Frontier Springs Ltd.

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CIN No. : L17119UP1981PLC005212

November 17, 2025

To
The BSE Limited
Corporate Relationship Department
1st Floor, New Trading Wing
Rotunda Building, PJ Towers
Dalal Street Fort, Mumbai-400001
Phone: - 022-22723121, 22722037
(Script Code: - 522195)

Subject: Transcript of Conference Call with reference to the Un-Audited Financial Results for the quarter and half year ended September 30, 2025.

Dear Sir/Madam

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith a copy of the transcript of conference call conducted on November 14, 2025 to discuss the Un-Audited Financial Results of the Company for the quarter and half year ended September 30, 2025.

The above information is also available on the website of the company at www.frontiersprings.co.in

Kindly take the above on record and oblige.

Thanking You
Yours Faithfully,

For Frontier Springs Limited

Dhruv Bhasin
Digitally signed by Dhruv Bhasin
Date: 2025.11.17 15:17:25 +05'30'

Dhruv Bhasin
(Company Secretary & Compliance Officer)
Encl's: As above

"Frontier Springs Limited
Q2 & FY'26 Earnings Conference Call"
November 14, 2025

MANAGEMENT: **MR. KAPIL BHATIA**
MANAGING DIRECTOR
FRONTIER SPRINGS LIMITED

MR. NEERAJ BHATIA
CHIEF FINANCIAL OFFICER
FRONTIER SPRINGS LIMITED

MR. DHRUV BHASIN
COMPANY SECRETARY
FRONTIER SPRINGS LIMITED

Frontier Springs Limited
Q2 and H1 FY'26 Earnings Conference Call
November 14, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Frontier Springs Limited Q2 and H1FY'26 Earnings Conference Call.

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

Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Mehra from TIL Advisors. Thank you, and over to you, sir.

Abhishek Mehra: Thank you, Bhumika. Good afternoon, and welcome, everyone. Thanks for joining this Q2 and H1FY'26 earnings conference Call of Frontier Springs Limited. The investor updates have already been uploaded on the stock exchanges and the company website.

In case you do not have a copy of the same, please feel free to reach out to us. To take us through the discussion, we have today with us Mr. Kapil Bhatia – Managing Director; Mr. Neeraj Bhatia – Whole-Time Director and Chief Financial Officer; and Mr. Dhruv Bhasin – Company Secretary and Compliance Officer.

We'll be starting the call with a brief overview of the business and the financial performance, which will then be followed by the Q&A session.

I'd like to remind you all that everything said in this call reflecting any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that the company faces. These risks and uncertainties have been mentioned in our annual report.

With that said, I'd now like to hand over the call to Mr. Bhatia. Over to you, sir.

Kapil Bhatia: Hi. This is Kapil Bhatia – MD of the company. Good afternoon, everyone, and I hope I am loud and clear. Good afternoon, everyone, and welcome to the earnings call of Frontier Springs Limited Q2 and H1FY '26. We appreciate your time today and are eager to share with you the company's strong performance across all key metrics.

Beginning with the financial performance:

Frontier Springs recorded a revenue from operations of INR 82.74 crores for the 2nd Quarter, making a healthy year-on-year growth of over 58.39% over earnings before interest, taxes, depreciation and amortization surged by more than double, registering an EBITDA of INR 22.07 crores, reflecting a year-on-year increase exceeding 106.53%. The profit after tax stood at INR 15.71 crores, more than doubling compared to the same period last year with an impressive year-on-year rise of 115.5%.

For the first half of the fiscal year, the revenue from operations reached INR 158.08 crores, representing a robust year-on-year growth of 53.49%. EBITDA for this period was INR 42.5 crores, which more than doubled compared to the previous year, showing a remarkable growth of 107.92%. Profit after tax crossed INR 30.45 crores, reflecting a significant year-on-year increase of 113.37%.

Turning to our business developments:

The 2nd Quarter demonstrated solid demand across all product lines. Underpinning our sustained growth, we continue to uphold a healthy order book and provide substantial visibility into the remainder of the fiscal year. Profitability was notable, enhanced by the Air Spring segment, complemented by consistent realization from our Coil Spring division, which remains bolstered by ongoing demand from the railway sector.

The 6-tonne hammer project is progressing well with expectation for improved capacity utilization in forthcoming quarter, which will be strengthening our operational efficiency. A highlight of this quarter is the advancement of our air spring portfolio with the development of failure indication and brake application system probably called as FIBA. This innovative product aims to elevate operational safety by automatically applying service brakes in the event of air spring failure and delivering real-time alerts to operators.

We anticipate securing RDSO approval shortly with commercialization plan in the next financial year. Our strategic view is to include expenditure aligned with our growth ambitions and capacity expansion to meet the continuous increasing demand across our target sectors. Looking ahead, the company remains confident in maintaining its strong growth path. We focus on achieving a gross revenue amounting to INR 375 crores for the full Fiscal Year '25-'26 and further progressing to INR 500 crores gross revenue in the following year.

Frontier Springs is well placed to capitalize on the Government of India's railway modernization program and our extended product range, positioning us to capture new opportunities while delivering sustained value to our shareholders.

With that, I am now open to any questions that you may have. Thank you so much.

Moderator: Thank you. The first question comes from the line of Priyanshu Jain from GrowthX Infinity. Please go ahead.

Priyanshu Jain: Congratulations on good set of results. In Q4, when I had a conversation with you, so tell like 21%-22% EBITDA margins will be sustainable. But 27% margins like that's quite commendable. So, can you throw some light on it, like what's the reason behind the same?

Kapil Bhatia: You are asking for the margins.

Priyanshu Jain: Yes, sir. Like in this quarter and in Q1 as well, we get 27% EBITDA margins. In the last con call when we discussed, it was around 21%-22% margin. So, like what's the reason behind the same?

Kapil Bhatia: No, we keep on improving on our sales price and capitalization on the demand by railways. And it's an opportunity to have that much of margin in our product, and we hope to close year by this almost the same range of margins.

Priyanshu Jain: So, we can expect 27% margins, 26% margin sustainable going forward?

Kapil Bhatia: Yes, at least for this year, I am confident that we will be doing this.

Priyanshu Jain: Okay and sir, my second question is on the product mix. Can you just give the revenue breakup from our 3 divisions for this quarter and like previous quarter?

Kapil Bhatia: Revenue, it is around INR 35 crores to INR 40 crores by Air Springs and around the same with Coil Springs and the remaining is from the Forging division.

Priyanshu Jain: Sir, like from the Coil Springs, it is like can you mention that?

Kapil Bhatia: Yes, it is around INR 35 crores, Air Springs is around INR 35 crores and around INR 16-17 crores is from Forging divisions.

Priyanshu Jain: Okay, sir. And like last question is on the order pipeline. Are we targeting like the tenders in the pipeline as well? And by the FY '26 end, what kind of order book we can expect?

Kapil Bhatia: As I have committed that INR 375 crores this year, we already have that much of order to close the year, what I have promised. And for the next year, tenders are already there, and we have already started receiving orders. Around INR 60 crores to INR 80 crores orders have already been received by us. And by the year end, I think we'll be around INR 200 crores to INR 250 crores order in hand after closing this year. So, it is in a good position as far as order books are concerned.

Moderator: Thank you. Next question comes from the line of Akshay from AK Invest. Please go ahead.

Akshay Kaila: Congratulations for the very good set of numbers. Sir, my first question is we have already achieved INR 158 crores in half 1. So, are we confident of achieving remaining INR 217 crores in half 2 of FY '26 and also we are confident of achieving INR 500 crores in FY '27 while maintaining the same or slightly increased margin because we have given the margin guidance of around 27%, we will maintain in this financial year? But what about the next financial year?

Kapil Bhatia: What I have committed that this INR 375 crores we are telling you a gross revenue, not the net revenue. So, we are already crossed around INR 187 crores gross revenue in the half year. So, we are already in line to go to INR 375 crores plus in this year and INR 500 crores next year gross revenue is already on the card. So, we are having a good order book. As far as margins are concerned, we will try to have that much of margin, but maybe 1%-2% minus, plus may happen because of the tender business, but we will try to remain in the same margin level for the next year also.

Akshay Kaila: Okay, sir. And sir, my second question is about the FIBA, failure indication and brake application. So, we are expecting the approval from RDSO. So, can you please give some more light about this product, total addressable market in India and whether this is the new product or the Indian Railway is already having this product for safety purpose already in place. So, whether this is a new product or whether it is already in use?

Kapil Bhatia: It is already in use because it is air springs further product which is used by the Indian Railway in the coaches. But at the moment, 1 or 2 players who are from the foreign companies, and it is railways are mostly importing the same product, which we are developing in India. And we are quite hopeful that we will be able to do that. We have already applied for approval in RDSO. Samples are ready by December end. And we will be also participating for patenting it. I am quite hopeful that the requirement for One coach costs about 1 lakh rupees, 6,000 coaches are made in India, the requirement comes to about 60 crore plus Vande Bharat so there is a 100 crore market for FIBA system at the moment, and there are 1 or 2 players who are importing and supplying to Indian Railways. So, we will be early one to develop in India, and we'll able to get a good market share in this.

Akshay Kaila: So, we will be the first domestic player to get approval, right?

Kapil Bhatia: One or two more people are also involved in the line, I cannot say I am the only one but definitely one or two more people are there. but there is early market, we can get good business share and with good profit margin.

Akshay Kaila: So, if we get approved and we expect the order book for this product to be started from next financial year. So, this is the similar level margin products, is our current margin?

Kapil Bhatia: It is almost a similar level. I am quite hopeful that we will be able to get the same margin in this. But there is a trial period for this product in Indian Railway. So, we will be ready with the product by December end and then approval. And then I think 6 to 8 months of trial period. So, by next year, second half, like next year December onwards, we will be able to supply more into this thing, which will reflect in our sales.

Moderator: Thank you. The next question comes from the line of Garvit Goyal from Nvest Analytics Advisory. Please go ahead.

Garvit Goyal: Just want to understand, like you mentioned in first half, we did a gross revenue of INR 187 crores, right? And on full year basis, we are having a target of INR 375 crores. So, which essentially means H2 you are anticipating more or less muted. So, is that understanding, correct? And if it is correct, then why is it so? Like H2 last year was significantly better than H1. So, just wanted to understand where the gap is.

Kapil Bhatia: I couldn't get your question. We are already having INR 187 crores, and we have guidance of around INR 375 crores gross this year. So, we are right on target. So, what is the question actually?

Garvit Goyal: The question is on Q-on-Q basis, that means we have crossed INR 80 crores kind of number on quarterly run rate. So, does that mean it will be constant for next few quarters? And if it is so, like we are targeting INR 500 crores for next year. So, why can't we execute those orders maybe in H2 and increase our top line on quarterly run rate? That's what I am trying to know.

Kapil Bhatia: Actually, railway has a delivery schedule for all the tenders. So, we know that this is the delivery schedule given for this financial year and the orders coming in, which is a delivery schedule for the next financial year, April onwards. So, if we execute here, we will not get money back, and they might not receive our material. So, we have to adhere the delivery schedule of Indian Railway. So, that's why we are on these numbers.

Garvit Goyal: Got it. And secondly, on the defense part, so we were speaking about the product getting approved from defense. So, what is the update on that, sir?

Kapil Bhatia: Still on the development things, so it's a long process, the item which we are developing for defense. So, it's a long process and samples has been made and all things are going on. Maybe next year, we will be able to start supplying to defense item what we have selected at the moment.

Garvit Goyal: And what is the TAM for those items?

Kapil Bhatia: What is the...

Garvit Goyal: Addressable market for those items?

Kapil Bhatia: It is good because I just cannot disclose at the moment the item what we are doing it, but it's a huge market for that, not only in defense, but in mining as well as in road construction equipment, the item which we are developing. So, we have a good market for those items.

Garvit Goyal: So, basically, why I am asking this, I agree like FY '27, we are having the clear target, maybe the clear delivery schedules as well. But just to get some idea, not speaking about the exact numbers or something like that, but just to get an idea, how are we planning to scale further beyond FY '27? So, if you can put some color on that, sir.

Kapil Bhatia: Like this year will be as far as Forging divisions are concerned, we are planning to close this year around INR 75 crores to INR 80 crores. And next year, we may touch around INR 100 crores to INR 115 crores next year. So, the extra thing which is coming in around INR 20 crores to INR 25 crores, which will be with the new market and new players, which we are targeting.

Moderator: The next question comes from the line of Yashovardhan Banka from Tiger Assets. Thank you.

Yashovardhan Banka: Many congratulations on the great set. Sir, on the FIBA devices, I was just going through your commentary in the IP, you mentioned that 2 devices will be required for each coach. And on an average, I think 15 coaches are there in Vande Bharat. So, sir, I wanted to understand for every air spring that is already installed, will there be any kind of, say -- will we require any kind of modification or replacement? Or this will just be an addition to the ones that are already put?

Kapil Bhatia: It is where the air springs are installed, this FIBA system is already there in the trains, in Vande Bharat as well as the LHB coaches, which they are converting into air springs. So, air spring required a FIBA system. At the moment, it is an imported component by Indian Railways. And like I'm developing in India, 1 or 2 persons are also developing, but we are quite ahead from others. So, air springs, wherever it is installed, whether it is Vande Bharat, Metro coaches, LHB coaches, it requires a FIBA system. So, in 1 coach, there are 2 bogies under same. And in 1 bogey, there are 2 air springs. So, every bogey requires 1 FIBA system and 4 indicators of 4 air springs. So, it is like that.

Yashovardhan Banka: And sir, like you mentioned like the addressable market for this system is around INR 100 crores, if I heard it correctly. And so what is the share that we are targeting to begin with from next year when it commercializes?

Kapil Bhatia: Yes. After a successful trial, I think we'll be able to get around INR 40 crores to INR 50 crores business. INR 100 crores is just Vande Bharat and LHB. But by that time, our air spring will also approved by that time for the metro coaches. So, it is a continuous increase for this thing, and aftermarket is also there because it is a very sensitive thing, and it may fail so railways is also buying for their rolling stock also. So, it's a continuous demand by Indian Railways, and it has to be increased every year.

Yashovardhan Banka: Okay. Okay. Understood. And sir, just a follow-up. So, for this INR 40 crores to INR 50 crores that we are targeting, are we doing any incremental CAPEX or it will be in our existing facility only? And if you can just elaborate this one.

Kapil Bhatia: **A** few machines are used with the existing capacity. But for the testing and other thing, we required around INR 2 crores, which we are already investing. Already advances are given, and the testing machines are coming in. So, it's 50% utilization in this product for the current machines and the manufacturing part will be taken care by current machines and testing part, we required machines. So, we are already buying those machines.

Moderator: Thank you. The next question comes from the line of Mahesh Atal from Dhairya Investment Advisors. Please go ahead.

Mahesh Atal: Sir, the next forging, as you said that we are in talks with the defense guys, and they are actually looking for some new products to come. So, do you think the margins to improve in the Forging division also going ahead? Will they be better than the current forging margins that we are having? Are we targeting margin-based products or we are just trying to utilize our 6-tonne hammer in a way to contribute the operating efficiency? If you could throw some light on that?

Kapil Bhatia: Actually, Forging division has a lesser margin than the Coil Spring and Air Spring, you are quite right. But the market which we are targeting, that will improve a little bit of margin also in the forging items. And you are also quite right that capacity utilization will also give us an edge on improving our profitability and margin. So, both things are there that we are trying to target product which has a little better margin from the existing components and also capacity utilization to a maximum we can reach in the Forging division.

So, both things are there that margin we are also trying to improve the margin with the product we have selected and the capacity utilization of the machines will be there, which will reduce our expenditure and permanent expenditure and other things that will also give us some edge.

Mahesh Atal: And sir, I think the hammer has already been commercialized. So, are you seeing the numbers? Do we see the second half, the hammer contributing in the second half of this year?

Kapil Bhatia: Yes, definitely, you will see in the second half, we have already started getting orders from the railways and things are also started moving in. But at the moment, we are able to utilize around 10% to 20% capacity only. And the orders have started coming in, and we are hopeful that by year end we'll have a good contribution from 6-tonne hammer also because our 3-tonne hammer and our 2-tonne hammers are already working on 60%-70% capacity. So, 6-tonne hammer also, we have around 15% to 20% capacity started running. And by next quarter and further year-end quarter, we'll be able to get good things. The numbers are already there as far as orders are concerned. So, and for the next financial year also, the tenders have been

floated by railways. So, we are quite hopeful that, that will contribute in this financial year itself.

Moderator: Thank you. Next question comes from the line of Santosh from Financial Finesse. Please go ahead.

Santosh: Are there any CAPEX plan for the spring division?

Kapil Bhatia: The CAPEX, like this year, we are doing it around INR 15 crores in all our 3 divisions and around half year, we have already done around INR 8 crores of CAPEX for Coil Spring, Air Spring and Forging divisions. And further INR 7 crores-8 crores will be done in another 6 months. So, it is not only the Air Spring we are also increasing in Coil Spring division as well as in Forging division, where the bottlenecks are and capacity increase is required. So, we are already doing it, and it is a continuous process. This year, we are doing around INR 15 crores CAPEX in half year, we have already done INR 8 crores. And so it is a continuous process. Wherever it is required, we will do it. And we are doing it with our own resources. We are not taking any loans or we are not going anywhere for that, we have plow back the money to the company.

Santosh: The second question is we had in the past talked about discussions with Siemens and Alstom to supply air springs to those companies. So, is there any progress on those discussions?

Kapil Bhatia: Yes, it is already on and it is almost on the verge of completion. And we are quite hopeful by that another 1-1.5 months, we will start getting orders from Alstom.

Moderator: Thank you. The next question comes from the line of Piyush Bora from Stambha Systems. Please go ahead.

Piyush Bora: First of all, congratulate to management and the efforts are really appreciated for the tremendous set of numbers. Now a few of the questions are related to FIBA and forging system hammer are already been answered. Now my question is regarding the metro projects. What kind of product we are looking in the metro apart from air spring and FIBA. So, are these only 2 products what we are supplying?

Kapil Bhatia: Air spring, FIBA and coil spring. So, these are the things. There are very little forging or other types in the metro coaches, but air spring, FIBA and coil spring, we are targeting for the metro coaches.

Piyush Bora: Okay. And the second question is related to the NSE listing. So, any structuring in capital structure will require in future? Or what is management's view on that?

Kapil Bhatia: We are already planning to go ahead with the NSE listing, and we have already started working on those lines. And we are planning to have our NSE listing in the next financial year's first quarter.

Moderator: Thank you. The next question comes from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Sir, my question was on similar lines on one previous participant. When I see the wagon side orders in terms of Titagarh, Texmaco, Jupiter, they are saying that they had wheelsets availability issue in the last couple of months, and they are saying that the wheelsets availability has now resolved. So, they are expecting things to improve in second half. But given our guidance of this INR 375 crores gross, it seems that our second half would be like similar to the first half. So, any difference? Are we looking lower growth as in terms of first half or second half, sir?

Kapil Bhatia: Yes, we are having good orders. So, we are quite confident that we'll be able to achieve INR 375 crores gross. And we are having orders from all the wagon manufacturers, whether it is Titagarh or Jupiter. We are already supplying springs for the wagon to them. And we have railways orders and locomotives orders. So, we are quite confident that we'll be able to achieve INR 375 crores gross this year.

Ankur Kumar: Sir, actually, I wanted to ask what is the gross in First Half?

Kapil Bhatia: What is the growth in First Half?

Ankur Kumar: Gross revenue in first half. Gross revenue.

Kapil Bhatia: Gross revenue is INR 187 crores.

Ankur Kumar: So, that is what I wanted to ask, sir, INR 187 crores we have already done. So, why are we expecting only INR 375 crores when the wagon manufacturers are expecting faster growth in second half?

Kapil Bhatia: No, I told you that railway has a delivery schedule. Wagon manufacturer may ask some extra spring. We may cross INR 375 crores, but I'm little conservative. We can cross INR 375 and we can touch INR 400 crores also, but as far as railways orders are concerned that is very clear that whatever we have to execute in next 6 months and they have a delivery schedule. So, whatever increase may take place, it may take place from the wagon industry also. But I'm a little conservative on that. I don't want to comment or commit to our investors and shareholders that we will be able to achieve INR 400- 450 crores. But definitely, it will improve if their demand and their wheelsets problem is over. So, it is definitely going to improve.

Ankur Kumar: Got it. Sir, I wanted to ask what -- as in what percentage of revenue we provide directly to these wagon manufacturers?

Kapil Bhatia: What percentage of?

Ankur Kumar: As in basically out of total revenue, how much do we provide to wagon manufacturer and how much do we send directly to railways?

Kapil Bhatia: Wagon manufacturing is around 10% to 15%.

Ankur Kumar: Only 10% to 15%?

Kapil Bhatia: Yes.

Moderator: Thank you. The next question comes from the line of Rakesh Roy from Omkara Capital. Please go ahead.

Rakesh Roy: Thank you. My first question regarding FIBA sir. The technology developed by in-house or we have taken like say, like air spring from outside?

Kapil Bhatia: No, it is 100% in-house, and we have a professional who has experience in this line, and they are employed by us, and we have some consultant also. So, it has been developed totally in-house by us because it is a little bit of secretive thing also because of we are applying for patent also. So, it is 100% indigenous and developed by us in-house.

Rakesh Roy: Okay. So, for each bogie, we need 4 devices, no?

Kapil Bhatia: Each bogie, we need 1 FIBA devices and for every air spring, we need an indicator. So, every coach has 2 bogies. So, there will be 2 devices in every coach and 4 indicators for 4 air springs.

Moderator: Thank you. The next question comes from the line of Raja Panda, an investor. Please go ahead.

Raja Panda: Sir, my question is will the air spring they also have an application in industrial and automotive usage also? So, does our company have any plans to address those markets?

Kapil Bhatia: Yes, we are already searching on those lines, but there are quite a number of manufacturers in automotive line, and Tata has their own subsidiary for air spring for their automotive things. So, requirement is there. But I'm already working on it, but I don't see that much of margin and much of demand is there for domestic automotive air springs uses in the buses and trucks.

Moderator: Thank you. The next question comes from the line of Prasanth Nagi, an investor. Please go ahead.

Prasanth Nagi: My question is that related to the air spring by FY '27, how much you think the percentage of trains will be covered by this air springs in India?

Kapil Bhatia: How much percentage?

Prasanth Nagi: Of the trains will be covered by air springs?

Kapil Bhatia: Okay. The new trains which are being manufactured by Indian Railways manufacturing unit, Rail Coach Factory, Kapurthala; Modern Coach Factory, Rae Bareli; and Integral Coach Factory, Chennai. The new coaches are 100% with the air spring and coil spring. So, its 100% all the coaches are converted into the secondary suspension covered with air spring and primary suspension with the coil spring and then the old around 20,000 coaches, which are running before air springs, it is with the coil spring 100%. So, in future, they may change their secondary springs to air spring also after completion of their life of coil spring. So, it's a good demand as far as air springs are concerned.

Moderator: Thank you. The next question comes from the line of Nishant Joshi from Equisense Advisors. Please go ahead.

Nishant Joshi: Nishant here. I have 2 queries. First of all, how do you see the competitive landscape growing after a year or so, possibly after financial year '27 in field of air springs and coil springs? And what could be the demand in this particular field also?

Kapil Bhatia: As far as what we had a talk with Indian Railways, Railway Board officials and all. So, demand will be there for air spring and coil spring for the next 4 to 7 years. There is no doubt of demand because still around 15,000 old ICF coaches are running, which has to be replaced in next 3 years, and the new coaches demand is there. Other day, I was in the Railway Board sitting with high officials, and they are saying they don't have coaches, they want to run the train. So, looking to the population of India and the demand of coaches and the new trains in India, so I don't see that demand is going down for next 5-10 years, and it will keep on increasing every year. So, almost 6,000 to 7,000 coaches are being manufactured. So, they require at least next 15,000 coaches to replace ICF coaches. And then again, they need more coaches. So, the demand is going to be there for next 10 years or so. So, there is no problem in that. Demand, is no problem.

Nishant Joshi: Sir, one more point. How do you see the competitive landscape? Any new entrant in the market which may possibly hurt the growing state of Frontier Springs in the air springs and coil springs? Any new entrant in the market?

Kapil Bhatia: With the existing competition, I don't say that nobody will come. There might be 1 or 2 people will come into air spring or maybe in coil spring, but their road map to getting regular orders is for at least 2 years because railway has a system of getting approval, and then they give a few orders and they run the component for another 1-1.5 years. So, it is a very tough road ahead for any new entrant. You set up a unit and then wait for 2 years for the regular orders. So, that is a big tough task ahead.

Being an old supplier to Indian Railways and supplying so many components last almost 40 years. So, we have a different kind of thing that we have components which are running like if I'm entering into FIBA, which is a new component, we have to go through with the same process, definitely a leverage for our existing resources, and we can start developing with the small capacity and then after the approval time comes and after the testing period over, we can immediately increase the capacity. So, it's a system in Indian Railway. For the new entrant, it is really, really tough task to set up a unit and wait for 2 years to get a regular order. So, people may come, but it is a tough task.

Moderator: Thank you. The next question comes from the line of Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: Sir, I just wanted to know about the competitive intensity for our product range. There are some old competitions there in the same division, but I believe our tie-up with Continental is giving us an edge. And how can is it sustainable in the near term and the middle term also or some tie-up can also come for our competition also? And how is the opportunity size looking for us and any differentiator for us, which is helping us out over a period of years?

Kapil Bhatia: You are absolutely right that tie-up with Continental Germany is giving us edge with other competitors because of the quality and their innovation and their know-how of air springs since last so many years in international market. So, it is definitely an edge and 1 or 2 competitors, they are importing from China, and they are getting a lot of failure thing. And touch wood, since the last 2.5 years, we have supplied almost 15,000 air springs to Indian Railway. Until today, we have not a single failure from the field. So, and which will give confidence to the railways also that if we buy Frontier product that is a quality product. So, we have an edge with the other competitors.

Vivek Gautam: And how is the opportunity size for this new product thing which you have introduced, sir? And expect a growth rate of...

Kapil Bhatia: Which product?

Vivek Gautam: FIBA.

Kapil Bhatia: Yes, FIBA, at the moment, there is a company called Knorr-Bremse, which is imported, they are supplying to Indian Railways. And we have a good opportunity that we are quite early one to develop in India. And we are quite sure that we'll get a good market share as soon as we are able to get our product through with the railways.

Moderator: Thank you. next question comes from the line of Sandeep Kumar Patwa, an investor. Please go ahead.

Sandeep Kumar Patwa: Sir, my first question is regarding your market share in this air and coil segment. So, just wanted to know what is your market share in the overall your product segment which cater to the Indian Railways?

Kapil Bhatia: You are asking for coil spring market share or the other component, air springs and forgings?

Sandeep Kumar Patwa: Yes, both. Air spring and coil spring, both.

Kapil Bhatia: Yes. Coil spring, we are having a market share of almost 40% of Indian Railway demand. And air spring, we are already having almost the same share. And forgings, yes, we are around 20%-25% demand of Indian Railway we are catering.

Sandeep Kumar Patwa: Okay. So, apart from your company, like how many other companies are supplying to Indian Railways, which products?

Kapil Bhatia: There are 1 or 2 coil spring manufacturers. There are 1 or 2 air spring manufacturers approved by railways. And there are a number of people like 7-8 people in forging industry who are supplying to Indian Railways. There is an approval list by the RDSO which is available online. So, it is there.

Sandeep Kumar Patwa: And sir, one question regarding like bullet train project which is coming into India. Sir, like are we exploring any product to this project or something? Like air spring or coil spring or some like any product which will be required in this project?

Kapil Bhatia: Which project?

Sandeep Kumar Patwa: Bullet train project.

Kapil Bhatia: Bullet train is absolutely a new concept, and it is further required another 3 years to run into Indian continent. And I don't know, I had a talk with the person in bullet train also, but let's bullet train come and then we'll see what best we can do. Definitely, anything which moves and carries load required springs. Any kind of spring, maybe coil spring, air spring or some extra kind of springs. So, there might be some spring or something like that, but let the project start in the Indian continent, and then we'll see what best we can do because we will always be in edge with the other competitors being old railway supplier. So, if anything comes, definitely, it will come to us also.

Moderator: Thank you. The next question comes from the line of Suman Bhunia, an investor. Please go ahead.

Suman Bhunia: Sir, congratulations for excellent quarterly result this year. So, I am a new investor. So, I'm just having one question. So, in near future, is there any chances that the entire coil spring will be replaced by air springs?

Kapil Bhatia: No, because there are 2 suspensions in the train. One is axle and one is secondary. So, the axle is called primary suspension and secondary suspension, which they carry more load and give a comfortable ride. So, secondary suspension, they have already removed coil spring and put an air spring. But primary suspension on axle where the wheels are, it requires an air spring all over the world. So, the technology is now at par with the world, whether it is America, Europe that suspension has 2 types of suspension, one is air and one is coil spring. So, there is no chance that coil spring will go or air spring will go. There might be some changes in design, but coil spring remain coil spring and air spring will remain air springs.

Moderator: Thank you. The next question comes from the line of Devesh Shrimali from DS Investment. Please go ahead.

Devesh Shrimali: So, one question, sir, regarding next year, FY '27, the gross revenue we have talked about is INR 500 crores. And we also said that we would have FIBA coming in, in the second half and possibly some supplies to defense. So, is it fair to assume that these would be on top of that INR 500 crores? How should we read it?

Kapil Bhatia: So, these are other than INR 500 crores. If it is coming into full project, so it may -- we may cross INR 500 crores also. But this is with the existing product line, what we are having.

Devesh Shrimali: Lovely, sounds good. And under your leadership, last 2 years, company has transformed like anything, right? So, FY '25 to '27 would be almost 2x of our size. So, in aspiration terms, if you were to look at next 2-3 years beyond '27, do you see us hitting INR 1,000 crores with similar growth rate? Or how do you see the next few years playing out in terms of your own aspirations?

Kapil Bhatia: Sir, as far as the existing products are concerned, coil spring, air spring, forgings and some other forging for the other customers. So, there will be a reasonable growth every year. There is no doubt about it. But going to INR 500 crores to INR 1,000 crores, we will definitely require a big jump. And we may go ahead with some other projects which are already we are discussing among the Board, which I just cannot reveal on this call because those are on a very initial basis.

So, we have to increase our product line to go up to that level. So, yes, it is always there that INR 500 crores will go to INR 560-575 crores next year and then INR 600 crores. But going to INR 1,000 crores, bigger jump, we need more product into our kitty. And as railway is our prime customer, so a lot of products are started coming into us from the railway that you can also supply this and if this is a demand and we are working on those products. So, we may choose 1 or 2, and we have already chosen 1 or 2 products, which is on a very initial basis for our future growth and future numbers. So, let's see, and we are quite hopeful that Indian Railway keep on shining like this, and we'll definitely encash on those opportunities as much as possible.

Moderator: Thank you. The next question comes from the line of Harshal Kalra from Symphoria LLP

Harshal Kalra: Sir, first of all, congrats on a very good set of numbers. And you have been mainly surprising on the EBITDA margin. So, I just wanted to understand that, let's say, next year or in a few quarters' time, if we hit a run rate of INR 100 crores revenue run rate per quarter, so is there a possibility that margins can increase further?

Kapil Bhatia: We are keeping our fingers crossed to get the margin for as much as period as it is because it is an opportunity at the moment. We are encashing on those lines, and we have a few competitors, and we are trying to maintain these margins as much as possible. And it may increase or decrease 1% or 2%, but things will be on the improving side, I'm quite hopeful and keeping my fingers crossed.

Harshal Kalra: Sir, because if you look at your numbers, it seems like mostly operating leverage is at play here. So, assuming that revenues rise even further, which is in line with your guidance. So, ideally margins can rise, right?

Kapil Bhatia: Yes, yes, yes.

Harshal Kalra: And sir, like the previous participant asked, let's say, beyond FY '27 and let's say, from a 3-4 year perspective, what kind of revenue mix do we see? So, will we continue to derive a very large share from railways? And like we talked last year that defense and tractor industries are also something that we are looking at. So, just in terms of revenue mix, what is your aspiration or expectation, let's say, even from a 5-year perspective?

Kapil Bhatia: Sir, definitely, we will cross INR 1,000 crores in the next 5 years. There is no doubt about it, whether with the increased number of products supplying to Indian Railways because they are our priority and most important customer. And we have a good distinct tie-up with the railway's officials and the development things, and we know how railway runs and all the things. And we are already closing 1 or 2 more products which require a good number by Indian Railway and the margin will -- and we are trying to get those products, which has a good margin. There are n number of products, but there are a lot of competition there. So, we are always selecting a product which has a little bit technology required and some distinct technical know-how is required so that it will be tougher for the normal people coming in for those products. So, definitely, next 5 years, we are already targeting INR 1,000 crores with more number of product input to our line.

Harshal Kalra: But you are saying railway will continue to be the largest contributor. Let's say, 60%-70% kind of revenue will continue to derive from railway segment, even 5 years out.

Kapil Bhatia: Definitely. Definitely. Yes, definitely because I had a lot of meetings because we are also wanted to expanding our current capacities and all that, and we keep on talking to railways that because a lot of investment CAPEX is required. So, it should not backfire to us. So, we are quite conscious on capacity announcement and all this. So, but things are already greener side,

and there is a lot of demand by railways. So, we are quite comfortable and quite sure that there will be no problem as far as demand is concerned.

Moderator: Thank you. The next question comes from the line of Utkarsh Somaiya for Eiko Quantum Solutions. Please go ahead.

Utkarsh Somaiya: I just had one question. Is the wheelsets shortage issue in railways resolved? Or does it still persist?

Kapil Bhatia: I came to know from the wagon builders from Jupiter and Titagarh, they are saying that it has been resolved and for the next 6 months, they are lagging because there was some problem in import or something like that. So, they are saying that it has been resolved and things will move smoothly for the next 6 months.

Moderator: Ladies and gentlemen, we'll take that as the last question for today's call. I would now like to hand the conference over to Mr. Kapil Bhatia for closing comments.

Kapil Bhatia: Thank you all for your valuable participation and attention throughout today's call. Your engagement and insightful questions are greatly appreciated. As we move ahead, you can be assured that the team at Frontier Springs is fully committed to executing our plans with diligence and focus. We look forward to connecting again in near future with further updates on our progress and successes. Thank you once again for your continued trust and support to Frontier Springs. Thank you so much.

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