point where it will be BAU. So, the previous inventory that we hold helps us or has helped us, and we've reached tariff agreements with most of our customers.

Nikunj Doshi: Okay. Thank you very much.

Moderator: The next question comes from the line of Nishant Chowhan from Geojit. Please go ahead.

Nishant Chowhan: Okay. Firstly, ma'am, what would be the tariffs that we currently would be bearing for our exports to U.S.? And what would be the revised tariffs post the recent change that has happened?

Tanushree Bagrodia: Nishant, there were two tariffs that were levied. The first tariff, which was on steel and steel imports was 25%. And the other one, which was levied in April was 10%, which is a reciprocal tariff. These are that -- and then this was increased to 26%. And then till the 9th of July, this was all put in abeyance saying, we will all pay reciprocal tariffs of 10%. So right now, these are the tariffs that are levied on us.

How the situation changes is not something that we know as of now. But we continue to work closely with our customers to ensure that we can reach agreements at the earliest with them on how to ensure business is seamless for them and for us.

Nishant Chowhan: Right. And what were the tariffs that were levied on us before the entire change that happened?

Tanushree Bagrodia: I'm not aware in 2025 if there were any other tariffs that were levied on Indian products.

Nishant Chowhan: No, like, for our exports to U.S., did we pay any kind of -- for duty or tariffs that were levied or there was nothing?

Tanushree Bagrodia: Those were normal customs duty that we paid, Nishant.

Nishant Chowhan: Yes, that's the percentage that I want to know?

Tanushree Bagrodia: So, we can get back to you with that data. I don't have that data on the top of my head on what were the basic customs duty and the other customs duty that we were paying.

Nishant Chowhan: Okay. No problem, ma'am. And secondly, I mean, I was just referring to one of your key customers, John Deere's recent guidance that they have given, wherein they speak about the FY '25 outlook to be down 30% for large ag and maybe 10% to 15% for small. So given in that backdrop, I mean, what gives us the confidence that our revenues will still be able to post a high -- mid-to-high teen kind of growth in FY '26?

Tanushree Bagrodia: So, Nishant, the way we monitor our business and the way we work with customers is with a complete understanding that existing business is not where our growth is really going to come from. Our growth really comes from new businesses. And that's where the focus has been, right. Now if you look at -- even when you look at John Deere's large ag business, they're very categorical in saying that the impact in the Americas is going to be far more prominent than in Europe.

And to counter that, we've actually got new business in Europe with a large tractor OEM. So, I think our business strategy really is to keep winning new business and keep adding new business so that we continue to grow.

Nishant Chowhan: Okay. And is there any kind of order book number that we share or that we could probably -- you can share with us?

Tanushree Bagrodia: I think, Nishant, we've been saying since our quarter 3 call that we believe that the bottom is -- the bottom of the cycle is over. We are seeing an uptrend coming. Quarter 4 results demonstrate that. We are saying that Q1 will be in line with Q4 and that for the full year of FY '26, we are looking at mid-teen of top line growth.

Nishant Chowhan: Great. Thank you so much.

Moderator: Thank you. The next question comes from the line of Miten Lathia from Fractal Capital Investments. Please go ahead.

Miten Lathia: Just to clarify on the tariffs bit, so right now, we do have a 10% tariff, right? So, for quarter 1 that we are in right now, is there likely to be any impact on the P&L or the balance sheet positive or negative?

Tanushree Bagrodia: Hi Miten, as I was mentioning, post-tariffs, we will be P&L neutral for FY '26.

Miten Lathia: No, specifically for quarter 1, I'm asking because this thing has come all of a sudden, right? So, we would have been holding inventory in the U.S., which today for any new product brought in would be subjected to tariffs. And hence, in the normal course, we should be beneficiaries of holding inventory, right? So that is one aspect.

The other is I don't know how much of an ongoing rolling inventory that you would have to bring into the U.S. where the customer would have already locked in a price and hence, would not pay you for these tariffs, and that could have had a negative impact. So, I was asking about the sum total of both the positive and the negative. Where would we stand in quarter 1?

Tanushree Bagrodia: So, Miten, I think from a cash flow point of view, yes, there will be a slight increase in the working capital because there will be a delay in when we pay and when we collect. From a P&L standpoint, we will be neutral because whatever we pay and whatever agreements we've reached with our customers, we will be in a position where the P&L is not going to get negatively impacted.

So, if we are holding inventory, which is pre-tariff, then we also continue to hold inventory, which is post-tariff. So that will counter itself, but that will show more in working capital rather than on the P&L.

Miten Lathia: Right. So, there won't be a gain there, right? So, the customer is not paying for any material. How would you know that you're holding that material?

Tanushree Bagrodia: Miten, your voice is not clear. You'll have to come closer to your speaker, please.

Miten Lathia: No, I was just double clarifying that there won't be a gain either, right?

Tanushree Bagrodia: We will be P&L neutral.

Miten Lathia: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Rahul Dhruv from Pegasus Growth. Please go ahead.

Rahul Dhruv: Ma'am, I had a question. You mentioned about the new business that you've got over the last 12 months rolling period of around INR190 crores, if I'm not wrong. And if I look at that and I look at the fact that the overall revenues declined by INR175 crores, would I be right in assuming that the legacy business has basically fallen by around INR360-odd crores last year?

Tanushree Bagrodia: So, I think, Rahul hi, I think that's a fact of the market, right? So, I think if you look at how our end industries have performed, we have seen agriculture -- large agriculture industry down by -- in the high-20s, close to the 30%. Small ag, close to 20% down, construction close to 18% down, right? And in all of that, we have actually -- our top line has degrown only by 14% to 15%.

So, that actually tells you that, yes, we followed trends with the legacy business and then whatever new business we've got has been able to stem the degrowth.

Rahul Dhruv: Right. Okay. And so, if we have to look at your expectations for FY '26, you mentioned you'll be looking at mid-teens or high-teens growth. If I had to do the same math for next year, and you said you have INR200 crores of additional business, fresh business, which is probably flowing this year as well, so are we looking at actual growth from the legacy business in the coming year?

Tanushree Bagrodia: Yes. Legacy business this year is growing, and it will grow in single digits, but the growth really will come from the new business.

Rahul Dhruv: Great. I had one more question, and I hope I can jump in with that. So, I think we are as exporters or rather we are always very, very used to a depreciating currency, which is the rupee. And historically, we've always had that gain coming through every year, which we kind of -- probably it passes through the balance sheet to the P&L. There's some margin expansion, maybe not, I don't know.

Now, I just want to know what would be the scenario, What would be the case in case of a situation where the rupee actually appreciates to, say, INR81, INR82 next year? Would you go and renegotiate the dollar price up with your customers?

Tanushree Bagrodia: So, Rahul, that's the nature of our business, right? I think how we handle our prices with our customers is a fair amount of transparency. So, why you say that the rupee is a depreciating currency and it's a fact. I think what also happens is that there is an inflation that happens against it.

So, our conversations with customers are saying if there is the rupee depreciating, there is the inflation, there is a net off. And that's how we look at life with customers. In case there is the rupee depreciating and then there is inflation, I think that's the discussion to have with customers.

Given that we have long-standing relationships, customers know that we are transparent in the way we've always discussed these prices. Customers are also reasonable in understanding and approaching discussions when the rupee sort of goes up, when the rupee and the inflation cannot offset one another.

Rahul Dhruv: Good. So basically, what you're saying is that the conversation will go back to the rupee now appreciating and because of which some of the costs reducing, the net of which would result in x percent increase in the dollar price? That's how it would go, right?

Tanushree Bagrodia: Sorry, I couldn't hear you clearly, Rahul. Can you come again?

Rahul Dhruv: Yes. So, I'm just saying that the -- so the conversation with the client going forward, just assume the rupee appreciates so say, INR81, INR82, would be that you would go ahead and say, okay, fine, there is an appreciation in the currency because of which -- and at the same time, our costs have reduced because of that.

So, the net impact of that would result in the dollar price of my product going up. That's how we would basically negotiate with the customer?

Tanushree Bagrodia: So Rahul -- so I think let's look at it from the perspective that where we have agreements with customers, right, where they understand that in case the dollar is -- or the rupee is not depreciating and is appreciating, there will be a point at which we will need to sit across the table and understand what needs to come through to us because ultimately.

If there is alerts that we have beyond a certain point that we can bear, it will only go against our investments for them because we do invest in capabilities, engineering, etc., for them. So, I think that happens. Customers are reasonable. Customers are not working with us for the first few years, right? We've been working with them for many, many years, and we've dealt with these cycles before.

So, I think that's the conversation to have, things. When the rupee depreciated and the inflation, net of was not good, we had a certain understanding, and we looked at life in a certain way. Today, yardsticks have changed. This is the reality. And what we can mutually reasonably agree as doing business together.

Rahul Dhruv: Correct. Okay. Just one last one, if I can. When we talk of a 25% tariff on our products in the U.S., would it not make the local producers competitive enough to basically kind of undercut us at some point in time?

Tanushree Bagrodia: Very, very interesting question, Rahul, and thank you for asking it. I think this is super interesting, and one would have actually thought that would be the case. But if you look at the steel prices, the base price, the input material costs, unfortunately, we can't compare the steel prices in India with the steel prices in the U.S.

And if you see, steel prices in India went down in Q1 of calendar '25, and they stabilized over, let's say, April and May. And steel prices in the U.S. kept going up in the first quarter, and now they have started coming down slightly. But the delta between the India steel price and the U.S. steel price still remains.

Labor remains to be expensive in the U.S. compared to India. But net-net, what we are saying is that maybe some of these costs could be netted off with freight and with the tariffs, right? Where we see this math play out for us, we are actually in a very strong position because then we can manufacture in our U.S. subsidiary and supply. But otherwise, India still remains the best cost country.

Rahul Dhruv: Perfect. Thank you ma'am. Thanks for answering our questions.

Moderator: Thank you. The next question comes from the line of Sujal Jain from Wallfort PMS. Please go ahead.

Sujal Jain: I had a question. In the event that industry conditions remain weak and we fall short of our mid-teen growth guidance, ending up closer to high-single digit or low-double digit, what is the potential margin expansion from current cycle low levels? Like what levers do we have in place to drive margin recovery in such a scenario?

Tanushree Bagrodia: So, I think, Sujal, if you look at our -- again, I'll go back to the point that our gross margins remain intact, right? Our gross margins have not been disturbed year-on-year. I think what is really playing against is the operating deleverage. We've really been able to control that through FY '25, which was -- which is from where we are seeing we are recovering.

So, any recovery from here should be a positive to our EBITDA margins. And I think that's what we are hoping for.

Moderator: Thank you. We take the next question from the line of Chandramouli Jagannathan, an Investor. Please go ahead.

Chandramouli Jagannathan: I have a little bit of a hypothetical question. Assuming the industry, which you are catering, agri and the construction as a whole, in a financial '23 year, let's say, INR100 crores, where Uniparts clocked the top line of about INR1,350 crores. And now the industry may be around INR70 crores or INR80 crores from its peak INR100 crores.

My question here is, assuming that the industry goes back to INR100 crores, maybe not this year or financial year '27 or '28, will the Uniparts' top line can touch INR1,800 crores, INR2,000 crores since you're talking about the new additions, added products and new order wins and things like that?

Tanushree Bagrodia: So, Mr. Chandramouli, I think I first want to give you a perspective of what's happened '24 to '25. '24 to '25, as I was mentioning, across all the industry segments that we are in, in majority of them, we've performed better than the industry and then we've actually grown 20% in our aftermarket industry.

So, the business that we are running is to be able to grow despite the market and to be able to diversify. And the way to diversify other than the aftermarket is also geographic diversification. Again, in FY '26, the attempt is like we are saying the industry is not out of full pain, especially the large ag industry. And there, again, the attempt is to continue winning new business so that we can grow, and that's how we are saying that we will grow in double digits.

I think from here, we've -- and in the past, if you've followed us, we've always said that barring these downturns that happen, which are a nature of our business, we typically tend to grow in the mid-teens. And if we continue to grow in the mid-teens and then there is the inorganic growth opportunity, yes, we definitely can reach the numbers that you're talking about.

But it goes -- but I think I'm not giving a guidance. So, forgive me, I'm not going to say that's the guidance that I'm giving for the next 3 years to 5 years. I'm just trying to answer your hypothetical by saying, is that possible? Yes. But I think the more concrete answer to your question is that we have performed better than the industry in FY '25. That's the attempt in FY '26. And for the organic business, that is what we are going to continue to do.

Moderator: Thank you. We take the next question from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Ma'am, like for the past 2 years to 3 years, we've been saying that our new order has been in the INR200 crores to INR300 crores range. And we have said that when this scales up, it can be a 10x opportunity as the addressable market increases. But that hasn't happened yet. So why is that? And when can we expect some hard results for these new order wins that we are getting because these are not converting from pilot stage to a supply to the OEM stage?

And second question would be on the aftermarket side, what was the revenue percentage that we got in FY '25? And what is the new order wins or new product approvals can we expect over the next 12 months?

Tanushree Bagrodia: Madhur, aftermarket was 20% of our total revenue in FY '25, and that's the growth that has happened. I think your -- sorry, if you could repeat the first part of the question? I forgot that.

Madhur Rathi: Yes. So, it was more regarding the new order wins that we have highlighted. So, if I go through your past -- since Uniparts has been listed, it has been constantly in the INR200 crores to INR300 crores range. And we have mentioned that when these opportunities scales up, it could be a 10x opportunity and increase our addressable market.

But what we are seeing for the past 2 years to 3 years, these new orders are not converting post the pilot stage. They are just getting -- you are just getting the repeat pilot orders again and again. So, when can we expect an actual scale up of these orders going forward?

Tanushree Bagrodia: So, Madhur, I think let me explain this or let me sort of look at life realistically and give a view and help you -- or help you get a viewpoint into the business. So, I think while the number of around INR200 crores gives the impression that there has been no new business added and things are getting delayed, that may be true across segments and there, that may be true in certain parts.

But see, for example, in the construction business space, we actually won new business where we did better than what we were anticipating when the business was awarded. The industry saw a downturn and hence, the legacy business fell. That business continued to do well, but then another segment, the large ag has not taken off.

So, in that case, yes, there are pilots or there are even samples approved or in certain cases, we even have ready-to-supply material, but we are holding on to that because the customers' intake has reduced or their projects have been deferred, right. So, I think for the -- as long as the industry is in the downturn, that unfortunately remains something that we will need to bear with.

But to be able to counter that is where we are saying can we regionally diversify so that if one part of the globe is seeing weakness, can we make it up by supplying to other parts of the globe? And that's where we've always said that Asia Pacific, Japan are opportunities for us to grow in, and that's where the focus has been to grow the business.

So, I think that's where we are very confident that business will grow. We are seeing new wins in Asia Pacific, and that the growth opportunity, which is significantly larger than INR200 crores remains.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we take the last question from the line of Praneeth an Investor. Please go ahead.

Praneeth: So, I was wondering about the offtake of new products. I understand we were able to get more business and there is a structural decline in our primary segments, segments such as like PTO, hydraulics, fabrication. I understand you gave some commentary about how they're still muted. But can you give me some more idea on how these sales are going to progress?

Are we going to use our existing distribution channels with existing customers to sell these products or are we planning on developing new distribution channels to provide these products and grow our market that way because we are diversifying in terms of our geography and product, right? So, how can we think about the new products and diversification in terms of product diversification beyond geographical diversification?

Tanushree Bagrodia: Pranit, the diversification that we are looking in the areas of fabrication, PTOs or hydraulics is to service the same customers and get a higher wallet share per vehicle with them, right? We know what we supply to them. We know what the adjacencies are and where we can actually get more business.

So, to that extent, the products may be new, but the customers remain the same. The customers remain the same. Our distribution channels will remain the same. I think it's just about deepening our relationships with the customers' supply chain.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Paramjit Soni: Thank you, Tanushree. So dear all, we continue -- as we close this, we continue to focus on our core strengths and build stronger business franchise by strategically partnering with our customers on 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 time out today for joining today's call. Thank you very much.

Tanushree Bagrodia: Thank you.

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