Management Discussion

Kapil Singh - Analyst, Nomura
Hi, good evening everyone and thanks for joining this call. We are pleased to host Olectra Greentech's m anagement, Mr. Mahesh Babu, Managing Director; Mr. Sharat Chandra , CFO; and along with the members from the finance team. We will now pass on the call to management for their initial opening remarks and after that we can open the floor for Q and A.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Hi, good morning. This is Mahesh Babu speaking, MD of Olectra. I'm very, very pleased to meet on the call today after our Q1 results. First I'll give you a brief of the industry. You all know that after the GST cut, auto industry has been growing at a very healthy rate due to the demand. Today, most of them there is no demand issue. I think more of a supply issue across the auto industry. If you look at the EV penetration in Q1, I think it has grown from about 5% to 7%, which is a very healthy sign that EV adoption and E-bus segment is still at a healthy rate of adoption.Overall there is a clear new tender and adoption on EV coming up in a very -- you all know that the PM-e Sewa tender is live on pipeline and that tender is getting delayed. But however, there are about 4,000 to 6,000 tenders right now by the central government, and there are about another 3,000 to 4,000 tenders from respective state governments, which are under discussion. So it clearly indicates the E-bus segment is growing, and in which we are operating it. During this period I am also happy to say that we have delivered the 4,000 electric bus during this in the recent past and this happened, and we are the first company in India to deliver 4,000 electric buses to our customers surpassing our competition and become an all-time high on deliveries in the country.We have also consistently been delivering 350-plus buses in the last four quarters now. And that clearly says that the new plant with the rhythm of manufacturing and supply chain has been set up. However, I would like to highlight to you in this quarter we had a huge turbulence in terms of material cost hikes as well as supply chain disruptions due to shipping lines getting cancelled and diverted and delayed. All that due to the Middle East war into consideration and hence more to do with very specific geopolitical disruptions which has happened and that has slowly mellowed down now and it is opening up and now the disruptions are going away.Hopefully this will continue so that we will be able to continue our business without any issues. In the insulator segment, Q1 always have been a challenge because of the year starting respective orders. Also, due to the high raw material increase, some of our customers have slightly delayed their delivery because while the insulator plays an important role in the power line, the other aluminum prices have gone up, and hence they were slightly delaying it. But however, the orders will continue to get delivered in the coming quarters.So with this multiple challenges with our strong background, I would say we had a very strong start in FY27; we had a revenue growth of 66% and EBITDA growth of 30%, and as you know that we have increased our capex both in bus division as well as insulator division. The bus division as you know we are investing in the new bus next generation platform as well as new generation truck. Both the products developments are going good and similarly in the insulator or the power mobile, on the energy division we are expanding into new products and that work has already started.We are evaluating hollow insulator, solid core insulator and many other allied products, which we are in and hence to support the energy and power sector in the country. These capex investments are going in. Similarly, our term loan on the capex of our plant have started and hence we have an impact on both profit as well as PAT PBT. I would say still, it is a very good start. Looking at the turmoil, our growth rate is still protected. Both the divisions, the bus divisions have achieved the 4000 only first

company in India to deliver 4000 buses.Similarly, the energy division we are still number one with significant market share. Both the divisions continue to grow due to geopolitical and raw material and supply chain disruptions. There is a minor challenges in our Q1, but I strongly believe going forward Q2 and this financial will be a growth as we delivered in the past and in fact we will do much higher than the growth what we have done in the past as well. Thank you. Now I am handing over to Mr. Sharat Chandra, CFO of the company.

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
Good evening, everyone, and thank you for joining us. So as our MD has given initial remarks, we are pleased to report strong operating and financial performance for Q1 financial year '26, '27. The continued momentum, particularly in our mobility division. The mobility segment maintained healthy operating margins despite some changes in the product mix. The vehicle deliveries, vis-a-vis the previous year Q1 year-on-year, have gone up from 161 units to 358 units, representing a 122% growth on volume. The energy segment has faced some headwinds during the quarter primarily due to higher raw material costs arising from geopolitical issues and relatively lower contribution from exports.At a consolidated level, the revenue stood at INR575.5 crore, up by 66% year on year. EBITDA increased to INR72.9 crores, a growth of 30%. PBT at INR34.7 crores was up by 3%, while the PAT at INR23.2 crores represented 4% growth. On a sequential basis, revenue was lower by about 11% compared to Q4, mainly due to lower energy segment revenue and product mix in mobility. Nevertheless, the year-on-year growth reflects the underlying strength and continued momentum on our business. So with that, I will hand over the call to the Nomura team for the Q and A session.

Questions & Answers

Operator
Thank you so much sir. Ladies and gentlemen, we will now begin with a question and answer session. [Operator Instructions] Ladies and gentlemen, we'll wait for a moment while the question queue assembles. First question come from the line of Bala Murali Krishna with Oman Investment Advisors . Please go ahead.

Bala Murali Krishna - Analyst, Oman Investment Advisors
Hi, good evening. First of all, on the overall delivery plan for this year, last few years we are targeting 2,500, but we could not able to achieve that one. This year, how be the trend whether we can able to achieve that target or not?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Okay, thank you for your question. This year as you said, our budget is to deliver 2500 vehicles. We have full confidence now that we'll be able to deliver on what is in the pipeline. As you know that we are number one from inception of 4000 vehicle. Not only from inception, if you look at India's E- bus registration, as of today we are still number one with around 490 vehicle registered as of 12th August. So we continue to deliver to the market. But I strongly believe this year the market will be able to absorb more than the last year. If you look at the rate I told you already, there is a Q1 -- about 2% increase in adoption in Q1 itself. So this clearly says this year the market will be able to absorb much higher and we'll be able to deliver 2000 plus -- 2500 vehicles in this financial year.

Bala Murali Krishna - Analyst, Oman Investment Advisors
Okay. So on the pipeline tender, do you anticipate any order intake in the -- in this financial year, tender to participate recently.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
So we have about 8,000 order book already . Last we have won a tender of 1,085 vehicles in Telangana as part of CESL tender last time. Recently we have become L1 in Rajasthan. Today only we have got the letter to call us for discussion. It is outright 155 buses. There were about four to five participants. I'm happy to say that we have become L1. This clearly demonstrate Olectra's both product quality as well as competitive cost in the market on the outright sale. This will be our new 9 meter platform which we are developing for the next generation which I have told will be ready by the last quarter of this financial year. So as I said we already have 1,085 plus 155 under discussion both of them for the new platform and for the existing platform we have about 8,000 which we will deliver in next two years.

Bala Murali Krishna - Analyst, Oman Investment Advisors
Okay, so in the insulator division, I think you covered some media interaction that you are going to scale up the business by some 4x to 5x in the coming years. So the product will be only -- we are enhancing the capacity or we are planning some new products to scale up that business?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See in the energy division we have strategy discussion held both at leadership level as well as at the board. Today we are number one in polymer insulator. If you look at the products around the same energy division we are already approved a product for which is hollow core insulator and solid insulator. These two as addressable TIV market close to INR500 to INR1,000 crore. That product we are bringing in. We are also evaluating multiple other products in this category. Our intention is to next three years to make this energy division a 5x growth.

That's the plan and that's the team is working towards making that happen. And various -- it will be both product -- new products as well as capacity enhancement put together. Capacity enhancement expansion in the plant has already started. We will have another similar size of shed what we are having today with all equipments in the pipeline which will enhance the capacity to this vision in next three years.

Bala Murali Krishna - Analyst, Oman Investment Advisors
Okay Sir. On the margin front in this energy division. So I think this quarter has some higher arbitrary cost. So how do you see this Q2, Q3, whether we can able to regain the margins? Is there any path on price escalation?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Yes, we had a challenge of raw material increase. Then many raw materials have gone between 40% to 70% increase in raw material prices in polymer insulator. And hence we had a challenge in the margins this quarter due to the war and petroleum prices which have gone up and also supply constraints during this period. I think that has now mellowed down. Already that price has fallen close to 40% out of 70, 40 has fallen down. So we are expecting the average price from now on if there is no disruptions to come back closer to the levels before pre war. And hence improvements are expected to be seen in the coming quarters.

Bala Murali Krishna - Analyst, Oman Investment Advisors
Okay. Lastly on this question I have. So we have a project for order book and plus 1000 plus new platform. So when do you think that we can able to complete? Because if we get some new order then they will also follow up for delivery. If we can deliver quickly maybe that would be good for a company also. But having this much backlog of so many buses, it r estrict us to take some new orders or restrict some other agencies to give new orders because we have backlog of order.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See if you look at auto industry the top three guys have order book between 5,000 and 8,000 vehicles. All of them. Because these orders are all to be delivered in two years. Even the 1085 order for Telangana is to be delivered in two years timeline and hence all the order whatever we are getting today is for FY28 and FY29. The start of delivery itself will happen by March of next calendar year. And hence whatever pipeline we have we need to fill up this pipeline with respect to competition. And all these deliveries are depending on ecosystem availability like power, availability of depot infrastructure and so on. And hence if you have to consistently achieve 2500 delivery this year and higher deliveries next year, we need to keep getting orders as well as improve our delivery which is our plan.

Bala Murali Krishna - Analyst, Oman Investment Advisors
So if there is any -- I mean, so that infrastructure, so we can deliver this 8,000 in FY27 and FY28. Is it right understanding?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See the market has to observe. If you see last full year I think around 5,400 vehicle is the registered vehicle. If the market is 5,400 vehicles, delivering 8,000 vehicle by us will not be prudent or it will not be right for us to manufacture and keep it. Our working capital will get locked. So we'll have to time the production and supply chain in such a way that the market will be able to whatever we are producing. Similarly if you look at the first quarter there are about 1400 vehicles which got registered.

Right. So we will have to see how we will have to deliver based on market readiness, not just aggressively produce because it will not give any revenue, it will lie in our stock. If the depots are not ready, which I have heard from many of the competition, I would say we as a Olectra company is one of the most optimum in working capital maintenance. Because as soon as we produce the vehicle, the vehicle is deployed within 30 days or maximum, let's say between 30 to 60 days the vehicle is into the customer's operations. Now there are competitors who are holding the vehicle for three months for flag off for the depot readiness who can afford to do the working capital lock. So I would say rest assured we are number one since inception. We are number one in this as of today in terms of registration. So we are delivering in the segment the most vehicles into the market. And as you rightly said, our intention is to strive to drive the market to higher adoption which we will continue to do.

Operator
Hi Bala, have you done with the question? As no response from Balan, we'll move forward to the next participant. Before that, ladies and gentlemen, in order to ensure that the management will be able to address all the questions from the participant, we request you to kindly limit your question to two question only per participant. If you have a follow up question, please rejoin the queue. Our next question comes from the line of Jinesh Chopra with Chopra Capital Partners . Please go ahead.

Jinesh Chopra - Analyst, Chopra Capital Partners
Sir thank you for the opportunity. Sir, I just wanted to know about insulator division. What are the industry outlook for the next three to five years and out of that industry growth, how much we will be able to capture the industry growth plus how will the EBITDA margins look over the next three to five years for -- specifically for insulator division.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Okay, see while there are many prediction, our internal study says there is a strong growth in energy or insulator division. Because if you know India is upgrading the power lines, many of them are getting upgraded to 800kV lines and hence there is a potential that most of the lines today as of now we are close to 300 crore worth of orders in the hand. And we are continuing to get inquiries and deployment over a period of time. I strongly believe that the growth rate with the new products what we are doing, we have already said in three years we are trying to do a 5x revenue in insulator division.

So that is the intention we are going to work. I strongly believe we will be around 30 plus percent market share in this segment. Continue to be 30% plus market share in this segment. And hence the -- we are taking as equally as mobility division, the insulator division also on terms of growth, in terms of investment, in terms of new product and I believe the margins will depend on raw material as well as the product mix. But there is no reason to believe that will drastically drop into what we are telling what we have seen in Q1 due to just raw material price increase situation.

Jinesh Chopra - Analyst, Chopra Capital Partners
Okay, so I just wanted to know what amount of new capex are we doing for the next three to five years and what ROC can we expect on this new capex?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See it is very difficult to tell three to five years capex. All that I can tell is this financial year we are planning a new building worth INR30 crore, INR35 crore and equipment worth between INR15 crore. We are investing for the capacity expansion as well as in the new product what we are getting into it. These have been approved by the board and we have already started this expansion to get into it. This will give us path for 5x growth which will give 2x plus for the next financial year readiness.

Jinesh Chopra - Analyst, Chopra Capital Partners
Okay and sir, one more question I just wanted to ask you. What is our split for energy division for export and domestic or it is entirely domestic?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Sharat, you want to talk about it.

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
Yeah, see basically last year exports was about 40%, so about 36% to be precise. So actually this quarter we -- the export percentage has come down. So that is also one of the changes in the product mix. We expect the overall exports to be about 35% to 40% of the top line.

Jinesh Chopra - Analyst, Chopra Capital Partners
Okay and sir what are the top five customers for export and domestic division?

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
In terms of export we have a very large customer known as MacLean Power Systems i n US. This is a major customer where we have direct exports. Apart from that there has been export through L&T and Tata projects to the African region through their subsidiaries. So we are actually having discussions with various customers and so we hope the export customer profile will increase in this current year. So this is as far as the export is concerned. In terms of domestic we have Tata projects, we have Kalpataru, we have Transrail, we have Sterlite , Adani, L&T and of course Power Grid. These are the major customers.

Jinesh Chopra - Analyst, Chopra Capital Partners
Okay, thank you so much.

Operator
Thank you. Our next question comes from the line of Shivam Kabra with Carnelian . Please go ahead.

Shivam Kabra - Analyst, Carnelian
Good afternoon, sir and thank you for taking my question. Starting with the order book, out of the total order book how much is attributable to MSRTC and BEST separately?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Can you repeat the question? Your voice was cracking.

Shivam Kabra - Analyst, Carnelian
Hello, I'm audible now. Hello.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Yeah, yeah, go ahead, go ahead.

Shivam Kabra - Analyst, Carnelian
So starting with the order book, out of the total order book how much would be attributable to MSRTC and BEST separately.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Of the 4,000 vehicles will be around for MSRTC and about 2,000 odd to be for the BEST.

Shivam Kabra - Analyst, Carnelian
And could you please provide some color on the aging of the order book? Specifically, out of roughly 8,000 units of the order, how much would be older than two years and what are the challenges that we are facing in executing this order?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
I don't have exact details, but all that I can tell you is both MSRTC and BEST is old order. The challenges is, as you know, sometimes between the signed agreement and the actual reality, there are some gaps which we have to engage. If you want to really be loss making, then we can go aggressive on such products without resolving this and then make losses which the management would not like to do. Management would like to resolve the issues, go only when there is a clear understanding between the STUs and us and the benefits are on both sides and then we will take this forward. So that is by and large the approach we have been following. That's why we are the

only profitable EV company in the country and hence we will continue to work on all -- engage with all stakeholders by resolving issues and moving forward rather than just for the sake of moving forward.

Shivam Kabra - Analyst, Carnelian
Earlier we had also planned to localize our battery pack assembly system at our new facility. What is the current status on this initiative and once completed, what will be overall localization level for the company in OEM division?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
So if you look at our next generation buses earlier, we were planning to localize the battery alone. We evaluated that project and then we decided instead of just localizing the battery, we will create a next generation product with the localized battery itself. And that's why I said we are investing on a next generation buses and trucks in which we will have a localized battery already being integrated. Because just by localizing battery we will have the existing products running without improvements because we have a rich knowledge of more than 700 million kilometers of running in the country and we love to use this knowledge to a next generation product. So management decided instead of just localizing battery, we will generate new generation bus and truck platform with local battery into it. That is how we are going and that's what I said. By Q4 of this financial year, the next generation electric bus followed by electric truck will be launched starting from the last quarter. I said every quarter we will launch one or two products for the next four quarters s tarting from Q4 of this financial year.

Our team is working closely into getting these products. I strongly believe these products are really next generation and it will bring in value, cost reduction and hence contribution. It will bring in new features and hence customer meeting new regulations. There are a lot of new regulations coming. Market is moving towards many new adoption of regulations in the bus as well as truck. It will meet all the new regulations going forward as well as there are a lot of customer requirements and durability and reliability improvements which we have learned in the market which we are also improving in these products. And hence instead of just the battery localization, we decided to get the next generation products.

Shivam Kabra - Analyst, Carnelian
Okay, what is our current localization level?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
The new generation products will meet PM E- drive and E- Sewa requirements which is the -- all the aggregates will be local and remaining parts except the cell will be all local. In the current level you all know that there is a transition going on between old generation and new generation. The current level, I don't have the exact number except the aggregates. I think many of them are local.

Shivam Kabra - Analyst, Carnelian
Okay, and what will -- w hat are the capex plan for the company in OEM division and when we are expected to reach 5,000 units capacity that we were planning in single shift.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
So the capex plan is -- w e have said that we are investing about INR450 crore in the new programs for both tangible and intangible in the new platforms. That is for prototyping, design, testing,

validation and productionizing these products. And that will get into market by Q4. That's about INR450 crore. We are also investing about INR100 crore in terms of building and other equipments to get to the new products, both truck and bus into the one. Insulator, I've already told. We are investing about close to INR50 crore in terms of building and equipment which will -- t his is over a period of next 18 months.

Shivam Kabra - Analyst, Carnelian
So INR450 crore for 18 months figure. Am I right?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Yes.

Shivam Kabra - Analyst, Carnelian
Okay. And sir, what is the rate at which we borrow our term loans and what is the rate of the interest that we pay for the working capital requirements?

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
The term loan rate is about 9% and we actually do a lot of mix of MSME, non- MSME platform. So our cost of working capital is about 7% for about the major portion of working capital. And we incur a lot of finance cost towards LCs which is major cost which will come down going forward from next year. Q1 of next year we see definitely lower LC cost.

Shivam Kabra - Analyst, Carnelian
Okay sir, that's it from my side. We'll join the queue for the further question.

Operator
Thank you. A reminder to all the participants, please restrict your question to two question only per participant. Thank you. Our next question come from the lineup Nishita with Sapphire Capital. Please go ahead.

Nishita Shanklesha - Analyst, Sapphire Capital
Yes. Am I audible?

Operator
Yes Nishita. Please go ahead.

Nishita Shanklesha - Analyst, Sapphire Capital
Yeah, so I just wanted to understand like our margins have dropped and you explained that they've dropped because of the product mix change and the raw material price hike. So since the situation has now subdued, can we expect the EBITDA margins to go back to the previous 15% from Q2 onwards?

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
See basically the moderations and all the raw materials coming back to old levels is happening now. We will see gradual improvement in the energy segment. As far as the mobility segment is concerned, we have earned healthy margins. It again all depends on the product mix and hopefully with all supply constraints not there now, we hope the operating margins to remain. I think we have spoken about this in the past. Around 12% is what we are looking at to stabilize.

Nishita Shanklesha - Analyst, Sapphire Capital
But previously we've had like the margins at around 14%, 15%. So why the 12% range? Are we being conservative when we say that we'll have 12% margins? Because our insulator segment also has really good margins and that is also going to grow 5x in next three years.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
There are two reasons. One, what is up, insulator used to have high export, export used to have healthy margins. So insulator margins are higher. But due to geopolitics and all that shipping challenges and what's happening today, Trump tariffs and all that has really made export a little difficult. And we need to really understand one and hence the expected to go back to the earlier margins is really we wish like you that it happens. However, it is not expected that this Q1 impact will continue.

It will definitely improve. Our wish along with you is that we will get back. Our intention is to get back to the same margin but it will be over a period of time because we love to do a risk mitigation other than exports, how to get, what is the market and we love to play that one. So what we are saying is it will lie between 12% to 15% on a given day and that's what market is. In fact, if you look at the auto industry, most of them are much lower than around 10% to 12%. And while we continue to enjoy the higher percentage, we need to really see how we will maintain it. And that's the intention of the management.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay, okay, understood. And my next question is on our truck sales. I just wanted to understand, have we already started with the truck sales?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See in the previous quarters we have deployed about 115 trucks, about 115 trucks and we'll continue to deploy another, maybe another 40, 50 trucks. This is mainly to learn as a pilot, to learn the market for our next generation truck. The intention of these trucks are not to get revenue but to more of a pilot to ensure that our next generation platform, it's like a seeding of trucks in the various applications to learn to develop our products. So we will continue to -- but our own truck will come at the end of the Q4. So you will see the truck sale impact in our financials, in the next financial year.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay, understood. That is it from my end. Thank you so much.

Operator
Thank you. The next question comes from the line of Preet with InCred AMC . Please go ahead.

Preet Pitani - Analyst, InCred AMC
Thank you for the opportunity sir. My first question would be on the line of EV industry. So how do you expect for next three to five years EV industry to grow and what kind of deliveries do we expect in FY27 and FY28?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
So if you look at the overall EV industry, I think substantially if you look at two wheelers that adoption is close to 9% in the first quarter while it was about 6.8% last full financial year. Three wheeler is about 60%. Four wheeler cars is close to 5%. Four wheeler goods are around 2%, 3% and trucks, you know is a meager 0.3%. Bus is at around 7% in the first quarter, it is expected -- last

year it was about 4.7%. So basically we are seeing adoption happening in all the segment between two wheeler till buses.

We are in the bus and truck segment. Truck segment is very nascent. As I told we are doing a pilot to learn it. Major volumes will come in next three to five financial years. And hence we are ready and getting ourselves prepared for journey for next five years in the truck segment. Bus segment has reached a reasonable point which is 7% is very critical. Even if you look at the overall 7%, this is overall bus market. But if you look at 9 and 12 meter alone out of 7800 buses, almost 1500 buses is the adoption.

So if you look at it, it's almost 30% in the segment. And if you look at STU out of 2000 buses which STUs have ordered or registered in the first quarter, 1400 is electric. That is substantially close to 70%. Right. So STUs EV adoption in bus is about 70%. If you look at 9 and 12 meter it is about 19%. Overall it is about 6%. So this growth is happening particularly after the war. I think lot of private enquiries have come in bus and trucks for adapting to EVs. So we believe that this segment will grow substantially. We are expecting the total FY27 TIV would be about 8,000 buses out of which we are expecting to deliver about 2,500 buses in this financial year. Next year this growth rate at least CAGR of 30% to 50% is expected depending upon what's happening in the market. And that's our prediction in terms of of bus adoption.

Preet Pitani - Analyst, InCred AMC
We have done around 350. I'm still continuing we have done around 350 buses delivery in quarter one. So we expect around 700 per quarter run rate of the bus delivery. Am I understanding it right?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See, even if you take between 2000 the run rate in the coming quarter what we are talking about, we are talking about 500 to 600 vehicle. While the exit quarter when we ramp up and we have our own buses in the last quarter that will add up to new. So let's say we are producing the current generation buses and for current orders at the rate of about consistently we made 350 in the last four quarters. We are expecting close to 500 this quarter and improving up to 600 and 700 in the last quarter. That's what we are looking at.

Preet Pitani - Analyst, InCred AMC
Got it, sir. And my second question is on the line of insulator business, if you just bifurcate what are our domestic insulator margin and what are the export insulator margin and the -- we have told 3x in next 5 years -- 5x in next 2 years, we are expecting it to be grow -- how much from the domestic and how much from export?

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
Sir, as I told you, the mix of exports will remain around 35% to 40% of the total top line. And see, overall in terms of we cannot actually specify what is the margin in domestic and exports Overall we have seen the margins the last two years at gross margin level was about 45%. Now gross margin is about 40%. So we expect the gross margin levels to stabilize around 40% to 45% in the mid term -- i n the near term basis. Overall we'll have to again factor what is going to be the -- i f there are no other external factors like geopolitical issues and raw material prices increases we hope the margins will stabilize around 40% to 45%.

Preet Pitani - Analyst, InCred AMC
Got it sir, I understand that you cannot give breakup of domestic and export. But can we just know

what would be the margin differential? It will be around 500 basis or 700 basis point between domestic and export. That's my last question. Thank you.

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
Basically again it's a mix. It's not really an apple to apple comparison. So we have a lot of products right from 25kv to 800kv. So that kind of split i s very difficult to actually predict. Definitely export margins are better as you said about 5%.

Preet Pitani - Analyst, InCred AMC
Thank you. Thank you so much sir.

Operator
Thank you. Our next question come from the line of Gaurang with [Technical Issues]

Gaurang - Analyst, Utility Unified
Good evening team. Congratulations for the 4,000 bus orders. Sir my question is with respect to the first BEST order which was 1400 plus 50% variation, so that may get 2100. Sir, just wanted to know whether this order is cancelled or are we still in discussion? Because why I'm asking is the Switch similarly had this issue with BEST. But their 150 pending bus order is now reinstated. So are we also expecting that this particular order might be reinstated back if it's canceled?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
So right now this order is under discussion which is I would say neither cancel nor accepted. It is under discussion with the authorities for the way forward. So i t is under discussion and hence we are not delivering any more buses for that tender. And hence we will -- only the dispute resolution happens then we will be able to take it forward whichever way it is.

Gaurang - Analyst, Utility Unified
Okay sir. And my second question is with respect to the second order. So second order was 2400 plus 25% variation. So that made it 3000 buses. So is it that we are going to deliver the pending 2900 buses or is it 2000 buses?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See the pending order is only 2000. The variation is only at the end of the order if the authorities want then only if both of us agree then only a 25% variation is allowed. So right now we have 2000 more for the second order and that we will continue to deliver.

Gaurang - Analyst, Utility Unified
Okay. So there is scope of extending that by 600 buses if they are interested.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
At the end of the contract. Yes. After we deliver everything at the end of the contract if both sides agrees then only there is a scope for one. Right now we should not take that as order. It is only -- w e have got LOI and delivery for only the quantity which is in the tender without increase.

Gaurang - Analyst, Utility Unified
Fair enough, sir. Sir my last question, sir. So I was just going through the numbers of medium to heavy duty electric -- s orry, normal trucks sold in India. And that's around 3 lakh to 4 lakh is the number. So once our new platform is ready, what could be the numbers that we are targeting for,

especially for the next financial year?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Our truck -- if you look at 3 lakh 30,000 is the diesel truck what you are saying. And if you look at the EV trucks, EV truck last year. One second. Give me a second. Last year is about 200 -- 800 vehicles. So EV truck is about 800 vehicles -- in FY27 Q1 EV truck registration is about 270 vehicles. So there is a good amount of that it will reach close to 1000 plus vehicle, 1200 plus vehicles this financial year. So we expect about 1500 to 2000 is addressable market in next financial year. Out of which at least we will target in the first year to get about 20%, 25% market share and then we will start growing from there.

Gaurang - Analyst, Utility Unified
Fair enough. Thank you so much for answering all the questions. Thank you. I'm done.

Operator
Thank you. Our next question comes from the line of Durgesh, an Individual Investor. Please go ahead.

Durgesh - Analyst, Individual Investor
Hi, this is Durgesh. Am I audible?

Operator
Yes sir, you are. Please go ahead.

Durgesh - Analyst, Individual Investor
Yeah, this is Durgesh, an Individual Investor. My first question I already answered. My second question is can you share that mobility margin percentage?

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
The margin percentage, overall PBIT margin is about 8.2%, about 14.7%.

Durgesh - Analyst, Individual Investor
Okay, thank you, sir.

Operator
Thank you. Our next question comes from the line of Ritwik an Individual Investor. Please go ahead.

Ritwik - Analyst, Individual Investor
Hello. Good evening, sir. Many congratulations for the Q1. My first two questions are. My first question is what is the plan for the GFRB RP rebar business? And my second question is what is the impact of wage code, labor code on your company's financials? These are my two questions.

Sharat Chandra - Chief Financial Officer, Olectra Greentech Limited
I think the rebar thing, it's quite competitive and then not much of real margins we are expecting. So we have actually slowed down. In fact we are not pursuing it now for rebar. As far as the wage bill is concerned, we already factored, it's not significantly material for us. It's about 50 to 70 lakhs which has been absorbed in the financials.

Ritwik - Analyst, Individual Investor
Pleasure, sir. I have been an investor of Olectra since September 2017 and by next year I'll complete

10 years investing in Olectra. Thank you very much.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Thank you for the continued trust in all the company and the management.

Ritwik - Analyst, Individual Investor
Welcome.

Operator
Thank you so much sir. Our next question comes from the line of Pankaj from Affluent Assets . Please go ahead.

Pankaj Bobade - Analyst, Affluent Assets Private Limited
Thanks for taking my question, sir just wanted to understand when can we see meaningful increase in the numbers delivered? Like as we have a capacity increase from June -- Jan quarter and it has been almost eight months. But we have not seen any impact of the increased capacity on our numbers delivered.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Okay, so I have told already that in the last four quarters we have after the plant has been installed we have been consistently delivering 350 plus vehicle. There were multiple challenges. I told you there were supply chain issues. There are issues related to front end readiness and hence deployment and so on. We are expecting from this quarter the numbers to go up. I already covered this. We are looking at exiting around 600, 700 vehicles per quarter and about 500 in the coming quarter. That's the impact we are doing.

We have done a lot of work in terms of streamlining the capacity. Capacity is not just the capacity at the plant. We need to do streamline the supply chain. We need to prepare the depots to ensure that we are able to deploy them without capital lock. So all this I strongly believe has been done. And then you will see a ramp up in this financial year quarter on quarter from now on.

Pankaj Bobade - Analyst, Affluent Assets Private Limited
Okay. Secondly sir, is there any scope for us to go overseas like our competitors or peers in India, Switch, Tata Motors, they are looking -- scouting for opportunities especially in EV outside across the borders. So is there any scope for us to go beyond borders that given that we have been tying up with BYD for batteries.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
See our new generation platform vehicles, both bus and truck we are protecting to export market as well. That is one of the reason we are not just not localizing but went into new generation products. We will have a potential to export and we have already started configuring the vehicles to meet the export requirements when it comes out in the Q4 of this financial year. Next financial year would be our exploration to participate and take our vehicle to export market. So yes, to your answer is -- the question is yes with our new generation products and we'll be ready by end of this financial year.

Pankaj Bobade - Analyst, Affluent Assets Private Limited
Sure. And finally sir, would there be any increase in our margins with the increase in indigenization -- level of indigenization?

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Yes. In our new generation products when everything is local we will have a better margins than what it is today. That is expected. Now how much we will realize that definitely it will be better. I can't tell how much it is. We will see it from Q4 of this financial year onwards.

Pankaj Bobade - Analyst, Affluent Assets Private Limited
Thank you. Thanks a lot sir.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Thank you.

Operator
Thank you. [Operator Instructions] As there is no further question from the participant, I now hand the conference over to the management for the closing remarks. Thank you and over to you team.

Mahesh Babu Subramanian - Managing Director, Olectra Greentech Limited
Okay, thank you all investors for the trust and continued support to the Olectra Greentech as well as the management. As I have said that I strongly believe that we are in the right position now. We are getting into new products, we are getting into expansion. We are preparing ourselves for new regulations and potential export and so on. These are all exciting times. While there were multiple challenges due to geopolitics and war, I think our team has managed well to curtail and ensure that profitability is still maintained. Going forward, we'll continue to work.

Operator
[Operator Closing Remarks]