



“Olectra Greentech Limited Q4 and FY '25 Earnings Conference Call”

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MODERATOR: **MR. AMAR KANT GAUR – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Olectra Greentech Limited Q4 and FY '25 Earnings Conference Call hosted by Axis Capital.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amar Gaur from Axis Capital. Thank you. And over to you, sir.

Amar Gaur: Thank you, Steve. Good evening, everyone. On behalf of Axis Capital, I welcome you all to the Q4 and FY '25 Post-Results Conference Call of Olectra Greentech Limited.

From the Management Team, we have with us today, Mr. B. Sharat Chandra – CFO, Mr. P. Hanuman Prasad – Company Secretary & Compliance Officer, along with teammates from Finance and Strategy.

I will hand over the call to Mr. B. Sharat Chandra for his Opening Remarks, post which we can have Q&A. Over to you, Mr. Sharat Chandra.

B. Sharat Chandra: Thank you, Amar. Good evening and a very warm welcome to all of you who have joined today for the Olectra Greentech Limited Earnings Call for Quarter 4, '24-'25. We are taking as read the presentation which is put on our website along with a safe harbor statement thereon.

We are pleased to state that the company showed strong growth in consolidated revenue and profitability for Q4 and the full year. We have delivered 2,718 electric vehicles which include 2,667 electric buses till 31st March 2025.

Now let me summarize some of the key highlights before we delve into financial performance:

Olectra buses have successfully covered more than 40 crore kilometers across the length and breadth of the country.

In terms of deliveries, the year has been challenging for the company. In fact, the whole industry had a challenging last year. Despite this, for the Financial Year '25, Olectra with deliveries of 972 electric buses has been a leading performer and ranks in the top two in terms of total deliveries in Financial Year '25.

We are completely focused and addressing the challenges and will be striving to reach to number one position in Financial Year '26. As you are all aware, it is no longer a demand constraint and strong demand continues with the company's net order book at 10,000 plus as on 31st March '25.

To recap, notably we unveiled our latest technology advancement, the Blade Battery technology at the Bharat Mobility Global Export 2025. With its cutting-edge design and exceptional energy density, the Blade Battery promises not only longer ranges, but also faster charging time, ultimately enhancing the performance, safety, and reliability.

Our focus continues on increasing our manufacturing capacity and enhancing our technology capabilities, and we are constantly striving and exploring new ways to improvise, innovate and push the boundaries of what is possible in the electric mobility industry, setting new benchmarks for the future.

Now let me take you through the Financial Highlights for Quarter 4 on a consolidated basis, followed by that for the Full Financial Year:

Revenue for the 4th Quarter stood at Rs. 448.92 crores, a strong 55% growth over the last year. This was entirely led by volume growth. About 219 buses were delivered in Q4 versus 131 in last year. We had an impressive EBITDA of Rs. 58.35 crores against Rs. 42.84 crores in the previous year's same quarter, marking a substantial growth of 36%.

The PBT surged to Rs. 29.25 crores, a remarkable 45% increase from the previous fiscal, Rs. 20.11 crores. The PAT for Q4 stood at Rs. 20.69 crores, up by 39% compared to previous fiscal, Rs. 14.89 crores.

Moving to the financial performance for the full year:

The revenue for FY '25 stood at Rs. 1,801.9 crore, up by 56%. EBITDA for the full year stood at Rs. 276.32 crores, marking a substantial 49% increase compared to the previous fiscal of Rs. 185.51 crores.

PBT surge to Rs. 187.88 crores, a remarkable jump of 78% versus previous fiscal Rs. 105.78 crores. PAT for full year stands at Rs. 139.21 crores, up by 77% compared to previous fiscal, Rs. 78.65 crores.

Moving to working capital:

We are pleased to share that our net working capital days as on 31st March was about 60 days, showing a reduction of almost 54 days, mainly due to improved collections of receivables and lower inventory days.

Thank you and over to the Axis team for the Q&A.

Moderator:

Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Khush Gosrani from InCred. Please go ahead.

- Khush Gosrani:** Firstly, sir, I wanted to understand you have delivered 219 buses, but the Vahan data shows only registration of 181 buses. So, how many days lag is there between raw delivery and the data getting reported to Vahan?
- B. Sharat Chandra:** So, basically we have clarified this query in earlier quarters also, but we would like to re-clarify. Being an OEM, Olectra's responsibility is to deliver the buses to our customers at our factory gate. It is ex-work sale. Once they are delivered, the registration and other regulatory process has to be complied by the bus owner. This lead time completing all could be a reason for the delay and generally it takes about may be around 1 month, 1.5 month to complete the process.
- Khush Gosrani:** Secondly, sir, we have guided earlier that we might be able to reach 2,500 buses in FY '26. So, since there are industry challenges we are facing, would you like to revise that guidance?
- B. Sharat Chandra:** For next year, we are looking at around 2,000 numbers, though we are striving for 2500. We will continue to monitor and then, as I mentioned in the initial remarks, we are focusing and trying to address the challenges. We will keep the target or guidance between 2,000 to 2,500 numbers.
- Khush Gosrani:** And last question from my side, any clarification you would like to provide regarding the news article that has been stroking since yesterday regarding the order cancelment?
- B. Sharat Chandra:** See, I will just give it to our Company Secretary to address this query.
- P. Hanuman Prasad:** Hi, I think you would have referred to our yesterday's clarification. We haven't received any communication on that part which is appearing in social media. I think we have clarified properly to the stock exchanges. You would have read through.
- Moderator:** The next question is from the line of Gaurang from Utility Unified. Please go ahead.
- Gaurang:** Hi. Just wanted an update on the automation part in the factory. Have we placed orders for the robots?
- B. Sharat Chandra:** Yes, we have successfully negotiated and finalized our orders and placed the orders.
- Gaurang:** May I know which company that we have purchased it?
- B. Sharat Chandra:** We are trying to source the top brand. I will just give it to our colleague.
- Management:** So, currently, it is under designing phase and we are procuring the robots from FANUC as well as from KUKA and all the world leaders of robot manufacturers.
- Gaurang:** And when is it expected to leave the factories and get installed?

- Management:** So, we are planning to commence the commercial production using this robotic welding by end of this financial year.
- Gaurang:** So, in that case, we would be left with the same quantity that we delivered this year which would be around 1,500. Because manually we could only make those many buses, right?
- B. Sharat Chandra:** Yes. See, basically, this is the second additional phase which we are going for robotics. The current body shop which we have already started manufacturing, it has got the current capacity of about 200 buses, which is getting expanded to about 5,000, 200 buses getting converted into 400 buses in the next 3-4 months. So, currently we operate on a single shift. We can make it into a double shift and then achieve this number once we go to robotic our capacity enhances.
- Gaurang:** And as you said, we would be delivering around 2,000-2,500 numbers this year. But if you see, the backlog is quite severe. We have orders of, I think, more than 4,500 with BEST pending and another 5,000 with MSRTC, which we have to deliver in the next, I believe, 18 months. So, how will it be possible to honor both these commitments if we are able to only deliver 2,000?
- B. Sharat Chandra:** See, once we start making the automatic robotic in Quarter 4, the next financial year we will be ramping up the production and we will be able to meet the deliveries. As I mentioned in the initial remarks, the industry has been facing the challenges with regard to supply and we are working very closely, monitoring very closely and trying to address the challenges.
- So, see, this is as I think I have mentioned, it is no longer a demand constraint. Supply is the main issue with regard to the total industry at a large. So, we are addressing that. And if you look at the total addressable market, it is going to be quite significant in terms of conversion of the ICE engine buses to EVs and other clean technology buses. So, none of the companies have the capacity to meet those demands as of now.
- So, our target is to achieve 2,000 numbers definitely and try to extend to more than that. So, that is the reason we are giving a range of 2,000 to 2,500 numbers. This is conservative guidance as of now. As we progress during the course of the year, we were able to address this by number.
- Gaurang:** And one more last question. As our company secretary said that we have not received any notice from MSRTC, but in an event that we receive a notice, say within two or three days, or if Evey Trans receives those notices, so how do we plan to respond to them? Are we going to negotiate some timelines with them or what's the internal plan as of now with the company?
- P. Hanuman Prasad:** Yes, Mr. Gaurang, Hanuman here. I think this MSRTC order, we have a delivery timeline as per the agreement till May 2026. We are not expecting any such kind of events would happen. Such kind of notices if we receive, obviously, properly in terms of the agreement we will see that next course of action.
- Gaurang:** So, I believe we are optimistic that this particular order is not going to get cancelled. Is it so?

- P. Hanuman Prasad:** Yes.
- Gaurang:** Thank you for the answer. That's it from my end.
- Moderator:** The next question is from the line of Shaurya Punyani from Arjav Partners. Please go ahead.
- Shaurya Punyani:** Sir, are you facing any battery supply chain issue or any supply chain issue of some sort?
- B. Sharat Chandra:** In fact, the entire industry has been going through the challenges of supply constraints with regard to components relating to chassis and battery. There has been delays. So, that is the only issue.
- Shaurya Punyani:** So, by what time do we expect some sort of normalization?
- B. Sharat Chandra:** As far as Olectra is concerned, the Q1 numbers will be in line with Q4. We expect normalization to happen from Q2 onwards.
- Shaurya Punyani:** Q2 onwards, okay, due to normalization. And sir, what has been the order inflow for the current year for FY '25?
- B. Sharat Chandra:** So FY '25 actually we as of now, the new tenders which are in the anvil, the PM E Sewa is about 10,900 buses is in the immediate visibility, followed by MTC about 600 numbers, CRUT which is Odisha is about 200 numbers, Goa is about 50 numbers.
- Shaurya Punyani:** Odisha is?
- B. Sharat Chandra:** About 200 numbers. Tender has been 200.
- Shaurya Punyani:** 200.
- B. Sharat Chandra:** So, AP and others about 3,000 buses is what is the visibility. So, totally about 10,000 numbers from PM E Sewa which I have already mentioned. So, these are the tenders which are in the pipeline.
- Shaurya Punyani:** Okay, this is on the pipeline.
- B. Sharat Chandra:** Yes. See, basically the Ministry of Heavy Industries and then the government has announced earlier to replace about 8 lakh buses. So the demand continues and the demand for e-buses is basically exploding So, we have to address the supply thing.
- Shaurya Punyani:** So, how many orders did we actually get in FY '25, if you have that number? Did we actually get?

- B. Sharat Chandra:** We have received orders, but it is all from private parties. Microsoft, we have received about 15 numbers. And HRTC is the biggest order. I think, I forgot to mention. So, HRTC, in terms of outright sale, we have recently bagged about 297 buses, electric buses, where we are going to sell on an outright basis. We have timelines about till March '26 to deliver these buses.
- Shaurya Punyani:** Till March 31st.
- B. Sharat Chandra:** Yes, March '26.
- Shaurya Punyani:** And sir, one final question. Regarding that new capacity from 5,000 to 10,000, so by what time we are expecting it?
- B. Sharat Chandra:** See, basically, to start with our capacity is getting enhanced to 5,000 numbers and based on the demand and supply situation, we can enhance it. May be in one year's time, we can enhance to 10,000 numbers because civil is geared up to cater to 10,000 numbers. What we need to add is the additional balancing equipment to enhance from 5,000 to 10,000 numbers.
- Shaurya Punyani:** So, we don't have a definite timeline. Like, as and when we can, we can do that, you are saying?
- B. Sharat Chandra:** We will take it gradually, monitor the supplies, and then accordingly we can take a call. See, our philosophy has been to basically not to invest too much into Capex, has been conservative. And based on the order execution, we will be in the position to enhance the CapEx.
- Shaurya Punyani:** Based on order execution. Okay, sir. That's it from my side.
- Moderator:** The next question is from the line of Samir from Alturas. Please go ahead.
- Samir:** I have a couple of questions. It's very well understood that the current situation of supply is a challenge. I just wanted to understand from a contextual basis, is the industry going through this challenge? Do you have any data to kind of substantiate that the industry is going to the supply challenge this year, last year? If you could throw some data around that?
- And secondly, the government has ambitious plans of converting about 800,000 buses in the next 5 years or so into EV or clean technology. How does the industry think about meeting this demand that is there? I mean, at the end of the day, even if in 24 months, your capacity is 10,000 buses. And let's say the industry capacity is around 50,000 buses a year. It still doesn't meet the challenge, meet the ambitious target that the government has set in front of themselves.
- So, one is on capacity and the second is on financing. Is there an impediment on financing or on payment guarantee mechanisms or so on and so forth? Something on these lines would be helpful.
- B. Sharat Chandra:** Regarding your question number one, we had basically public data as far as the Vahan portal is concerned. Again, it is not very accurate because some of the states are not covered. And there

is a time lag between delivery and registration. But still, looking at the data, about last year, about 2,258 numbers have been registered for the entire financial year. So, that shows that the supplies obviously have been challenging in terms of overall numbers. And Olectra, as I mentioned earlier, we are top performer in terms of ranking in the top two. Okay, as far as that is the first question is concerned.

Second, as you rightly said, currently the industry is having a capacity constraint. So, our Olectra has ambitious, we have a plan to enhance it to 10,000 numbers. Based on how it pans out, we would definitely explore possibilities of enhancing the capacities.

And as far as the financing is concerned, there have been challenges initially. But if you look at the last three major orders which we have secured through Evey Trans, we have financial closures done by the institutions. And the institutions are coming forward to complete the financial closures which we faced initially.

It was taking a lot of time to convince the institutions. But with all the three major contracts, we are about almost close to about 20,000 crores where the financial closures are in place. So, I am only assuming that with the government supporting the EV adoption in a big way, the financing will improve.

Samir: I think in context Olectra numbers continue to show growth. I think the expectations are high, and rightly so because you have been an industry leader. But in context, is it fair to assume that even in an eventuality where MSRTC cancels the order, there are not competing suppliers who can fulfill the orders in the timeline that they require? Is it fair to assume that?

B. Sharat Chandra: I think you are right. Yes, you can assume. And so, obviously everybody has got capacity constraints and our product, as you rightly said, has got an edge in terms of technology and in terms of performance over the competition. So, we hope, as Hanuman has clarified to earlier queries, we are optimistic that there will not be any negative impact on account of this.

Samir: I think that answers my question.

Moderator: The next question is from the line of Niral Shah, an individual investor. Please go ahead.

Niral Shah: Hi, this is Niral. First, I want to thank the CFO and the entire team for what you guys are doing. I have been following Olectra, so just a little bit 30 seconds I will take. The first time I sat in your bus was in 2018, in January somewhere. And I was fortunately in India. And I happened to sit in one of the Olectra buses, which is one of the six buses that you have delivered to Mumbai BEST. And since then I have been following the company. So, it's been a tremendous journey. And the product is amazing. So, great work on that one.

A couple of questions on this one from what I have been hearing. By FY '26, you expect to deliver anywhere between 2,000 to 2,500 buses. But you have a delivery to MSRTC for about 5,000 buses by FY '26. And you also have HSRTC buses about 297 orders, all by March '26.

How do you with, given the supply constraints, How do you envision to fulfill both the orders in the timelines? Is there a possibility of extension? That would be my first question, please.

B. Sharat Chandra: Yes, see, as far as our target, because of the challenges which the industry is facing, we are keeping a conservative target of between 2,000 to 2,500 numbers. And we are confident of fulfilling HRTC 297 buses before March end. And so far as MSRTC is concerned, we have a plan to complete the deliveries by the following financial year.

Niral Shah: And will that include any extensions from MSRTC? Because if you go into FY '27, will that include any extensions from MSRTC? And what would be the composition? Will you, I mean, the existing Olectra technology or the Blade technology? Which ones are you offering? And are there any negotiations happening on that front as well, please?

B. Sharat Chandra: See, as far as Olectra is concerned, it is a business call to use the new technology or continue with the existing technology. So, it's nothing to do with MSRTC. So, we will explore how it pans out. Because the new technology, as you are aware, it is in homologation phase. It takes time for the certification. We are hopeful by this, maybe Q3 or Q4, we will have the homologation in place for the new technology, which is battery, Blade Battery technology. So, it could be a mix of both, or it could be old. So, it's a call we will take as we move forward.

Niral Shah: And is there variation in the pricing between the existing technology versus Blade assuming the amalgamation happens, or you have not even reached that stage of the pricing stage of it?

B. Sharat Chandra: As of now, we have not reached that stage of pricing. But only thing in terms of efficiency, this is 30% better in terms of lightweight batteries as well as in terms of efficiencies, mileage. So, overall scheme of things, the costings and all still not yet finalized. So, hopefully once we have more clarity, we will revert back. In appropriate time, we will make necessary disclosures.

Niral Shah: And one last question, if you may want to answer the launch of the Rebar, the precast ones that you guys have ventured into. Any negotiations or anything that have started or what is the plan on that front? That's a completely new thing that Olectra has ventured into.

B. Sharat Chandra: I would like to request my colleague Hanuman to clarify.

P. Hanuman Prasad: I think, Niralji, right now we are in the process of getting required approvals. Once we have placed in all approvals, may be at appropriate time, we can be able to revert. As of now, we are at the stage of procuring the approvals.

Niral Shah: Thank you so much and keep up the great work. Thank you so much, guys.

Moderator: The next question is from the line of Akash Srivastava from HNI. Please go ahead.

Akash Srivastava: So, hi, this is Akash. I just want to understand what is the reason for a dip in performance Q3 versus Q4. This is my first question, because I think no one else is asking about this.

The second question is, I want to understand, I have been following this particular company from last 10 to 15 quarters, and every quarter you are giving some estimate, and you are saying that this is a conservative estimate, and still you are not able to meet that. So, can you just clarify if you are giving a conservative estimate, still why you are not able to meet this?

B. Sharat Chandra:

See, Mr. Akash, I have clarified in the initial remarks itself. If you look at the deliveries for the entire year by the entire industry, so you can understand from that number that what kind of challenges the industry is facing. So, obviously, we have been conservative in estimating the number. We are addressing the challenges and hopeful of resolution. That is the reason we are giving conservative number of 2,000 buses for Financial Year '26. And as far as Q4 versus Q3 is concerned, obviously, because of the supply constraints and challenges, the numbers, we could deliver less than Q3.

Akash Srivastava:

Sir, this is happening every time. Last Con Call you said that Q4 will be at least 300 to 400 numbers so that you can meet this 1,500 target, if I am not wrong. Still you delivered only 219. Right? Which is, I mean, in terms of percentage, if you see, it's very less. And then, now I remember, previous to previous Con Call, you said that FY '26 will be 5,000 number. Now you are saying FY '26 will be 2,000 number.

So, every quarter you are just downgrading your estimates. I mean, I can understand there are challenges. But then you should give this particular estimate which is actually conservative, right? And you should not overestimate something and then you say that it is conservative. And then investors keep an high hope on you saying that okay, you have submitted these particular things in your Con Call and then still you are not able to achieve.

B. Sharat Chandra:

Mr. Akash, please appreciate the company has been showing significant growth both in terms of top line and bottom line. Obviously, when we are doing business, we would like to register significant growth compared to earlier years and we would like to basically contribute to all the stakeholders. So, we are ramping up the production capacities in the new facility. And we are confident that whatever constraints are there will be behind us and we will be able to deliver the numbers what we have given guidance.

So, we always would like to strive to achieve the guidance what we have given. But because of the constraints which as a company we have been facing and as the industry is facing, we have been a little lagging behind. But nevertheless, despite that, our performance, if you see consistently year-on-year, we have shown growth, with a CAGR growth of about almost 50% in terms of the last four years.

So, to summarize, in terms of top line, registered CAGR growth of 45% from Financial Year '22 to '25, adjusted EBITDA growth of 106% and CAGR PAT growth of 58%. From 259 numbers in Financial Year '22, we have delivered 972 numbers. Of course, we are behind what numbers we have given guidance by about 10% to 15% we are behind because there are the reasons of supply constraints.

If you see both the electric bus division and insulator divisions, our operating margins have been growing year-on-year. So, we are optimistic that whatever numbers we are giving as conservative, we would like to strive and achieve those numbers.

Akash Srivastava:

Sir, that is okay. I have heavily in Olectra, at least from my point of view. So, I just wanted to be sure that my decision is correct. Just two points. These are not questions, but I just hope that these are being taken care of. So, one is one article that I read in a website called EV Insider wherein it was saying that there is some point of discontentment between BYD and the Olectra management, and that is the reason they are chopping up your supply though you might deny it right now, but I am just hoping this article is not correct and this is not the reason of the supplying being choked up. No need to answer. I am just clarifying what I have read in the article.

The second is, even though you might anticipate and you might be optimistic that there won't be any order cancellation, but I just hope that you guys must reach out to the Minister or the MSRTC, put forward your point of view and then reach to a safe negotiation wherein there is no such eventful event wherein the orders get cancelled even though you might anticipate that it won't cancel, but I will just request that you guys reach out to the respective authority, convey your points and just hope that they take the decision which is in favor of Olectra. That's it from my side.

B. Sharat Chandra:

Thank you.

Moderator:

The next question is from the line of Rishabh, an individual investor. Please go ahead.

Rishabh:

Thank you for giving the time to take these questions. I was just going to talk the question which I think the one you just covered earlier. Is there any disruption between BYD and Olectra Management? And while you keep saying there are supply constraints, I would love a technical answer here that what are the constraints? Are batteries not coming? What components are not coming? I think having a technical person on call would increase credibility. I am sure like we understand the constraints, but just hearing supply constraints is something which investors won't take credibility out of. I am sure you are reaching out to institutions, so a bit more context would be really helpful. So, that is just the first question.

The second question is, of course, like, cancellation of the MSRTC order. I am sure did not receive notices and all these might be formal things. But I am sure you would have seen the interview of the Transport Minister who is the Chairman of MSRTC. So, he is saying that there is going to be a cancellation unless until a deal is negotiated, there will be a cancellation. I have unfortunately called their office and checked on this one. So, I would really love some color on it. If you can share that if there is someone who has reached out to them and negotiations have begun from our end, because of course we should expect notice. I mean, we cannot be in that denial that cancellation will not happen. These are my two questions to each of you.

B. Sharat Chandra: As far as the MSRTC media reports and whatever you are stating, we will update once we have more clarity on this. As of now, what we have communicated to stock exchange is status quo. So, we will definitely communicate once we have more clarity.

Regarding your first question, see, basically, with regard to supply chain, obviously power train components relating to battery, there have been delays, and some of the components relating to chassis, which have caused delays. And if you look at the numbers, what the entire industry has delivered in this quarter, in this year, in this quarter, of course, and then in the full year, that demonstrates the challenges faced by the entire industry. So, we are working...

Rishabh: So you remain confident about your execution ability, right? So, I believe that's why all of us are here. We are aware about that. We are the sincere, most serious leaders. We really hope day in and day out that these disruptions don't affect you. My question is around, like I said, there is no impact on battery, right? Because you rely heavily on BYD for this technology, there is no disruption in relationship between them and you. Power chassis and these sort of components I believe can be fixed, right? But battery is something which is, I mean, it's not just you, it's the entire world which is dependent on China.

B. Sharat Chandra: Correct. Absolutely. So, basically to give clarity, as you are aware, our contract with BYD has been extended till December 2030. And in January 2025, with partnership, with support from BYD, we have basically showcased our Blade Battery platform in Bharat Auto Mobility in Delhi.

And obviously our relationship, both Olectra and BYD started the journey in India and delivered the first e-bus in India. And our relationship is very strong and it is mutual. And we do have access to the strong R&D technology they have. That is precisely the reason how Olectra is able to initiate the process of showcasing the Blade Battery platform in the Bharat Mobility.

So, I think, this sufficiently clarifies your queries with regard to our relationship with BYD. And we are hopeful that we overcome whatever challenges we had in Financial Year '25 and hopeful of delivering 2,000 numbers in Financial Year '26.

Rishabh: Thanks so much for the clarification. This is very helpful.

Moderator: The next question is from the line of Joel, an individual investor. Please go ahead.

Joel: I have a couple of questions. First one being, given the direct tension between India and China, are there these being the challenges for procuring battery service from our partners BYD? And also there was one like a media article regarding Olectra placing orders for about 2,325 electric bus chassis and another 750 units in August 2024. Can you clarify on the timelines for receiving these orders from BYD? That would be the first part, if you can answer that, please.

B. Sharat Chandra: As far as the geopolitical part is concerned, we have been talking about this for the last seven years. Right from the time we started our e-vehicle journey, this talk was there. So, as you are

aware, China has invested a huge amount into this technology, and they are very much advanced compared to any other country in the world. And globally everybody, including Tesla, depends on China, on import of battery technology. So, we do not foresee any constraints till now, because we have been going through this journey for the last five years.

And the timeline for fulfilling order for basically, which we have placed with BYD about, I think you have given numbers of 750, right?

Joel: Yes, there were 750 units in August and then I think there was a further 2,325 mentioned in the article. I mean, what kind of timelines do we have here?

B. Sharat Chandra: We have basically 12 to 15 months, 12 to 18 months to fulfill these orders.

Joel: So, that's the timeline you are thinking. And considering a large order book and challenges that we see at the moment, what are the risk for cancellation of orders by customers? Are there any contractual provisions that protects Olectra financially in such scenarios or like in case of order cancellation?

B. Sharat Chandra: So, basically, as I think I have clarified, the demand for electric buses is quite significant. And the orders which we have mentioned in the pipeline is almost about 15,000 buses in the near future. And we are not foreseeing any challenges in case any order gets cancelled. But we are also optimistic that no order will get cancelled because in the past also we clarified it is mutually beneficial for the STU and the company.

So, in terms of operational efficiency, the electric buses are highly remunerative for the STUs. So, it's a mutual understanding because all these orders, there is a scope of the STU and the scope of the operator. So, as far as STU is concerned, they have to provide depot space. They have to provide power connections. And when we talk about these numbers of large orders, there is a requirement to have about more than 200 depots. And the STU has to create the infrastructure in terms of providing space. And from the EVEY side, they have to build a charging station.

So, it's mutually beneficial for both the company as well as the end customer to have the orders and to execute the orders. So, we are optimistic that no orders will be cancelled. And of course, any industry which is still nascent, I think just to clarify, out of the total TAM, which is the total addressable market for buses, less than 1% is electrified. So, this gives a lot of scope for conversion and there are no enough capacities with all the OEMs put together. So, I don't think any orders will be cancelled. Even if they are cancelled, there will be alternative opportunities.

Joel: Thank you sir for that clarification. On the electrical tippers, there was no query. So, I just wanted to ask, have we received any new orders or any new EV products in pipeline for Olectra?

B. Sharat Chandra: Our R&D is working on various products portfolio within the truck segment. We have been doing a lot of demos and trials. The fructification of orders we expect in this financial year, and we hope the demand also picks up for the tippers because in terms of operational benefit, it is

highly, it has got almost 8x comparative to the conventional tippers. But any industry takes time, as we have seen in electric buses. So, we are hopeful that the demonstrations and trials will get ultimately fructified into orders in this financial year.

Joel: That's all from my side. Thank you for answering.

Moderator: The next question is from the line of Vijay Kumar Pandey from Nuvama. Please go ahead.

Vijay Kumar Pandey: Thank you, sir, for taking my question. Sir, a couple of questions. I just wanted to check what is our average realization when we compare the buses sell to state as compared to the private sector? Like which one is a higher margin business for us?

B. Sharat Chandra: So, in terms of total population of buses, the private segment has got a larger chunk, but as of now the conversion is yet to happen, yet to take off in the private sector because of maybe a couple of reasons. The balance sheet size of the private operators is not big, and the traction is yet to happen, but we expect the traction to happen soon because it's highly remunerative for operating e-buses. There could be significant savings for the private operators.

So, currently, it is basically the GCC model, which is prevalent, which has become popular and which is the most acceptable model in India where government is pushing for conversion of the ICE engine buses to EVs. So, parallelly the private market is also picking up. We hope the traction to happen in the next 1-2 years.

Vijay Kumar Pandey: But has the sales started in the private sector for EV buses or is it going to start like in two years' time?

B. Sharat Chandra: As far as the Olectra is concerned, we have sold to private parties in the past. Last year to Fresh Bus and this year and Microsoft also we have sold.

Vijay Kumar Pandey: Secondly, sir, in the last conference call we spoke about capacity plan expansion. So, how is it going? And when can we expect the new capacity to be operational, like commercial production?

B. Sharat Chandra: Last year we moved into the new plant. We did the trial production in February 2024. And from Q1 onwards, we have been working on in the new facility with one particular shed wherein the body shop we have started working on that. And the second one is almost in the advanced stage of construction. We expect the complete plant to be operational by this financial year-end, including robotic machinery. OKAY,

Vijay Kumar Pandey: And the battery supply for the second plant will also come from BYD only?

B. Sharat Chandra: Yes, we have a relationship with BYD agreement till 31st December 2030, and recently we have showcased our Blade Battery technology, which we are going to introduce by the end of this financial year.

- Vijay Kumar Pandey:** Just lastly, sir, given the supply issues, do you plan to diverge the supplier base across a different supplier, or will we try to maintain the same supplier base? Because if we can't get the part from one particular supplier, consider BYD, then why not to purchase it from LG or Samsung? That is my last question.
- B. Sharat Chandra:** See, our company has been working continuously to improvise and increase the localization content in our bus. Except the powertrain and battery cells, we continue to import from BYD. All the other components, we have developed local vendors in India and we have been sourcing from alternative vendors in India. Except the powertrain and battery management system and battery cells, we continue to depend on BYD. The other components we have localized. And localization is a continuous process. So, we keep working on that localization, and we hope these kind of issues will be addressed in the near future.
- Moderator:** The next question is from the line of Rithvick Ram, an individual investor. Please go ahead.
- Rithvick Ram:** Hello. Good evening, sir. Congratulations on the results. Your PAT has grown up by 80% from last year to this financial year. And my first question is on the GFRP rebar product of Olectra Greentech. As I am aware that Electra is the new player in the GFRP rebar segment. What is your take on competition in that segment for this GFRP rebar product? You have launched it 2-3 months back, right?
- B. Sharat Chandra:** Yes, basically, it is a very, very initial phase. There is a lot of scope, of course. So, we will, at the appropriate time, we will come back because we are still completing the nascent initial certification processes.
- Rithvick Ram:** So, we can expect more developments in the coming 6 months, right?
- B. Sharat Chandra:** Yes, in this financial year, we expect developments definitely in this product.
- Rithvick Ram:** Has the market been identified for that? What is the potential of that market for Olectra in that segment?
- B. Sharat Chandra:** See, basically, Olectra has got two segments, you are aware. One is the electric vehicle segment, and the second is the composite insulator segment, composite insulator segment.
- Rithvick Ram:** Yes.
- B. Sharat Chandra:** So, in composite insulator segment, we make our own FRP rod, and we develop some FRP parts. So, we have backward integration. We make our own compound. We make our own FRP. And so we have developed expertise in making FRP products. That is where we are exploring, and then we are hopeful that we will make a big impact in the FRP rebar. So, as it is in the initial stages, at appropriate as we progress during the year, we will be able to update. And this FRP rebar is basically alternative for TMT bars which is used in construction industry.

Rithvick Ram: Because there are two, three players which are established in the market. Hence, I have asked that question. But I am sure Olectra will make major breakthroughs in this business line, just like it's doing with e-buses. I am sure Olectra will do a breakthrough. I am 1,000% sure.

And secondly, sir, what are the status of your employee benefit schemes like Gratuity and Emergency Fund for factory workers? And do you have a NPS policy, National Pension System policy for your employees in place? What is your take on the employee benefits, sir, segment?

B. Sharat Chandra: As far as employee benefits are concerned, as of now, it is not funded. It is non-funded. Based on actual valuation, we make adequate provisions in the financials with regard to gratuity, leave encashment. As of now, NPS is not yet it's basically a call based on the interest shown by all the employees. So, we will be exploring because as the employees are growing, we will definitely like to explore all the other benefits, and we will also explore the possibility of funding the gratuity in the near future.

Rithvick Ram: Because you already have taxable profits and it's recommended to fund the crystallized liability. Those employees are completed four years and above. It's recommended to fund that portion. And then you automatically get a tax benefit.

And Dividend, sir, in the next financial year, will there be any growth in the dividend, sir, from 40% of face value to at least 100% of face value? Next year, can we expect sir? Because the dividend has been consistently the same and the profits have grown on a higher basis. So, dividend is currently Rs. 0.40. Can we expect a higher dividend in the next financial year?

B. Sharat Chandra: To clarify your question, see, it's a working capital intensive company. So, we are trying to conserve the cash and as a gesture from the management and from the Board, we consistently wanted to continue with the same dividend, proposed dividend. Definitely once the numbers goes up, we will go back to the Board. And then, with the approval of shareholders, we will look at better dividends in the future.

Rithvick Ram: My last question is regarding the, will it be possible to conduct a physical annual general meeting at the factory premise or something? So, as investors, we would love to see the Olectra facility. That's my last question.

P. Hanuman Prasad: This is Hanuman here. We have a lot of time. We will see based upon the clearances from the SEBI because as of now, having a virtual meeting is a better facility for all the shareholders. Physically, how many people can come and assemble right now, if it is a virtual, anyone sitting anywhere, they can participate. We have almost 5.5 lakhs, nearly 6 lakh shareholders. So, virtual would be most preferable for any of the shareholders. But anyhow, what do you say, physical as well as virtual combination, if it permits, depends upon the situation, at the appropriate time, Board will take call.

Rithvick Ram: I have been investing in Olectra since September 2017, and the journey has been very beautiful, sir. Thank you very much, CFO sir and Company Secretary. Look forward for a bright future of Olectra.

B. Sharat Chandra: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question. It's from the line of Suneel, an individual investor. Please go ahead.

Suneel: So, as per the current production, we are having 200 buses per month, am I right?

B. Sharat Chandra: 200 buses per month.

Suneel: That's what was the capacity. Is my understanding correct?

B. Sharat Chandra: Yes, yes.

Suneel: So, only because of supply constraints, we are not able to produce 200 buses. Like, the expansion for the 200 buses is totally completed or still work is going on for the expansion for the 200 buses?

B. Sharat Chandra: So, expansion for 200 is in place. We are expanding to 400 numbers in the next 5-6 months.

Suneel: That is with robotics You mean to say with robotics or with robotics with the 500 like?

B. Sharat Chandra: See, basically, we work on a single shift now based on the demand and with all supply constraints are met. We will be in a position to work double shift also in the existing facility itself. With the robotics, you have actually the capacity goes up.

Suneel: So, capacity goes up to 500. That's what you mean to say, once we go to robotics. That's what you are saying?

B. Sharat Chandra: Yes, yes, correct.

Suneel: So, when can you think this supply constraint might get resolved? In this quarter? Like in May, June or maybe in August or something like that?

B. Sharat Chandra: Yes, in Q2 onwards, sir, we expect the improvement in the supply chain.

Suneel: It's somewhere around August or September, something like that, okay?

B. Sharat Chandra: Yes.

- Suneel:** So, in that case, like even this quarter, like April, May, June also, we will deal with almost the same numbers that we can expect, am I right?
- B. Sharat Chandra:** Yes, Q1 of FY 2026 will be in line with Q4 of FY 2025.
- Suneel:** If this is the case, like, if we deliver, for example, in April-May-June if we deliver only like 200-250 buses, then in the next three quarters we can deliver 1,700 buses?
- B. Sharat Chandra:** We have the capacity and we are hopeful. We have the capacity and we are addressing whatever challenges we are facing, and we are hopeful that we will be in a position to deliver the balance 1,700.
- Suneel:** One last question. One small thing. So, at this point, the capacity is 200. So, without robotics, how much max we can expand? Without robotics?
- B. Sharat Chandra:** Without robotics also, we can expand, we can work on double shift. We can increase to double shift and then we can expand. Today, with a single shift, we have capacity of 200 numbers. On a double shift, we can expand to the equal number. But any engineering industry, any plant can work up to 80%-85% efficiency.
- Suneel:** Yes, but the thing is like at this point even though the production capacity is of 200, but we are producing per quarter only around 200 buses. So, is the staff available for production of 200 buses? Because like we are only producing per quarter, we are hardly delivering 200 buses, not per month actually.
- B. Sharat Chandra:** Yes.
- Suneel:** So, because at this point of time we are producing only 200 buses per quarter, so do we have the staff and everything ready for producing 200 buses per month at this point of time?
- B. Sharat Chandra:** Yes, yes, we have.
- Suneel:** And now just one last question. So, coming to this MSRTC delivery, so, like, when the management clearly looked like we are not delivering the buses to as per the Minister, he clearly said, like, we have not delivered, like, no, any buses, even after the deadline is extended. So, do we have any reason why we have not delivered, not even a single bus? That's what he came in the news channel officially. Like, during this extended period, we have not delivered, not even a single bus to them. So, why didn't we approach them, like, why didn't we negotiate it before rather than coming to this situation?
- B. Sharat Chandra:** So, we have actually delivered 220 numbers.
- Suneel:** But he claimed in the last one month we have not delivered not even a single bus to them actually.

- B. Sharat Chandra:** See, basically, we would like not to comment too much on the media news as of now. We have delivered 220 buses to MSRTC. So, we have timelines till May 2026 to deliver the buses, and obviously we will be discussing.
- Suneel:** So, in the contract with MSRTC, is the deadline fixed for March 2026 or something like we have intermediate delivery points like by this date, by this each and every quarter, these number of buses we need to delivery? Is there anything there in the terms and conditions with the contract with MSRTC?
- P. Hanuman Prasad:** Hi, Mr. Suneel. This is Hanuman here again. As per the contract, we have, target outer line which is May 2026 to complete the project deliveries completely. In between monthly, quarterly basis, first year, there are some targets obviously.
- Suneel:** So, in the terms and conditions, do you have the penalty clause or the extension clause or the cancellation clause, if it is not delivered as per the contract?
- P. Hanuman Prasad:** I think before getting into that, I think you must have been aware cancellation is a very extreme step because while executing this EV projects, both parties have their obligations. It is not something Evey or Olectra only responsible. I am explaining in general perspective, not only from MSRTC perspective.
- The STUs also need to support us in terms of allotting the depot and getting the approvals in place and getting the upstream power. There are so many responsibilities, the authority side and the company side and certain things to be together also. So, considering all these aspects, yes, if Olectra or Evey solely defaulted, then obviously they would have right legally to take that kind of steps.
- Suneel:** But we don't have that officially documented somewhere so that we can prove anything legally. That's like the delay from the department. We don't have any official documents. We might not be having that, am I right?
- P. Hanuman Prasad:** No, we have an agreement. The agreement speaks about the obligations of each party. Needless to be communicated separately. But anyhow we are conscious about this MSRTC issue. We hope this negative thing, whatever it is, reporting in the media should not happen. We are optimistic about this.
- Suneel:** So, what about the hydrogen bus? Because we are hearing all over the world, different companies are going with hydrogen vehicles, everything. So, is the R&D of the hydrogen bus anywhere near to us or nowhere near to us?
- B. Sharat Chandra:** As of now, I think in the past we have communicated. We are not actually focusing on the hydrogen bus as of now. It is very expensive and very nascent. So, we are focusing on the electric buses and the truck segment.

- Suneel:** Because we went into tipper, we did not launch the truck, right? Electric truck, we have not yet launched it if I am not wrong? Or did we launch it actually
- B. Sharat Chandra:** So, we have sold about 51 electric tippers which are already up and running for the last 18 months.
- Suneel:** Yes, I am talking about electric trucks. We didn't sold, we don't have any trucks.
- B. Sharat Chandra:** Tippers, this comes under truck segment. So, our R&D is working on various other alternative platform or alternative products. So, as and when we are launching, we will appropriately make adequate disclosures.
- Moderator:** Thank you. Ladies and gentlemen, this was the last question for today's conference call. I would now like to hand the conference over to the Management for their closing comments.
- B. Sharat Chandra:** We thank all the shareholders who participated and have been very supportive in your company's growth journey and the patience and faith reposed in your company. We expect and optimistic that we will be having good growth both in terms of top line and bottom line in the coming Financial Year FY '26. Thank you so much.
- Moderator:** Thank you. On behalf of Axis Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.