NDR Auto Components Limited

Q1 FY27 Earnings Conference Call

August 11, 2026

Moderator: Ladies and gentlemen, good day, and welcome to NDR Auto Components Limited Conference Call. I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you, and over to you, sir.

Gavin Desa: Good day, everyone, and a warm welcome to all of you participating in this Q1 FY27 Earnings Conference Call of NDR Auto Components. We have with us today, Mr. Pranav Relan, Whole-Time Director; Mr. Vikram Krishan Rathi, CFO and Vice President; Mr. Rakesh Rustagi, GM Finance and Accounts; and Mr. Rajat Bhandari, Executive Director and Company Secretary.

Before we begin, I would like to mention that some statements made in today's discussion may be forward-looking in nature and are subject to risks and uncertainties. A statement in this regard is available in the presentation on the exchanges and shared with you earlier. We will start the call with opening remarks from the management, following which we will have an interactive Q&A session.

I now invite Mr. Pranav Relan to share some perspectives with you with regard to the operations and his outlook for the business. Over to you, Pranav.

Pranav Relan: Good day, everyone, and a warm welcome to our Q1 FY27 Earnings Conference Call. Thank you for joining us today. This has been an eventful quarter for NDR Auto Components. I will touch upon the key highlights in a bit but let me first quickly take you through our numbers. Revenue, driven by execution of our strong order book, stood at INR221.45 crore for the period under review.

Our EBITDA margins remained healthy at 11.88%, despite the environmental and supply chain challenges the sector has been faced with. This is testimony to our operational efficiency and an increasing emphasis on execution.

Q1 FY27 EBITDA and PAT stood at INR26.44 crore and INR16.40 crore, respectively. In June 2026, we commenced operations at our NDR Hayashi facility at Bangalore, the plant which will manufacture sunshades. It enables us to diversify our product portfolio and enhance the value we offer to our customers.

We are also delighted to inaugurate our new facility under the subsidiary NDR Auto South in Anantapur. The SOP will start from Q2 FY27. This plant optimally positions us to efficiently cater to the seat trim and frame requirements of our OEM customers with operations in South India.

Lastly, it was our pleasure to welcome T. Suzuki-san, the CEO of Suzuki Motor Corporation, Japan, as the guest of honor at the celebrations on July 1st to commemorate the 40th anniversary of our group company, Bharat Seats.

Sales volumes to all our partner OEMs continue to improve, reflective of both capabilities and encouraging environment. Our endeavors continue to be deepening relationship with our current customers, enhance the number of OEMs we partner with, and expand and enrich our portfolio of offerings.

These initiatives take time, but we are optimistic that our efforts will translate and enable us to create sustainable value for all our stakeholders. The auto and auto component industry is going through exciting times and we believe there is considerable opportunity for an entity with quality operations and a deep understanding of this space.

We would now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tanish Vhora from InvesQ PMS. Please go ahead.

Tanish Vhora: Yes. Congratulations on your number. I wanted to ask on the order book side. Like, can you provide some segregation based on the products which we have, like what is the segregation for the order book? And also wanted to understand the pathway for the INR3,000 crore of guideline and how one should read and also on the order book how one should read, like will it be a recurring revenue or is it a 1x revenue?

Pranav Relan: The INR3,000 crore target continues to be our endeavor and we will update you on that progress. The order book that we have, you can add it to our existing revenue and that is what the number of businesses that is booked currently.

Tanish Vhora: On the order book, can you provide some segregation based on the products we have, for the seating, what is it, and for maybe ambient lighting or some other?

Pranav Relan: Most of the products are from the seat frames and the seat covers. In addition to that, we are also going to set up a plant for seat insert, so that is going to be there. There is going to be seat latch and there is going to be a new plant for seatbelt reminder system. In addition to that, there are some new ambient lighting orders that we have received, but that is a smaller part of the order book.

Tanish Vhora: Okay. And, also, how do you see our margins shaping going ahead with our products expanding, and can we assume that we will stick to our current ROCEs going forward?

Pranav Relan: So, our margin should be at a similar level and our ROCEs also should be at a similar level.

Tanish Vhora: Thank you. Thank you, sir.

Moderator: Thank you. Next question is from the line of Jatin Chawla from RTL Investments. Please go ahead.

Jatin Chawla: Good afternoon, and thanks for the opportunity. Congratulations on a very strong performance on the margin side, especially this quarter where there were a lot of margin pressures on commodities. My first question is you have highlighted in your presentation a new ambient lighting order. If you could just talk about some more details in terms of the size and what client?

Pranav Relan: So, we have got a couple of new models for Maruti Suzuki. The size is a little small, but it should be starting in 2028.

Jatin Chawla: Got it. And your overall order book is at a similar level as the last quarter's order book at INR650 crore. So, has there been no kind of change in the overall order book broadly?

Pranav Relan: So, we are actually bidding for a lot more business. So, as confirmations come, then we will share that quarterly.

Jatin Chawla: Got it. When I look at your overall revenue growth this quarter and over the last few quarters, the top-line growth is now largely in line with the production growth at your key client Maruti. Earlier it used to be a lot higher. I understand there is an element of model seasonality in this. When do you see this kind of starting to change and NDR's outperformance over the key client's production schedule starting to kick in?

Pranav Relan: So, as soon as our new projects start, I think our South project is starting sometime this quarter and then we have NDR Safety and SBR and Latch starting sometime early next year. We should have an uptick to this number.

Jatin Chawla: Got it. And for the recently launched Brezza, it seems there is a lot of excitement around the model. Are you continuing to supply what you were supplying for the outgoing model?

Pranav Relan: Yes, we continue to supply 100% of the model.

Jatin Chawla: Got it. And in this quarter release, you also talked about an INR8 crore extra spend on NDR South. So, are you looking to further increase the capacity at NDR South?

Pranav Relan: So, we actually took debt to fund that, we are converting that into equity.

Jatin Chawla: Okay. Got it. Thanks a lot. I will come back in the queue.

Moderator: Thank you. Next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Sir, firstly, thank you for the changes made to the investor presentation. That looks much better and more informative. So, please do align them going ahead also. When we look at your Slide number 8, wherein about the project expansion update you have given, I think so there are two projects that will be commissioned for this year. Firstly, about the ambient light, which you have mentioned for June 2026, that is the first quarter, and then about the South unit at Anantapur, which is expected in July 2026. So, taking into account, how will the ramp-up happen and what should we expect for the remaining part of the year to add to the incremental revenue profile?

And, you were mentioning answering to the earlier participant about some debt-to-equity conversion. I missed your point there. If you could just first explain that?

Pranav Relan: Okay. So, for NDR South, we had taken debt to invest in that. Now, we have converted that into equity. The second question is regarding the projects. So, NDR South is going to start operations sometime in the next 10 or 15 days, we have inaugurated that. So, that should add to the revenues.

And then for the third project, NDR Hayashi, that is a joint venture that we signed with the Japanese company, we have got some sunshade business that has started, and in addition to that, we have got some ambient lighting business which should start in 2028.

Saket Kapoor: Okay. So, the ambient and the sunshade business is expected to contribute from FY28?

Pranav Relan: So, the sunshade business has started. The ambient lighting business should contribute from 2028.

Saket Kapoor: Okay. And for the southern unit, we have already commissioned as mentioned in your presentation where you have also displayed the photograph. So, this will add to the totality for this quarter going ahead, this INR23 crore capex in the seat trim business?

Pranav Relan: So, we have inaugurated the plant. It is starting production in another maybe 10 to 15 days. So, Q2, you should see some addition to that.

Saket Kapoor: Okay. What should be the revenue profile for the remaining this year and when run at a full capacity?

Pranav Relan: The revenue potential for that plant is about INR70 crore to INR80 crore, subject to how the model performs.

Saket Kapoor: Sir, taking into account our EBITDA margin trend, what are we doing exactly to improve upon it, because we are in this band of 11%, correct me there? And going ahead also with the commissioning of the facility and the ramp-up therein, how are we seeing our EBITDA margin trending?

Pranav Relan: Our EBITDA margin should be at the similar level, should be at about 11% to 12% and all our commodities are indexed and that is why we are able to maintain these margins.

Saket Kapoor: Okay. Now, shifting to the P&L part, I think so the other expenses line item has gone up this quarter again on a sequential basis also and definitely on a year-on-year basis. So, what explains this increase on a sequential basis.

Pranav Relan: So, we have had a lot of marketing expenses as we are trying for a lot more customers. In addition to that, we have also had some R&D expenses because we have to make prototypes for new customers.

Saket Kapoor: So, this is one-off only. This will get evened out going ahead?

Pranav Relan: These expenses will tend to continue as we are trying to grow aggressively. In addition to that, we have also hired some people for our growth.

Saket Kapoor: Okay. But this should be the trend going ahead then. That is what the EBITDA number is. So, that has been factored. This is what the new normal should be. That is what you are trying to convey.

Pranav Relan: Yes.

Saket Kapoor: Okay. And on the growth in the revenue part, I missed in your opening remarks with order book at INR650 crore as on June and I think so you spoke about some bid pipeline also. We did revenue growth of 19.5%. So, that is what the likelihood run rate or with the commissioning of the projects, the new ones, this will get a bit uptick going ahead?

Pranav Relan: It should have a slight uptick going ahead.

Saket Kapoor: Right, sir. And on the Bharat Seats part of the story, if you could just throw light how are things shaping up and what should we expect? That is where the share of profit from joint venture is being mentioned, that is INR1.78 crore. That is also a lower number.

Pranav Relan: So, that share of profit is from Bharat Seats. In addition, there is also some loss from our NDR Hayashi joint venture. So, I think that is why there is that number.

Moderator: Thank you. Next question is from the line of Manish Gupta from Equinox Investments. Please go ahead.

Manish Gupta: Good afternoon and thank you for the opportunity. Sir, this is regarding Bharat Seats only. So, in Q1FY27, Bharat Seats has grown revenues by about 35%. So, would you say that the growth that you witnessed has exceeded the expectations that you had?

Pranav Relan: Yes, I think it has exceeded the expectations what we had.

Manish Gupta: All right. So, what would be the main contributing factors to this largish growth and are these factors sustainable?

Pranav Relan: Yes, these numbers seem to be sustainable and it is because the market is doing quite well.

Manish Gupta: Okay. And sir, in light of this, let us say, higher trajectory of revenue growth in Bharat Seats, you had earlier given a top line guidance of about INR3,000 crore to INR3,500 crore by financial year '30. So, would you be encouraged to revise that guidance upwards?

Pranav Relan: That should be about INR3,500 crore for Bharat Seats by 2030.

Manish Gupta: All right. And, apart from this premiumization of seats that is happening, air-conditioned seats or ventilated seats, so does that premiumization also flow to Bharat Seats or is it a part of NDR Components?

Pranav Relan: So, most of the premiumization comes to Bharat Seats as it does the final seat assembly. The premiumization for the frame and the seat cover tend to come at NDR.

Manish Gupta: All right. And besides four-wheeler seats, earlier there was some plan about railways, wheels or something, so are you thinking of adding some more lines to Bharat Seats?

Pranav Relan: No, no plans to do railways. We will stick to four-wheeler seats and some carpet NVH and some two-wheeler seats.

Manish Gupta: All right. Thank you, sir.

Moderator: Thank you. Next question is from the line of Saikiran from Purnartha Investments. Please go ahead.

Saikiran: Thank you, sir, for the opportunity and a very good set of numbers. Sir, I wanted to understand from the cost advantage side. So, in Q3 of FY26, we mentioned we have cost advantage. So, can you give a brief like - how we have a cost advantage? And can you give us a spectrum compared to competitors, where we fit in?

Pranav Relan: So since we make seat frames, we are probably the most backward integrated seat player and our scale helps us. I think we make more than a million seats now. So, I think that gives us cost advantages.

Saikiran: Okay, got it. And can you give a break-up, we have a target of INR3,000 crore revenue by 2030. So, can you give a break-up between existing and new facility, how much of that would be contributed?

Pranav Relan: So, the INR3,000 crore target is our endeavor that we wish to achieve. Our current revenue is about INR220 crore quarterly. You can add our order book to that. And our goal is to do about INR2,000 crore from our organic business. The INR1,000 crore inorganic part is something that we are still working on.

Saikiran: Got it, sir. And just one last question. So, we are doing customer diversification. So, just wanted to know what new products are coming in. Can you share some points on the same line and who the customers you are in talk with, and are they in the final terms or are they still going on?

Pranav Relan: So, customers we are continuously discussing with. I think the obvious ones are the Indian customers that we are targeting. But at this stage we do not want to share at the moment. Once something finalizes, then we will let you know.

Saikiran: Got it, sir. Thank you.

Moderator: Thank you. Next question is from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: Thank you for the opportunity. So, couple of questions. First, when do we expect this INR650 crore order book to be in the full ramp-up phase, by which year? Secondly, are we planning any capex depending on the customer commentary on the two non-product lands that we have on our books? So, any visibility over there in terms of capex? And lastly, what would be the asset turnover that we are expecting on the total INR150 crore capex that we are doing for the different plants and different products?

Pranav Relan: So, the INR650 crore order book should come incrementally till 2030. We are not giving a breakdown of it right now. In terms of capex, we are looking to acquire new business for the two empty lands we have. So, once we acquire new business and we think it is viable to set up a plant, that is when we will announce it. And sorry, what was your third question?

Khush Nahar: The overall asset turnover on the INR150 crore combined capex that we have planned across different plants and different products?

Pranav Relan: So, it should be approximately 4x.

Khush Nahar: Thank you.

Moderator: Thank you. Next question is from the line of Dhananjai Bagrodia from Alchemy Capital. Please go ahead.

Dhananjai B.: Congratulations Pranav and team for a superb set of performance considering this environment. Most of my questions are answered, just a couple more. In today's day and age, are we getting approached by more customers for them to diversify from their existing base? And some of the other auto OEMs are looking to diversify into defense segments and different countries, do we have any of those in our minds also?

Pranav Relan: We are getting approached by multiple customers to set up, but I think we are not at that stage. And at the moment, we are just looking to expand within India.

Dhananjai B.: Okay. And on the first part is basically predominantly what are we doing which is keeping margins so strong? Are we facing any issue from any customers that they want us to reduce any selling price or anything along those lines?

Pranav Relan: We are not facing any pressure from customers to reduce selling price. We have actually been able to set off our cost increases with operational efficiencies.

Dhananjai B.: Wow. And third part, what capex numbers are we expecting for the next couple of years?

Pranav Relan: The capex should be about INR40 crore to INR50 crore for the next couple of years annually.

Dhananjai B.: Okay. Well done, again. This is really superb numbers in this environment.

Moderator: Thank you. Next question is from the line of Romil from Electrum PMS. Please go ahead.

Romil: Congrats on a good set of numbers. Hope you are doing well. I have two, three questions. One is I just wanted to have some idea from your side, how are we planning to, kind of diversify our OEM base, because obviously right now Maruti is the core engine that is there, but let us say given some timeline of about next two, three years, how do you see that happening in terms of diversification?

Pranav Relan: Maruti is being our core client, we are bidding for business from Toyota and we are bidding for new business with Kia. In addition to that, we are continuously working with the other two OEMs.

Romil: Okay. So, let us say over the next two, three years we should see some business ramp-up from the non-Maruti clients as well?

Pranav Relan: Yes, that is what we are planning to.

Romil: Okay. Secondly, I think it is, obviously, a very good step that you are now becoming a multi-product kind of a company. But let us say going towards FY29, broadly how much can be the non-seat revenue, when you combine all the other products, and is there a major margin difference there if you can quantify something?

Pranav Relan: So, seating will probably be our largest part. Non-seating will always be a smaller part of our revenue given the content per vehicle, but I do not have numbers at the moment that I can share.

Romil: Maybe non-seat will be a slightly higher margin?

Pranav Relan: Non-seat should be at similar margins.

Romil: Similar margins, okay. And just to understand a little bit on EV, so when electrification increases, how do you see the EV contribution ramping up for us, and is it different in terms of margins or ROCE or it is similar?

Pranav Relan: So, in terms of margins and ROCEs, it is similar, and in terms of the top line, there is a slight increase.

Romil: Okay. And lastly, just on the new products, just one thing to understand maybe what would be our right to win there? Would it be cost or would it be timely deliveries, would it be quality, because obviously there will be other suppliers as well in these products. We would be maybe second or third, so some sense on how do you look at this?

Pranav Relan: It is a combination of cost, quality, delivery, relationship. There is no one single factor.

Romil: Okay. But you would be like the second or the third player here by any chance?

Pranav Relan: For which product?

Romil: In the non-seats that you are doing, let us say ambient lighting and the other products that we would be doing?

Pranav Relan: Yes, we will be the second or third player to enter.

Romil: Okay. Got it. Thanks a lot and wish you all the best.

Pranav Relan: Thank you.

Moderator: Thank you. Next follow-up question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Sir, the split I have got if you have mentioned in the presentation that the loss from the JV is INR58 lakh, so this is about the Hayashi one which you were mentioning about?

Pranav Relan: The consolidated loss for the quarter across our JVs is INR 58 lakh.

Saket Kapoor: Okay. And going ahead, how is this number likely to shape up? Since we have commercialized the unit and the cost have been now flowing through the P&L, so with the commissioning in the coming 10 days and you will get at least one month only, if you could just give a number of what would be its contribution when ramped up at set optimum level in terms of a quarterly basis?

Pranav Relan: So, actually, the loss is going to continue for some time. We have got the whole team in place right now and we are currently acquiring a lot of new business at the moment.

Saket Kapoor: Okay. So, even with the ramp-up of the businesses, we are going to continue to book losses here in for this joint venture.

Pranav Relan: So, we will continue to have losses for some quarters until we touch a break-even point for sales.

Saket Kapoor: Okay. And can you give timeline, this number of 58 lakh would be higher going ahead or this is the ballpark number? I think so this is only the employee cost or the overhead expenses that are there and the depreciation or if you could just elaborate what are you trying to explain the losses will continue?

Pranav Relan: So, we have the whole overhead setup, we have the whole team setup right now. So, that is why the losses are continuing and the plant is still small for the organization that is setup.

Saket Kapoor: Correct, sir. And when we look at the southern unit part, NDR Auto South, what would be their contribution and how that will get consolidated? How will their performance be reflected? It will be under the joint venture only? How will those numbers be reflected to the P&L?

Pranav Relan: Yes NDR South is a 100% subsidiary, so its revenues will be reflected in our consolidated financial statement.

Saket Kapoor: And how will their contribution shape up? Like now their commissioning is also there going ahead and…

Pranav Relan: That should be positive, but the exact numbers, I think we will share that with you when the results come.

Saket Kapoor: Okay. So, just to conclude, on what we have done on Q1FY27 basis, there is a very good likelihood that we improvise and exhibit better operating profit going ahead with the commissioning and also the cost rationalization that will happen with the ramp-up. Is this understanding correct, sir?

Pranav Relan: Yes, it should be.

Saket Kapoor: Okay. And regarding Bharat Seats, are we looking for in-person client engagement with your investors going ahead?

Pranav Relan: Yes, definitely. You can connect anytime.

Saket Kapoor: Thank you, sir.

Moderator: Thank you. Next question is from the line of Jatin Chawla from RTL Investments. Please go ahead.

Jatin Chawla: My question is pertaining to your Aurangabad plant. Any kind of timelines on, when are you looking to start, because it seems Toyota's India similar plans for plant in Aurangabad, that is significantly delayed. So, can we use this plant for any other client and, what is the thought process there?

Pranav Relan: So, we have got the land at the moment. We are still acquiring business from Toyota. Once we acquire the business, that is when we will look to set up the plant.

Jatin Chawla: But would it be right to say that it is difficult now that we get too much business by FY30 there, because I think Toyota is now saying calendar year '29 is when the plant starts?

Pranav Relan: Yes, that seems to be correct.

Jatin Chawla: Got it. And you said that your margins on seats and non-seats would be similar. I think your asset turns on the non-seat business is higher, so should not the margins there be a little bit lower, because I would assume you would have a similar ROCE profile?

Pranav Relan: So, the new products that we have done, the ROCEs will be slightly lower, but in terms of our overall numbers, it should not change much.

Jatin Chawla: Got it. And on the NDR Hayashi side, when you said it will take a few quarters for break-even, any ballpark revenue range where you kind of break-even in that joint venture?

Pranav Relan: So, it should be about INR100 crore to INR150 crore that it should break-even in. We were hoping that the Toyota project would have come earlier which would have helped us a little, but I think that is also slightly delayed.

Jatin Chawla: Got it. Thanks a lot.

Moderator: Thank you. Next question is from the line of Tanish Vhora from InvesQ PMS. Please go ahead.

Tanish Vhora: Actually, a follow-up question from a question asked before. Just wanted to know what is our revenue ballpark potential for the JV which we have done with Hayashi in the next two to three years?

Pranav Relan: The potential that we were targeting is about INR200 crore to INR300 crore, but that was over the course of five to six years.

Tanish Vhora: Got it. And again on the target which you have given about INR3,000 crore, what will be the main lever? Will our seats and frame trim products be the main lever or any other product which you see can be a big trigger for achievement of that INR3,000 crore?

Pranav Relan: So, our largest product will be seats, but we continue to look to add new products to touch our target.

Tanish Vhora: One last question. What is the ratio of the trims to frame that we provide to Is there any range if you have for the same?

Pranav Relan: I do not have that off hand, but we can share that with you.

Tanish Vhora: Yes, sure. Thank you.

Moderator: Thank you. Next question is from the line of Rajesh Agarwal from Moneyore. Please go ahead.

Rajesh Agarwal: I wanted to ask you a question that we have a vision of INR3,000 crore turnover by 2030. So, what would be the sustainable EBITDA margin then?

Pranav Relan: We have only given a top-line number as a guidance; we are not giving EBITDA margin guidance.

Rajesh Agarwal: But it will be around this range only, 10% to 11%?

Pranav Relan: So, we are not sharing that.

Rajesh Agarwal: Okay. Thank you.

Moderator: Thank you. As there are no further questions, I will now hand the conference over to the management for closing comments.

Pranav Relan: Thank you for your time and participation. We continue to be optimistic about the opportunities before us and look forward to sharing these with you as we move forward. Should you need any input or clarification, please write in to us or our Investor Relation partner, CDR India. Thank you.

Moderator: Thank you. On behalf of NDR Auto Components Limited, that concludes this conference. Thank you for joining us.

Please note: *We have edited the language, made minor corrections, without changing much of the content, wherever appropriate, to bring better clarity.*