Date: 06 February 2026

To,
BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.
BSE Scrip Code: 544294

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Scrip Symbol: ROSSTECH

Subject: Transcript of the earnings call held on 04 February 2026.

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the earnings call that was organized to deliberate on the business performance and financial highlights for the quarter ended 31 December 2025.

Request you to kindly take the above information on records.

Thank you,

For **Rossell Techsys Limited**

KRISHNAPPAYYA DESAI
Digitally signed by KRISHNAPPAYYA DESAI
Date: 2026.02.06 10:57:14 +05'30'

Krishnappayya Desai
Company Secretary & Compliance officer

Encl: Earnings call transcript

"Rossell Techsys Limited

Q3 FY '26 Earnings Conference Call"

February 04, 2026

MANAGEMENT: **MR. RISHAB GUPTA – MANAGING DIRECTOR – ROSSELL TECHSYS LIMITED**
MR. SENTHIL BALASUBRAMANIAN – CHIEF EXECUTIVE OFFICER – ROSSELL TECHSYS LIMITED
MS. ZEENA PHILIP – CHIEF OPERATING OFFICER – ROSSELL TECHSYS LIMITED
MR. JAYANTH V. – CHIEF FINANCIAL OFFICER – ROSSELL TECHSYS LIMITED

MODERATOR: **MR. MANISH VALECHA – ANAND RATHI SHARES AND STOCKBROKERS LIMITED**

Moderator: Good morning, ladies and gentlemen, and welcome to the Rossell Techsys Q3 FY '26 Earnings Conference Call, hosted by Anand Rathi Share and Stockbrokers Limited. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish from Anand Rathi Share and Stockbrokers Limited. Thank you and over to you, sir.

Manish: Thank you. Good morning, ladies and gentlemen and thank you for joining the 3Q FY '26 Earnings Conference Call of Rossell Techsys Limited. We have with us from the management team today, Mr. Rishab Gupta, Managing Director, Mr. Senthil Balasubramanian, CEO, Ms. Zeena Philip, COO, and Mr. Jayanth V., the CFO.

I now hand over the call to Mr. Rishab for his opening remarks, post which we will take the questions from the participants. Thank you and over to you, Mr. Rishab.

Rishab Gupta: Thank you, Manish. Hi, good morning, everyone. I am Rishab Mohan Gupta, Managing Director of Rossell Techsys Limited. I am joined today by our CEO, Mr. Senthil Balasubramanian, our COO, Ms. Zeena Philip, and our CFO, Mr. Jayanth Vishwanath. On behalf of the entire leadership team, I extend a warm welcome to all our investors, analysts, and stakeholders joining us today.

This has been yet another record-breaking quarter for Rossell Techsys, reflecting the accelerating trajectory of our business across sectors, customers, and geographies. As a newly demerged and independently listed entity, we have continued to build strong sustained momentum quarter after quarter, demonstrating the strength of our strategy and the discipline of our execution.

In the third quarter of the financial year 2026, it marks a significant milestone in our growth journey. We delivered revenue of around INR130 crores, reflecting a 72% year-on-year increase and achieved the highest quarterly and monthly revenues in our history. Our monthly run rate to annual run rate metrics continue to set new internal benchmarks, providing strong forward visibility into the year 2027. Profit before tax stood at INR8.23 crores, underscoring the scalability and resilience of our operating model.

For the nine-month period, performance has been equally robust. Revenue grew by 98% year-on-year, rising from INR173 crores to INR343 crores. Our PBT also increased to INR19 crores compared to INR1.2 crores for the last year, despite a rise in our financial costs and growth in working capital utilization. This demonstrates the strength of our operational performance and disciplined financial management.

Operationally, the third quarter has been among our strongest quarters to date. Our entry into the semiconductor equipment manufacturing segment is scaling rapidly, generating over INR10 crores in revenue in the very first quarter after qualifications. Our space technology programs have advanced into volume-ready status with the first large production batch expected to be delivered before the end of the financial year.

Our defence aerospace programs continue to perform strongly with consistent on-time delivery. A significant new order from one of our valued existing customers has recently been secured, providing a strong boost to our order book. Both our defence and non-defence programs continue to benefit from duty-free entry into the US, enhancing customer competitiveness.

Our diversification strategy continues to pay off meaningfully. During the quarter, we submitted bids of around INR700 crores in the aerospace, semiconductor, and space technology sectors. These opportunities reflect our growing capabilities in next-generation engineering and high-reliability manufacturing.

We also received firm orders for over INR200 crores in the third quarter and expect outcomes on several pending bids in the coming quarters. Our investments in automatic and semi-automatic machinery are already driving measurable efficiency gains. Our inventory closed at INR289.22 crores, strategically aligned with our FY '26 and FY '27 growth roadmap.

Our financial position remains strong and well-supported. We enhanced our working capital limits backed by increased commitments from our banking partners. To enable our next phase of expansion, we are planning a Qualified Institutional Placement, a QIP. This capital raise will strengthen our balance sheet, support capacity creation, accelerate execution of large programs, and broaden our institutional investor base as we scale across multiple high-growth sectors.

Our people remain the core of our growth engine. As of December 31, 2025, our total workforce stands at 1,177 people, including 904 employees, contract staff, and consultants, supported by 273 trainees and apprentices. We continued our structured approach of transitioning long-tenured contract staff to on-roll positions, strengthening retention, stability, and capability maturity across the organization.

We also continue to reinforce our strong foundation of quality and compliance. We successfully completed the AS9110 Stage 2 audit. Our AS9100 certification remains valid for the next three years with annual surveillance audits. We are progressing steadily toward CMMC 2.0 compliance, which is critical for long-term participation in the US defence programs and global supply chains.

We are witnessing strong and sustained order inflow across the semiconductor, space, and defence programs. Further to our earlier announcement on capacity expansion within our current premises, which is expected to take some time to be fully operational, we are now assessing the option of leasing an additional facility of about 210,000 square feet to address the sharp uptick in our demands.

These expansions will significantly strengthen our ability to deliver high-volume programs and deepen our presence in the Middle East and European markets. We are planning to take this building on lease on the first of April 2026.

Our third quarter has been another remarkable quarter for Rossell Techsys. With diversified sectoral traction, strong order visibility, disciplined financial management, and timely capacity expansion, we are entering a truly transformative stage of our journey. To put our journey in perspective, from the inception in 2011 until the year 2024-2025, nearly 14 years, we delivered around INR1,300 crores in cumulative revenue. Today, we are delivering that same scale within just two financial years, the current year and the next.

Importantly, this extraordinary growth has been achieved without any external equity infusion, powered entirely by operational excellence and the steadfast support of our banking partners, to whom we express our sincere gratitude. With our first-ever equity fundraise through a QIP now underway, we are strategically positioned to elevate Rossell Techsys to the next level of scale, capability, and global competitiveness.

Thank you all for your trust, confidence, and continued support. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Hemanth from Anandan Capital. Please go ahead.

Hemanth: Congratulations on a good set of numbers, sir. So, if I understand correctly, you suggested that with the current run rate, can we expect this FY '26 numbers to be INR500 crores and we are expecting FY '27 to be INR800 crores revenue?

Rishab Gupta: I can say that our fourth quarter is going to be better than our third quarter and we are looking at similar kind of growth that we had this year, next year as well.

Hemanth: Okay. That is good to hear, sir. Another question is, could you help me understand what exactly are we doing in semiconductor and the space program?

Rishab Gupta: Yes, sure. So, we are building again wire harnesses for the machines that build the semiconductors. So that is what we are doing with our customer for semiconductors. And in space, we are doing wire harnesses again for different programs like satellites and stuff like that.

Hemanth: So, what kind of market opportunity are we looking at in these two sectors?

Rishab Gupta: Huge. The market opportunity is massive. I am sure you are seeing what is happening in the semiconductor space. The growth in semiconductors over the last five years has been enormous and it is going to continue -- growing significantly moving forward. So, we haven't even scratched the surface yet with the semiconductor space and we feel that our growth -- a significant portion of our growth moving forward and this year is going to be due to our semiconductor business.

Hemanth: Okay, and we are looking at raising some funds. What is the amount of funds are we looking to raise and what exactly we plan to do with those funds?

Rishab Gupta: We are looking at raising up to a maximum of INR300 crores and it is primarily to fuel our future growth, for expansion in our facilities for infrastructure, plant tooling, machinery, training and so on and so forth.

Hemanth: So recently we had some expansion in the current Bangalore facility if I remember correctly?

Rishab Gupta: We had only 20,000 square feet of expansion space available which is going to be ready in the next few weeks. But apart from that, we are planning to take a building on lease from the first of April of the year 2026-2027 of around 210,000 square feet to fuel our growth and our expansion plans.

Hemanth: Yes, and the last question, sir, what like what profit margin are we looking at, sustainable profit margin over let's say next three to five years?

Rishab Gupta: It is going to keep improving because of the scale as well and we were doing a lot of FAIs this year which are First Article Inspections. So, once you get lean on those programs after they are qualified, when they go into production, the margins do get better and increase. But in this industry, we are looking at anywhere between 17% to 22% moving forward.

Moderator: We have the next question from the line of N. Das from Kotak.

N. Das: Congratulations on a wonderful Q3. Just wanted to check as per the recent India-US trade deal, how does it benefit Rossell? What do you perceive of this trade deal?

Rishab Gupta: See, I mean the trade deal is one thing, but just generally for aerospace and defence, I think there is a lot of potential. If you have even seen, I think the US has increased their defence budget from $900 billion to $1.5 trillion. A lot of European countries are spending a lot more on aerospace and defence to secure their borders. So, as an industry, I would say aerospace and defence has tremendous potential moving forward and Rossell is very well positioned to grab a lot of that business moving forward.

So yes, the trade deal definitely does help as well and one thing which is certain is that there are not going to be any tariffs as well moving forward because we have got exempt for all of those. So, for the sector we are in, it is all very, very positive and that is why as an organization we are taking all the right steps to ensure that we can meet this incoming demand that we foresee from all our different customers.

Moderator: Thank you. We have the next question from the line of Raj Vyas from Bonanza Portfolio.

Raj Vyas: Couple of questions. One is, we have mentioned that we have submitted bids of approximately INR700 crores during the quarter and we have also received additional orders exceeding INR200 crores. So, this excess of INR200 crores is out of this INR700 crores or this is separate? And if it is so, then of this INR700 crores, how much has been translated into actual orders and what is the typical timeline for completion?

Rishab Gupta: So, we submitted bids for INR700 crores in this quarter. The INR200 crores POs we received are separate to what is outstanding and decisions to be taken yet. Normally once you submit a bid, it depends on again the customer and the platform and the urgency, but decisions can take anywhere from one month to 12 months for the RFPs that we submitted.

Raj Vyas: Okay, understood. And as we are focusing on diversification and with current revenue, which is majority coming from the aerospace division vertical, so what kind of percentage of revenue breakup we are looking at going ahead? In so for example, X, Y, Z percentage from aerospace coming or from semiconductor? If you can give this kind of breakup and by what period we are looking at it to achieve at those levels?

Rishab Gupta: Sure, we are seeing growth in all our different domains, whether it is aerospace, space, semiconductors, but the significant growth is going to be coming from space and our semiconductor business. Moving forward, we are going to be approximately 50% aerospace and defence and 50% non-aerospace and defence. So that's how our revenue split is going to be moving forward, 50-50, approximately in that range.

Raj Vyas: Okay. And what is the current run rate of the revenue breakup if you can provide that as well?

Rishab Gupta: Sorry, could you repeat that?

Raj Vyas: The current breakup of revenue?

Rishab Gupta: The revenue right now?

Raj Vyas: Yes.

Rishab Gupta: Current breakup of revenue. I am just trying to do quick math in my head. I would say it is going to be approximately, this year would be approximately 70-30. I think please correct me if I am wrong, Zeena, Senthil, but on the top of my head I think it's going to be 70% aerospace and defence and 30% non-aerospace and defence, which will go to 50-50 next year.

Senthil Balasubramanian: Yes, that is correct Rishab, 70-30 going to 50-50. That is correct.

Raj Vyas: Okay, okay. Any sort of challenges that we are coming with respect to the semiconductor business because there is a lot of competition and a lot of businesses also focusing on now into semiconductor business? And so, this is one, and when we say we have volume-ready status for first production batch for space programs as well. So, by what time it will be executed and what kind of productions or the products that we are making it, if you can explain that as well? It would be very helpful.

Rishab Gupta: Yes, so for the space programs, a lot of our deliveries which will generate significant amount of revenue has already started and will continue this year and moving forward. They are basically for different space programs, for satellites that we are helping different customers with. Sorry, I missed your question, could you repeat? You were asking me where we are heading or what was the exact question, please?

Raj Vyas: So, first was that the volume-ready status for space programs. So, what kind of productions that we are looking at and the completion of the timeline that you have mentioned? And second is any sort of challenges that we are facing in a semiconductor business because there is a lot of competition and a lot of businesses focusing on that space currently?

Rishab Gupta: See, I think that's where Rossell stands out. Rossell has built a reputation of being an excellent manufacturer of different components like wire harnesses, panels and automated test equipment. We have the expertise and we are very good at what we do and that is why we stand out from the competition and that is why we are winning most of the bids we submit because we have that experience, the knowledge.

And the processes we follow to build a particular cable is much better than the rest of the world. And that's why today Rossell has over 27 customers and that's why customers are dealing with us today because of the reputation Rossell has and the quality of product that comes out of Rossell at the right price. You know, so there is competition, but I would say Rossell is very well positioned and is building products at much better prices than the rest of the world.

Raj Vyas: Okay.

Rishab Gupta: And when it comes to, yes, please.

Raj Vyas: So, I wanted to ask this, we have this India-European Union deal, right? And we have also mentioned in the in our latest annual report that Europe remains a relatively untapped region and we will be focusing on aggressive sales effort into the long to bring the long-term relationship. So, any update on that and how we are looking at it?

Rishab Gupta: Yes, sure. So, a lot of efforts have been put over the last 12 months in Europe and I am happy to say that we will be releasing some very positive announcements soon of some tie-ups and some partnerships that we are planning in Europe. So that information will be available very shortly.

And we have also got some really good RFPs from some European customers, which we are bidding for now, which will hopefully get us an entry into the European market as well. So that is looking very positive in the near term.

Raj Vyas: Really happy to know about that. And last question…

Moderator: Sorry to interrupt Raj, I would request you to kindly rejoin the queue again for more questions.

Raj Vyas: Okay.

Moderator: Thank you. We have the next question from the line of Ayush Agarwal from MAPL Value Investing Fund. Please go ahead.

Ayush Agarwal: Hi, Rishab. Good morning and congratulations on a good set of numbers. My first question is that you mentioned two things in your comments. One is that aerospace and defence share will reduce probably starting next year itself. And second thing which you mentioned is that our margins will also increase. So, I am just trying to understand if I am reading this correctly that, you know, the non-aerospace business would have higher margins than the aerospace business. Is that a correct understanding?

Rishab Gupta: I mean, I wouldn't say straight up that it has higher margins for what we do in wire harnesses. We can look at anywhere from 17% to 22% of margins moving forward. You did mention that our aerospace and defence is not growing. That is not true. Our aerospace and defence business is growing also quite significantly, but the growth that we are foreseeing in our semiconductors and space domains are going to be much, much higher than the aerospace and defence sector.

That's why our ratio from 70-30 is moving to 50-50. But the aerospace and defence business is growing significantly as well. Our scale is going to be much larger going forward. We're looking at much larger numbers moving forward. So that's why when we look at the scale that we're looking at moving forward, that's why the difference is coming from that perspective.

Ayush Agarwal: Understood. So just, if you can help us understand better that currently we have been doing in the range of 12%, 13%, 14% margin, whereas some off quarters we have seen, 17% margins as well. What will lead to this bridge in margins from 13%, 14% to above 17% and 18%? What will actually lead to that? What are the levers that...

Rishab Gupta: Yes, so when things go into production, so what we're doing right now is since we've got lots of new orders and lots of new customers, we go through a process called an FAI, which is a First Article Inspection. That means everything needs to be qualified before it can go into production.

So, we've been doing a lot of FAIs this year, a lot of qualifications this year. And when you're doing that, obviously your profit margin reduces significantly until it reaches production level. So, once all these programs get into production, you'll see a significant uptick in our in our profit margin.

And second, operational efficiencies. We are bringing in a lot of efficiencies in the company to increase our margins too. Tighter controls on inventory and cash moving forward. And most importantly scale. The way we are scaling, we are showing a 98% growth compared to last year.

This momentum is going to keep continuing and with the growth that we are envisaging over the next 8 to 12 quarters, that's how our margins will significantly increase moving forward. So, 17% to 22% is the range we're looking at in the short and medium term.

Ayush Agarwal: Understood. My final question, if you can help us understand in the wire harness business itself, between a semiconductor business and of course there would be multiple SKUs that we do in semiconductor also, but if we have to compare the semiconductor and the space business in wire harness versus whatever we do in defence in multiple platforms, the complexity and, the challenges. If you can help us understand that because that will really, you know, give some qualitative aspect on the semiconductor business?

Rishab Gupta: Yes, I am not very technical but on the face of it, I can leave Zeena or Senthil to answer that question. But on the face of it, just one big distinction between aerospace and defence and our other domains is that aerospace and defence is low-volume, high-mix. The other businesses that we are in are high-volume, low-mix. You know, so the numbers are much larger when it comes to the semiconductor and the space technology side compared to the aerospace and defence sector. So, the numbers are much, much larger. From the technical standpoint, I will leave it to Zeena or Senthil to answer that question.

Zeena Philip: Yes, I can probably answer that. I'm Zeena here. From a complexity perspective, there are complex harnesses with both customers in the space sector as well as in semiconductor sectors. As Rishab said, it is to do with the volume and the off-take. So, the volumes are probably closer to medium volume and high mix in both programs in both industry sectors.

So, from a complexity perspective, the process what we follow could be slightly different for space industry as well as and semiconductor industry, but the complexities are unique. I would say the complexities are unique, but at the same time there could be simple harnesses in both industries. So, you can't compare between it, but I would rather say that it's a medium volume and the complexities vary but there are complexities in both industry sectors.

Ayush Agarwal: Understood. Thanks for answering my question.

Senthil Balasubramanian: Correct. I'll just add one quick comment to what Zeena just mentioned. You know Rossell has been very, very successful in making, designing, and manufacturing extremely complex wire harnesses for all of the defence industry. So, it makes it very, very attractive for space and other industries because we are qualified at the highest level and our quality ratings are all green. So that puts Rossell in an extremely advantageous position for space programs or other programs.

Moderator: Thank you. We have the next question from the line of [Priyansh Midha from NGP Family Office 0:26:40]. Please go ahead.

Priyansh Midha: Yes, thank you, ma'am. Great set of numbers, sir, and the team. My question is just on top of the last question that was asked on the wire harness part of it. So, as a company as we grow, as we become Tier 1 or Tier 2 supplier for prominent OEMs, right? I want to understand this how the IP that resides with this harness design is withheld with whom?

Like are we supporting the OEMs from their design stage? And what sort of lock-in that will have with our product? Like can any other company create the similar design of harness or is it exclusive to us?

Rishab Gupta: So, most of what we were doing initially was a lot of build-to-print work. That means we used to get the drawings from our customers and we just used to follow the instructions. So, the IP belongs to all our customers that we deal with. We have done some R&D work and engineering work for all our different customers as well, which comes under build-to-spec.

So, when we are doing build-to-spec work, that's when IP discussions happen and intellectual property is discussed. Sometimes it's shared, sometimes it's owned by Rossell, sometimes it's owned by the customer itself. So, it completely depends. But Rossell as an organization can do both build-to-spec and build-to-print work for our different customers.

Priyansh Midha: Okay. Sir, just a follow-up question. So, the IPs that we retain with Rossell, so can we monetize it further with say local Indian companies once we learn those art and craft from foreign clients? Is that a fair understanding?

Rishab Gupta: See, what we're doing on the R&D side, we're developing a few things where the IP will belong to Rossell and those things can be shared with the Indian market and the global market at much cheaper prices. But when it particularly comes to IP, Rossell hasn't done much work where the IP belongs to Rossell as on today.

Yes, Rossell is doing a lot of build-to-spec work with our different customers and depends on the program, sometimes the IP is shared, sometimes it belongs to our customer as well. So, it completely depends on what the product is and what the opportunity is that we are looking for.

Priyansh Midha: Okay. Last question, sir. The lab we have, right? Tinkering Lab where we do the innovation. Like is there any innovative sector, like I'm not asking directly on the product part of it, but any other interesting sector or any other product that we are experimenting with?

Rishab Gupta: On the R&D side, yes, we spend quite a bit of money on our R&D year-on-year and we are developing some products which can be sold in the global market at much cheaper prices. Products that help our existing competencies, our existing business, instead of buying those products from different customers around the world. The idea is to develop it in-house and qualify it so we can use it for not only our program needs but something that the world can use as well. So yes, definitely we do focus on R&D and we do have a list of products we are developing in-house as we speak.

Priyansh Midha: Thank you for answering the question, sir. Wish you a very well future ahead. Thank you.

Rishab Gupta: Thank you.

Moderator: Thank you. We have the next question from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Hello, sir. I am fairly new to this company. I just want to understand how much percent of our revenue is from USA, Europe and India?

Rishab Gupta: Again, I'll have to do a quick math in my head. Zeena, Senthil if you have that answer please give it, but just doing a math in my head. Let me get back to you with an answer. It's a difficult thing that needs to be done. I don't have the ready-made answer. How much percentage is US and non-US in our business? Revenue percentage…

Senthil Balasubramanian: Currently we are running at around 83% US and non-US. We will be improving it. Around 80% would be US and 20% non-US. Jayanth, if you want…

Jayanth Vishwanath: So it will be around that range, 80-20. So, we can take 80-20 for now but yes, that will obviously change once we get more European customers, yes.

Raman KV: Understood, sir. So, my follow-up on this is, 80% of the revenue is from USA and despite having 15% duty, you were able to grow. Given that the duty has now reduced to 18%, can we expect the US revenue to grow faster?

Rishab Gupta: So Rossell was never impacted by the duties and the tariffs. Rossell has always been getting exemptions, so that really has not impacted us at all. And yes, our revenue definitely is increasing with our American customers significantly and that's why we're able to show the scale and the growth that we have this year as well.

We've shown a growth of 98% and like I am saying, this growth should continue at least for the next 8 to 10 quarters. So, this is the momentum we're looking at moving forward and the growth is from all our different customers, not specific to the US or Europe.

It's just generally all around because there is a lot more spend happening on defence globally and Rossell has a very good reputation in the market and orders just keep coming our way now. So, we need to be planned, ready from an execution standpoint, not from an order standpoint.

Raman KV: Understood, sir. And sir, my second question is, currently we have two facilities, one is in Bangalore, which is 2.4 lakh square feet, and another one is 4000 square feet in USA. You're planning to add another 2.1 lakh square feet in Bangalore or in USA?

Rishab Gupta: In Bangalore. So next to our existing facility, we're taking a building on lease starting first of April of another 200,000 square feet to meet the demand and the growth that we foresee.

Raman KV: And currently from the Bangalore unit one, how much capacity utilization is this unit running at?

Rishab Gupta: So right now we are working I would say 1.5 shifts. Depends on the customer and the program and the need of the business. So, we do approximately 1.5 shifts. We can definitely increase that to 2 or 3, but with the growing demand we foresee and the business coming our way, even working in 2 shifts the space is not going to be enough because we're getting new customers and new businesses and Rossell's culture and vision has always been to have Centres of Excellences for all our different customers where we have dedicated people, plant tools, machinery and so on and so forth.

So, it's difficult if it's the same customers and we get more double the amount of business, we can execute it from our existing facility. But we're getting new customers as well and the mindset is to have Centres of Excellence and we're already short of space today and that's why it's prudent that Rossell has enough space to be able to meet the revenue month-on-month moving forward. So, it's prudent that Rossell has this additional space by the first of April.

Raman KV: So, my…

Moderator: Sorry to interrupt Raman, I would request you to kindly rejoin the queue again for more questions.

Raman KV: No, this is it.

Moderator: Thank you. We have the next question from the line of Hriday Chokshi, an Individual Investor. Please go ahead.

Hriday Chokshi: Good afternoon, sir. Thank you for the opportunity. Congratulations on a set of numbers. Sir, quick question. So, you mentioned we're going to have a difference in the split of the business going forward from aerospace and defence to space and semiconductor?

Can you just outline, so the benefit of the group a future path as to next year, the year after next and, a 3 year vision, what is our guidance going to look like in terms of our revenue numbers and can you also tie this in some way with our existing order book and strategic agreements and with the future guidance on the margins as well?

Rishab Gupta: Yes, see, I can't give you specifics but I'm because I am not allowed to give forward outlooks being a publicly listed company. But I did kind of hint at, what kind of revenue we're targeting for next financial year. If you can see our revenue growth is 98% this year and the message I can give you is that that's the momentum that's going to be moving forward and that's the kind of scale we're looking at over the next 24 to 30 months, an increase year-on-year, a significant increase in our revenue year-on-year.

If you look at it from an order book standpoint, today Jayanth please correct me if I am wrong with my numbers, but today our confirmed POs on hand would be over INR750 crores and our strategic agreements would be over INR2,500 crores. So that's where we stand from an order book perspective.

Hriday Chokshi: And sir, so when are we, so this INR2,500 crores, when do we expect, over what time frame do we expect to execute this and along with this then what is the additional pipeline of orders?

Rishab Gupta: So you can take for these INR2,500 crores, you can take 3 to 5 years. The INR750 crores confirmed POs you can take over the next 2 years. And like I said earlier, we submitted bids for INR700 crores this quarter. Decisions take 6 to 12 months. Rossell received confirmed POs of INR200 crores in this quarter as well.

So that's something that's ongoing. We're submitting significant amount of bids on a weekly basis and the outcomes of that will be known six to 12 months after bids are submitted. So that's how the bidding process works in our industry.

Hriday Chokshi: Noted. Sir, last two quick questions.

Moderator: Sorry to interrupt Hriday, I would request you to kindly rejoin the queue again for more questions. Thank you. We have the next question from the line of Karan Sanwal from Niveshaay. Please go ahead.

Karan Sanwal: Thanks for the opportunity. So, do we have any domestic revenue in this quarter or was it entirely export? And any large domestic opportunities are we expecting to come our way in maybe medium, short to medium term?

Rishab Gupta: So we're doing a lot of marketing efforts now to increase our work share with the different Indian customers, whether it's the public sector undertakings or the private companies like the Tata, L&Ts and Mahindra. A lot of efforts are being made and we have identified a few programs and targeted a few programs to work on in partnership or as Rossell itself.

So that's something that Rossell is focusing on a lot and very confident that we should have some good traction with our Indian customers in the short term as well. When it comes from a revenue perspective, 99% of our revenue is all export.

So that's our company is an export-oriented unit and we've always focused on exports. We've just started focusing on the domestic market and very confident that we'll be a significant player moving forward in the Indian defence market as well.

Karan Sanwal: Understood. And sir you talked about -- we developing capabilities for Build-to-Spec, so what would be your rough approximate split currently and how do we expect this to move maybe 4-5 years down the line? BTP to and BTS?

Rishab Gupta: So right now I would say it's 90-10 if I am not mistaken. Please correct me again Zeena, Senthil. I would say it's 90% Build-to-Print, 10% would be Build-to-Spec. Moving forward, yes, the idea is definitely now Rossell is growing significantly, we are entrenching ourselves a lot more with all the different foreign OEMs that we deal with today.

We want to entrench ourselves at the lower levels where the decisions are taken where Rossell can also make investments for multiple programs. So, our relationship with the customers are deepening significantly and it's opening up a lot of opportunities for a lot of other Build-to-Spec work that we foresee coming our way as well.

Whether it's from developing a product or tying up with our different customers to give them a product that they are looking for. So that's something that we are focusing on as well. It's going to be very difficult for me to put a number or a percentage to it, but it all depends on the need of our customers and what they are exactly looking for.

Karan Sanwal: Understood. Fair enough. One last question. So how many customers are we working in currently in the space and semiconductor, segment?

Rishab Gupta: So on the space segment, please note there are only two or three companies in the world that deal in space and we've tied up with both of them. On the semiconductor side we're working with one large company and a lot of their other subsidiaries in different parts of the world.

Karan Sanwal: Understood. Thank you so much and all the very best.

Rishab Gupta: Thank you.

Moderator: Thank you. We have the next follow-up question from the line of Raj Vyas from Bonanza Portfolio. Please go ahead.

Raj Vyas: Yes, thanks for the opportunity again. My question is with respect to the return on equity and it’s a hidden ratio. So currently at 6.08%, what is our aim for say next three to five years?

What is the aim or the goal we are looking at to say that this is the sustainable return ratio that we can maintain for the coming years?

Rishab Gupta: So, could you repeat the question? I lost you in the middle please. Could you please repeat that?

Raj Vyas: With respect to the return ratios. Return on equity is 6.08% currently. So, what is our aim to for say in the next three to five years down the line that this should be the sustainable return ratios that we can look at it and it is sustainable going ahead as well?

Rishab Gupta: See, our business as it stands today, we are sustainable. We are showing profits and high growth year-on-year. I'll let my finance -- I'll let Mr. Jayanth answer that question. But like I'm saying our profitability should be in the range of 17% to 22% moving forward. Our earnings ratio Jayanth, would you like to comment on that please from its current 6.08% where do we target in three to five years?

Jayanth Vishwanath: Yes, ROE we are between 12% to 15% as of now currently and we are looking at consistent steady improvement in the next two, three financial years without giving any particular guidance as such.

Raj Vyas: Okay. Thank you so much.

Jayanth Vishwanath: Thank you.

Moderator: Thank you. We have the next question from the line of Ayush Mittal is the director with Mittal Analytics. Please go ahead.

Ayush Mittal: Hi. Good morning, everyone in the team. First of all, heartiest congratulations for such a good performance yet again. It's heartening to see the company having grown to this levels. I had asked this question earlier in the concalls also and maybe it's just a repeat. On the more on the margin side, I think we have been aiming for margins of more than 17% to 18%. However, yet again in this quarter despite lot of growth the margins are around 13% odd. What are the factors which have resulted into this kind of margin and what are the levers which will result into better margins going forward?

Rishab Gupta: See, Ayush, a lot of FAIs are being done. Like I am saying, we've got a lot of new customers. With these customers, you need to qualify their products so it goes through a phase called FAI which is First Article Inspection. So, a lot of effort, energy is taken to qualify these products. And once these products are qualified, that's when you start getting revenue and higher profitability.

So, a lot of FAIs were done this year which will start giving us higher margins starting in the fourth quarter of this year and moving forward. So that's one of the reasons. And second is scale. Scale is definitely something that is going to improve our margins moving forward. Like I am saying, our scale and our growth is going to be significant, just like we've shown scale this year.

That's the way it's going to continue moving forward. And we'll see our numbers increase significantly as well. Also, we've had to buy a lot of raw material this year so we can meet our contractual obligations starting first of April next financial year. So that's the cycle and that's how it's done. But very confident next year our profit margins will be much higher than what it is this year.

Ayush Mittal: Okay. Second observation I have is that our order book has been kind of stable at this INR700 odd crores number for quite a long time, despite a material growth in our revenue. So, if we see the order book versus the revenue we are currently, I think this ratio has been declining despite new visibility and order wins etcetera. Can you share any specific reasons for this because it will become harder for [inaudible 0:44:08].

Rishab Gupta: I wouldn't say it's declining. Even Rossell's order intake has increased significantly. Our POs, the values of contracts that we're winning is much higher. But please note for our new customers that we've got which are non-aerospace and defence, those are quick turnaround times. They're not long-term contracts, especially in the space sector and the semiconductor sector.

You get an order; you execute it and then they give you a repeat order and place a new PO on you. So, for a lot of these new customers, it's quick turnaround. You get an order, you execute it. So, it's not showing up in the value of our order book because they've been executed already. So, it depends on the nature of the customer, but I would definitely say our order book has gone up because our billing is going up on a monthly basis.

If you can see our revenue on a quarterly basis is going up pretty significantly. If you look at it, it's INR130 crores for this quarter, which comes to an average of approximately INR43 crores of billing a month. So that does mean Rossell keeps getting orders on a monthly basis which is executable in that month or the future months. So that's what it is and very confident we're expecting some really large orders. In fact, we've signed a few really large orders in the last week, which obviously is not reflected in these numbers, but that will show up over time and in the next quarter.

Ayush Mittal: Thank you. We have the next question from the line of Rahil S from Sapphire Capital. Please go ahead.

Rahil S: Hi, sir. Good morning. So just clearing my confusion about the margins. So earlier in quarter 1, all the way in the beginning of the year you had guided 17% to 18% for the full year. Of course, considering the last three quarters, that number seems a bit far-fetched for this whole year? Any quarter 4 you are saying there will be improvement, but any sort of range you expect EBITDA margin?

Rishab Gupta: It is going to be difficult for me to give you that answer right now. Like I am saying, we will see an improvement. How much improvement that will be it will be difficult for me to give you a forward outlook on that, but very confident that our EBITDA margins will go up in the fourth quarter.

Not only on the fourth quarter, I think our margins now will go up significantly quarter-on-quarter because of the scale that's coming our way and the growth that Rossell has to deliver to. So, because of these reasons, our margins will keep getting better. I did mention 17% to 18% at the beginning of the year, but our revenue targets were very different at the beginning of the year.

And we've got a lot more business than targeted where we had to make some investments, we had to train people, we had to do a lot of FAIs like I mentioned earlier, First Article Inspections and due to that, it has reduced a bit for this year. But like I said, all of these once they go into production will give us those larger profit margins moving forward, which in turn obviously improves the margins for the company.

Rahil S: Perfect, sir. And how much is Boeing as part of our revenue as of today?

Rishab Gupta: This year, at the end of this financial year, Boeing will be approximately 40%.

Rahil S: Okay, still at 40%. Okay. And this semiconductor would be?

Rishab Gupta: At the end of this financial year, by the end of this financial year, but like I said our defence and non-defence next year, the ratio is going to be 50-50.

Rahil S: 50-50, okay.

Jayanth Vishwanath: Currently targeting towards 75-25 kind and we will be moving towards a 50-50 defence, non-defence and a larger portion of non-US also to add to one of the earlier queries too.

Rahil S: Okay. Got it, sir. Thank you so much. All the best to you.

Senthil Balasubramanian: See, one more comment to what Rishab said. 10 years ago, Boeing was our only primary customer for Rossell. But now the strategic vision and the direction has been to diversify our customer base. So today we are working with 30 plus customers globally and that's why the future looks pretty, pretty bright for Rossell. It is not based on one industry or one customer.

The diversification strategy has worked very well where we are now globally present and we will continue to grow in multiple parts of the world in different industries.

Moderator: Thank you. We have the next question from the line of Saumil Jain from Lucky Investments. Please go ahead.

Saumil Jain: Hi, couple of questions. First, can you spell out the inventory value at the end of this quarter? And if you could split that into raw material, working capital and finished goods, if any. And secondly on the material margin side, you've mentioned that quarter-on-quarter from here on we should see sequential margin improvement.

Can you also talk about at the material margins, what those numbers would look like because I see a significant 8%, 9%, decline year over year in the last couple of quarters on the material margins level? So, if you could spell those two out for me?

Rishab Gupta: So, Jayant if you would like to take the first question, please on our working capital limits if you can answer that.

Jayanth Vishwanath: Around INR290 crores of total inventory with around INR257 crores of raw materials as a subset of it and margins Rishab you want to explain that.

Rishab Gupta: Yes, sure. Could you repeat the second part of the question again please?

Saumil Jain: Yes, on material margins, you know we've seen 8% to 9% decline year-over-year in this quarter and in the last quarter I think too. So sequentially…

Rishab Gupta: When you say material margins, what do you mean by material margin? I don't understand what you mean by material margin.

Saumil Jain: COGS? Revenue minus COGS.

Rishab Gupta: COGS. So, you're saying our COGS has gone up? You're saying our COGS has gone up from the previous year?

Saumil Jain: Yes, and improvement…

Rishab Gupta: Yes, so that's primarily because of the business mix. It's primarily because of the business mix and the product mix. So, obviously, material varies from what you're building, from customer to customer and the domain that you're in. So, because of the product mix. If you look at it from the space side and from the semiconductor side, the material cost is much higher than the defence side. So that's why we're seeing a skew in our COGS. But like I said earlier, our profit margin will always be consistent in the range of 17 to 22.

Management: Just to add. That will be well compensated and much more beyond with the increase in volumes and demand and what we're expecting to deliver towards space and semiconductor, including non-US.

Saumil Jain: Got it. And just one follow-up on the inventory question. Do we expect inventory days to remain at these levels going forward as well?

Rishab Gupta: We have been continuously holding on the revenue…

Senthil Balasubramanian: Yes, Rishab. This is Senthil, I can answer that question. If you look at end of March, we had over 10 months of inventory carrying we were keeping. September was more around 8 and in December 2025 we've decreased it to 7, 7.5 months. So, we continue to reduce our inventory carrying in terms of months. On the inventory carrying, end of March 2025, we were carrying over 10 months of inventory. End of September, we were carrying over 8, 8.5 months of inventory. December 2025, we were carrying over 7, 7.5 months.

So you see this steady decline of our inventory carrying and we will continue to do so as we go on to the next quarters because as we diversify, some of these businesses; space, semiconductor businesses are quick turn and we will see the benefit of scale plus we will see those quick turn. So, we will continue to make progress in those areas.

Saumil Jain: Got it. Thank you for answering my questions.

Jayanth Vishwanath: To just add to it. It is noteworthy to -- we as a business have been carrying 9 to 10 months of inventory on the revenue basis consistently over the last 9 to 10 years as such. With the expansion in business and diversification, like Senthil rightly said, we're looking at reduction in the current year and also a steady reduction in the upcoming three to four financial years too.

Moderator: Thank you. We have the next follow-up question from the line of Priyansh Midha from NGP Family Office. Please go ahead.

Priyansh Midha: Yes, thank you, ma'am. Sir, just a follow-up question on the inventory side only. As you mentioned, we procured -- this year we procured a lot of material to meet our order obligation, right? So, can you throw some light like is it going to be the same like once we -- like what is the overall process of this procurement goes up on each order cycle? Like if we sign a larger deal from our aerospace OEMs, do we need to next year stock up a lot to meet those or how does it all work?

Rishab Gupta: So, it totally depends on the customer and the RFP. When you're submitting a bid, you take all of this into account. How much material needs to be bought when? So, it completely depends if it's a short-term program or a long-term program. Even in Rossell, we've made some changes on how we are procuring. The idea in Rossell is to conserve as much of cash as we can. That's why now on the inventory side; we are working with different distributors around the world where they're going to be stocking the material for us. And we're going to be calling for it on a need basis.

So instead of Rossell holding the inventory, we have our distributors holding the inventory for us, which will definitely save cash moving forward. So, there are some -- these are the initiatives we've taken as an organization. We've added different clauses in our contract. We're asking for even upfront payment from our different customers if we need to buy the material upfront. Because of these changes in strategy and how we've changed our mindset on procurement, even if there are long-term contracts, it's not going to be a case where Rossell needs to hold the material for a very long time.

Rossell's focus right now is reduction of inventory. The end goal is a three-turn inventory. That means a four-month inventory company. And very confident we've seen some reductions over the last four to five months in the company and the idea is to keep reducing the inventory holding days moving forward and very confident that we will get to the three-turn inventory, four-month inventory over the next 18 to 24 months.

Priyansh Midha: Thank you, sir. That answers my question. Thank you.

Moderator: Thank you. We have the next question from the line of Amuthan Iyer, an Individual Investor. Please go ahead.

Amuthan Iyer: Hi, thank you for the opportunity. Am I audible?

Rishab Gupta: Yes. Go ahead, please.

Amuthan Iyer: Great execution, congratulations. And very heartening to know the expansion from 1st of April. Two quick questions. One, on the last con-call, we expected the INR300 crores QIP to be closed by December. What caused the delay and what is the likely timeline now?

Rishab Gupta: So, look, QIP's process is still underway. We're looking at closing it when everything meets our expectations. Obviously, we're in dialogue with different investors. There is a lot of interest, but it's just a matter of time.

Putting a timeline to it is something I don't want to do, but it completely depends on market sentiments and who we want to partner with and which type of investors Rossell wants to bring on board for the future of the organization.

So, it's something that we're actively discussing, actively in discussions with a lot of different investors, with our merchant bankers and our partners, Anand Rathi, and it'll be done sooner rather than later.

Amuthan Iyer: Got it. My second question is with now good quick turnaround orders from the non-aerospace sector; would it be possible for Rossell to notify exchanges and also when we convert the large strategic work orders into a purchase order without naming the customer?

Rishab Gupta: So, you mean, can Rossell inform SEBI and the different stock exchanges about the orders we receive and the executions?

Amuthan Iyer: Yes, that's correct.

Rishab Gupta: Yes, yes. That's something we can do it for sure. We can look at. I'll have a word with my Company Secretary and see if we're doing that currently or what needs to change moving forward.

Amuthan Iyer: Thank you so much.

Rishab Gupta: Thank you.

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

Rishab Gupta: Thank you. Just to close, I would like to say again that the third quarter has been a really remarkable quarter for the organization. We've been able to diversify our sectoral traction, strong order visibility, disciplined financial management, and timely capacity expansion. We are entering a truly transformative stage of our journey where significant growth is coming our way and we are preparing for it.

Like I had said earlier, you know from inception in 2011 until 2025, 14 years, we delivered approximately INR1,300 crores worth of revenue and products. Today, we are delivering that same scale within two financial years. That means this year and the following year. So, growth is looking very positive. We are very well positioned.

This extraordinary growth has been achieved without any external equity infusion so far. It's been powered entirely by operational excellence and the steadfast support of our banking partners, to whom obviously we express our sincere gratitude. So very excited about the journey, very excited about the first nine months of the year and it's just going to go onwards and upwards from here. Thank you all for your time.

Moderator: Thank you, everyone. On behalf of Anand Rathi Shares and Stockbrokers Limited, that concludes this conference. Thank you for joining with us today and you may now disconnect your lines.