



Kalyani Forge Limited

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June 03, 2025

To,

Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Tower, Dalal Street,
Fort, Mumbai-400001
Scrip Code: 513509

National Stock Exchange Of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Symbol: **KALYANIFRG**

Dear Sir/Madam,

Sub : Transcript of the Analyst/Investor Conference Call held on May 28, 2025.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the Analyst/Investor Conference Call held on May 28, 2025.

The same is available on the website of the company www.kalyaniforge.co.in.

Kindly note the same.

Thanking you,

Yours Faithfully,
For **Kalyani Forge Limited**

Rachana Agarwal
Company Secretary

Encl.: As above

CIN : L28910MH1979PLC020959

REGD OFFICE: Shangrila Gardens, 1st Floor, 'C' Wing, Opp. Bund Garden, Pune : 411001

KALYANI FORGE

KALYANI FORGE LIMITED

ANALYST / INVESTOR CONFERENCE CALL Q3 & NINE MONTHS ENDED RESULTS - TRANSCRIPT



The Company hosted an Analyst / Investor Conference Call (Virtual - Mode) to discuss the financial performance for the Fourth quarter and Financial Year ended on March 31, 2025 on -

Date : Wednesday, 28th May, 2025

Time : 11:00 AM – 12:20 PM IST

The Management team represented by **Mr. Viraj G. Kalyani**, Managing Director and Mr. Nilesh Bandale, CFO of the Company.

E&OE - This transcript is edited for factual errors. In case of discrepancy, the video recording available on the website of the company will prevail.

Moderator: CS Rachana Agarwal (Company Secretary and Compliance Officer) & Mr. Rajkumar Diksangi (Associate Company Secretary).

Moderator: Good morning ladies and gentlemen and a very warm welcome to our Kalyani Forge Limited's Fourth quarter and financial year ended 31st March 2025 analyst and investor conference call. This is a general reminder that all participant lines will be in the only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone or your system.

Please note that this conference is being recorded. Before we move on to the presentation, a small disclaimer to participants, this conference call may contain forward looking statements about the company which are based on beliefs, opinions and expectations of the company and as on the date of this call.

These statements are not the guarantee of future performance and involves risks and certainties that are difficult to predict now. I now hand over the conference over to Mr. Viraj Indri Kalyani, Managing Director of Kalyani Forge Limited and Mr. Nilesh Bhandare, Chief Financial Officer of the company. Thank you and over to you, Viraj Sir.

Mr. Viraj G. Kalyani: Good morning. Good morning, everybody. Very warm welcome to all our investors, shareholders, potential investors and general participants who are interested in Kalyani Forge. Those who have been regular to our investor meet. We are very happy to have you back and we look forward to a very insightful and interactive participation today. So I will take you through our investor presentation and after that we will go through some Q&A, which both myself and our CFO Nilesh will try our best to answer your questions.

Mr. Viraj G. Kalyani: So as Rachana already mentioned, this is a safe harvest statement.

These are our product offerings, engine, driveline and axle are the three major product groups. Again, this is a slide which is just for everybody's reference and I have shared it earlier, but connecting rods continue to be a major part of our business. This business is growing very fast and we're also graduating from as-forged supplies to machine fully finished supplies.

The axle products are also XEV and fuel agnostic components. This is also a major growth segment with high tonnage business, which is produced on our larger presses. We are well diversified and leveraging common strengths across market segments, such as commercial vehicles and trucks, passenger cars, industrials and agro segment.

All four segments, we have different strategies because they have a different way of evolving as markets and we see a lot of growth potential in each of these four segments.

This is our leadership at the board of director level. Our Executive Chairperson is Mrs. Rohini Kalyani. Myself, I'm the managing director, Viraj Kalyani. Gaurishankar Kalyani is our non-executive director and we have three independent directors, Mr. Ajay Tandon, Mr. Jeevan Mahaldar and Mr. Abhijit Sen. All board members have deep expertise and experience at scale, especially automotive manufacturing domain knowledge, global expertise and strong strategic skills.

This is our growth formula, Kalyani Forge Limited growth formula, which I have been presenting every quarter and it is still our backbone of growth and profitable growth, which we will show in the next few slides in more detail. But the main aspects are strong execution plus business development plus CapEx equals growth. That is the formula and we work on all three pillars in a lot of detail.

Especially the last quarter, we have been able to achieve a good amount of depth of process in these areas and we can see that in the results as well. So first coming to strong execution, these are our financial results for the quarter ended 31st March. So what you see is quarterly figures.

Our total income was 59.34 crores. It has grown over the previous quarter of 58.6 crores and also significantly grew over the same quarter last year, which was 56.82 crores. EBITDA is at 6.74 crores.

We have maintained a good level of EBITDA growth over the last three quarters and we will continue to build on this and that is what is reflecting in the bottom line. Our PAT for Q4 is 2.23 crores, which is also a fairly healthy level at this point in time. It's much more than the PAT of Q4 last year, which was only 71 lakhs.

So we're seeing a PAT increase of almost 3x compared to last year's quarter. EBITDA is 11.4%, which is also in line with our expectations and EBITDA margin expansion. We will continue to build on this in the coming year and I will explain the major initiatives that we have taken for EBITDA improvement.

This is our yearly trends. So for the financial year FY25, the same charts of revenue EBITDA PAT and EBITDA margin. So revenue is 239.2 crores, which is flat compared to last year of 240 crores.

As explained in earlier quarterly presentations, we have a good amount of new business that is part of FY25 sales, but we have also consciously got rid of non-profitable business or non-strategic businesses and hence our overall revenue is flat. In addition to this, there have been some market factors, especially in Q3 of this year, where there was some reduction in demand in the automotive space, but that was expected. The major point and highlight of this year is that we have achieved our highest profit after tax in 10 years and that is 8.3 crores in FY25.

So I'm very happy to share this news with all of you. This is a significant jump from the previous year's PAT of 4.6 crores and it is driven to a large extent by our EBITDA increase, which is also one of the highest in the last 10 years. Our EBITDA stood at 26.5 crores compared to 17.7 crores last year and it was around that level last three years.

Our EBITDA margin has also taken a good jump to 11.1% compared to the previous four-year trend, which was more in the range of 7-8%. So this has been on expected lines where we are working on improved operational efficiencies, improving the sales mix and the business mix, simplifying the business, removing inefficiencies, and by being more strategic about the businesses we want to work in, we are able to improve our pricing. And the overall realization from sales.

So those are the major high-level factors affecting and propelling our results this year. Continuing with strong shareholder returns, we have declared a dividend of 4 rupees per share for FY25. This is also our highest dividend so far, at least in the last five years.

And our share price bounced back to an all-time high of 890 rupees during the last few months, which is also very heartening news to see that the market has been keeping track of our progress and rewarding us with better valuations. So I'd like to thank our shareholders for their contribution and encouragement throughout this journey. There's still a long way to go, and we will do a lot more going forward.

Our second pillar in the growth formula is business development. Here also I'm very happy to share that we have got an all-time high new order wins of 115 crores in FY25. This is about 10 crores higher than the previous year, where we received 95 crores of new order wins.

The important thing to see in the graph is that the last two years, the engines of growth have been really activated, and especially the engines of long-term growth. And therefore, our business development efforts have been continuous and on an increasing trend, and that is the major raw material that we need for growth of any company. Particularly in the last quarter, we have two new machine connecting rod programs, which had SOPs.

SOPs means start-up production. This commenced in Q4. We also have samples approved for a new automotive export order, so it's a high-volume and good-value order, and it will add to our exports portfolio.

Which is also strategically important. Again, I'm very happy to share that we received a collaboration excellence award from Mahindra for fast development of connecting rods for their engine program. So this is a matter of great pride for us.

Mahindra has been a very long-standing customer, and the fact that our team really pulled a lot of effort in a matter of one or two months to put up a new connecting rod line, develop the samples, get them prepared, and start SOPs was very well appreciated. By one of our very important customers, that is Mahindra. And therefore, in a nutshell, Kalyani Forge enjoys an entrenched position with multi-decade relationships with OEMs, and the numbers are testimony of that.

Our third pillar of growth is CapEx, and this time I'm going to share with you a more detailed picture of our CapEx investments. This is also based on feedback from earlier investor calls where we did not have all this data at that point. So the CapEx that we did in FY25 was 24.4 crores.

This is slightly lower than the previous year of 26 crores, and our next year's budget, FY26 budget, is 25 crores, which is approved by the CapEx allocation committee and the board. What I want to highlight here is that this is the first time that over a three-year period we have had a significant amount of CapEx compared to earlier trends. And this also means that we as a company and as leadership right from the board level, we are very serious about CapEx.

We are very optimistic about market prospects and the company's ability to encash on them. And hence, we are doing these continuous investments. Another important point of why this CapEx program is so important is that we are also making up for some of the lost time in the past where we were not as aggressive in doing these investments.

So a good amount of this CapEx budget, especially for FY26, is allocated towards existing business programs, which means reconditioning of old forging presses and machines, bringing them back to life or improving their performance specs. So as you can see, a photo here on the right-hand side is our first full recon project completed for a 1,600-ton forging press. And this is something we are going to do in a more structured way this year onwards as part of our forging modernization program, which is initiated for profitability improvement.

So we are going to take different press lines every few months for complete overhaul, reconditioning, and make them as good as new so that their performance parameters are up to the mark. The quality level of the products will be very good, so our OEEs will improve and our ability to produce and deliver and achieve the sales and EBITDA targets. So this is one of the important sub-programs within the overall CapEx program.

Our fixed assets for Q4, at the end of Q4, stood at 60.4 crores, and as you can see in the graph below, 15 crores are the CWIB capital work in progress. So there have been new additions as well as new projects that were started in Q4, and this cycle will continue into the next quarter. We should be commissioning a lot of these projects in Q1.

Some more notable highlights of the quarter. We have a new CHRO who has joined the company to strengthen HR. His name is Mr. Kedar Nimbalkar.

We have upgraded our performance appraisal system across all staff. This was very important to build a cultural transformation within the company to become a more performance-oriented organization across all levels and to align everyone's goals from top to bottom in line with the long-term goals of the company as well as the annual goals. We conducted a detailed energy audit of all our plants.

This has helped us to identify several improvement areas pertaining to power cost reduction, improving energy efficiency, reducing downtime in our plants, etc. The CAPEX allocation committee sanctioned a budget of 25 crores for FY26. The important thing to highlight here is that, this is the first time that we have had a very detailed analysis at the board level on CAPEX.

This sets the tone for going forward where we will be very judicious in our CAPEX spend but also be very timely and ensure that the right capacity is put in place at the right time and we do not fall short of our growth prospects. Term loans were also secured for funding this CAPEX of FY26 in the last quarter so we are pretty comfortable from a funding standpoint and we also achieved a sustainability assessment score which crossed 70%. This is a growing trend and an important requirement to also win orders.

In general, it's a very important initiative where through sustainability the company becomes more efficient and we are protecting the planet, taking care of our environment, or taking care of the emissions from our indirect processes and supply chain. We have started that journey as well. Finally, this is our game plan for the next 12 months, that is FY26.

Since we have ended the last financial year, I want to just give an overall picture of the next 12 months. We have established a Vriddhi Council which is a council of project leaders in line with our Vriddhi Plan of 2027 where we have a growth target of increasing EBITDA margins. In this year, we have identified 13 HIGHS like machine reconditioning, purchase cost reduction, power cost reduction, productivity process optimization, and COPQ reduction.

Those are some of the major themes for these HIGH impact initiatives. The new business SOPs for around 50 crores that we are planning in this year. Execution of many of our CAHPS projects.

Digitized compliance management system to ensure our governance is strengthened, especially in SAP-based functionality of controls. Deepening KSCADA portal with Kalyani Studio. KSCADA is a digital platform that we have developed as our manufacturing execution system.

It takes a lot of data from our various software's like SAP and other machine data, etc. And provides very insightful analytics and visibility of trends. This is developed with Kalyani Studio, one of our sister concerns in the group.

And it's a major advantage which helps in our strong execution and helps us take better informed decisions. So overall, this is the game plan for the next 12 months. And with that, I come to the end of our presentation. So thank you very much. And I look forward to your Q&A.

Moderator: Thank you for your insightful presentation. There are a few questions in the chat box. I will take that on and then we can go ahead with the one-to-one questions. So the first two questions were asked by Mr. Harish Chawla.

One is in last quarter, we mentioned nearly 350 crore order book. Third, we are presenting 115 crores new order win. Is this addition to 350 crore? And the second question is a really good job done at improved fat. But sir, our top line is trending since last 10 years to about 230 crore. What we expect top line in next two years.

Mr. Viraj G. Kalyani: These are the two questions. So the 350 crores that we showed in last year, I mean, in the last one of the earlier presentations, was an overall order book value, which includes multi-year programs.

The 115 crores are a peak annual values for these programs. So we have just made our measurement much more consistent so that we can compare these numbers to the sales figures. So the two figures are not the same definition. So 115 crores is peak annual sales value. As you can see in the footnote below the graph.

The second question is on top line. So definitely, again, it's this new order wins that are going to add to our top line. We are expecting a healthy growth in the next year as we are focusing a lot on our sample development, start of SOPs, and ensuring the capacities are in place or ramped up for the additional revenues. So that is the very concerted effort that we will be taking to ensure a significant growth in top line as well in the coming year.

Moderator: Moving ahead with the next question, which comes from Nitin Gandhi. His question is on CapEx, what is the asset turnover payback period, additional expected margin, and optimal revenue? And post-expansion, what is expected the potential revenue?

Mr. Viraj G. Kalyani: So asset turnover, so just for everybody's awareness, that is sales divided by, total assets. We have currently a very high asset turnover ratio compared to the industry benchmark. Our objective is to bring the asset turnover, to the benchmark level. That means there will be some, reduction in the asset turnover ratio. Typically, in the forging industry, asset turnover ratio of two to one is a thumb rule.

So that's what we are going to aim towards. But that journey will take time as we, continue to increase our CapEx over, several years. Right now, our asset turnover, would be its net worth is 60, and our turnover is near about 240. We consider with network and then or a sector mode, set sensor four times of assets.

It's four times. So that's the plan. Please don't take these figures, as a fixed amount because the denominator can change by definition. Payback period, well it depends from project to project. Some projects, we expect payback within six months, some are within, one year, and some are within two years. So some have longer gestation based on the, product development, lead time, the establishment of process, manufacturing process, and so on. But those are that's the general range.

Expected margins as well, I cannot give exact details, and these are proprietary in nature. But, definitely, the, what we keep an eye on is the CapEx ensures we maintain our existing margins or we are increasing, the margins with much more efficient machinery or newer technology.

Moderator: Thank you, sir. We'll be taking next question. That is from Mr. Vanesh.

Mr. Vanesh: What is the sustainable EBITDA margin? Also, what has aided the margin in financial year '25? What are the expectations going forward?

Mr. Viraj G. Kalyani: Nilesh, do you want to take this and I can add?

Mr. Nilesh Bandale: Sustainable EBITDA margin. Right now, the EBITDA is near about 10 to 12%, but our long term goal is 15%. So, in future also, we will be able to do in that range, 10 to 12%. And, second question was for, increase in profit.

It is because of operational efficiency. We did lot of efforts on our operational excellence, and that are reflecting here. Additionally, we improved our sales mix and removed some low profit, businesses as well.

Moderator: Thank you, sir. If any of the participants wants to ask questions, kindly raise your hand or restate into the chat box. Mr. Saket Kapoor.

Mr. Saket Kapoor: Namaskar, sir. Thank you firstly for this opportunity. So the first point was regarding the CapEx part. So, you did allude to the fact that we are in the CapEx, mode for the last two years and other two more years are where we would be investing. So, what would be the peak when will we be picking at the CapEx part? How much will we be investing? And, then onwards, how will our, utilization levels or our turnover likely to, shape up?

I mean, what kind of capacity additions are we going through in terms of what you have spoken about modernization, but, should we also, the volume addition? There's some time but also if you could just tell we would get better in this time.

Mr. Viraj G. Kalyani: Yes. Definitely. I only mentioned about the, reconditioning and modernization projects, but that's only one part of it. Another major program is the machining capacity addition. So we are expanding, new machining lines for our various products, which are like connecting rods, driveline parts, and axle parts. That will be a major capacity addition. We are also investing in particular machines which have been debottlenecking some of the lines that will also add, incremental capacity.

This CapEx cycle will continue as our growth plans, which are in place for the next few years. So we will be deciding on the next year's CapEx in about three to six months. The CapEx allocation committee will, again, is planned to meet sometime in July or August, and that's when we will review the next year's CapEx plan.

And, one more point to add on utilization. So, as we are doing a lot of reconditioning, we will improve the utilization of some of the existing machinery. So it may not add capacity, but it will improve utilization. And therefore, it will improve our profitability as well as sales. Okay.

Moderator: Thank you, sir. Mr. Sunil Kumar Amin is here. We are taking him online.

Mr. Sunil Kumar Amin: Sir, good afternoon.

Mr. Viraj G. Kalyani: Yeah. Good afternoon.

Mr. Sunil Kumar Amin: Thanks a lot for heart-warming reasons for the year 2425. Thank you. The magnifying margins and net profits are a boon to all the stakeholders. Oh, thanks to chairperson and dynamic MD, Shri. Viraj and, I hope that, KFL growth formula will continue to serve the interest of our nation. But I have a question. Are we focusing more on defence sector?

Mr. Viraj G. Kalyani: We are, we have started a project with one of our customers. Given the, sensitive nature of some of these projects, I cannot divulge details. But, our, projects and new business in defence are currently focused on our existing, product portfolio. As we evolve and build our capacity, we will, look at more such allied products or components, which we can leverage with our existing facilities. But it is part of our long term, growth strategy. Thank you.

Mr. Sunil Kumar Amin: And, one more. Thanks for raising dividends.

Mr. Viraj G. Kalyani: Yes. We are happy to share, the good news and dividends. And definitely reward our shareholders whenever we have good results.

Moderator: Thank you, sir. We'll take next question from Mr. Ankur Agarwal.

Mr. Ankur Agarwal: Hello, sir, Any expansion towards railway sector? Is there, some growth done on next four, five years?

Mr. Viraj G. Kalyani: We are already present in the railway business. We make some niche, components for railway breaking systems, which we are exporting, to Europe. We will, look at new, products in this portfolio. But over, the next few years, our current strategy is to grow our core business, so that we have enough, cash flows to invest in new product development, in these, different segments like railway and defence. There are also some components in railways that require larger presses. So, our 4,000 ton press project will help in catering to those type of products.

Mr. Ankur Agarwal: As you have a CapEx plan, so you have to raise debt term loan that will hurt your bottom line or it will be managed?

Mr. Viraj G. Kalyani: It will be managed. I think Nilesh can, share more details on how we're doing that.

Mr. Nilesh Bandale: For right now, as Mr. Viraj sir spoke, it is for, larger parts, and we have already, one larger press, 4,010 press in our CRV. So if there are any business from this, sector, we'll get that without hampering our bottom line.

Mr. Viraj G. Kalyani: I think the question was around debt taking and Debt and how we will manage our bottom line with.

Mr. Nilesh Bandale: There will be more new debts because, the larger places for larger parts. So there will be no additional debt other than this current CapEx plan. So there will not be any additional hit to our bottom line.

Mr. Viraj G. Kalyani: And we're also retiring some of our older debt. Older debts. Yeah. So there's a close watch we're keeping on our debt to equity ratio.

Mr. Ankur Agarwal: And the projection for 15% margin up to when which year you will be achieving that?

Mr. Viraj G. Kalyani: We can't make an exact prediction, but this is definitely our target. This is part of our target over the next few years.

Mr. Ankur Agarwal: Next few year means five year or three-year plan?

Mr. Viraj G. Kalyani: We cannot give a specific because you'll see the results. We are confident of getting there sooner than later.

Mr. Ankur Agarwal: Any dividend policy, for how much percentage of dividend of total net profit?

Mr. Viraj G. Kalyani: Yes. That's a very good question. We have started, strategically looking at our dividend policy. This is something we will take up in the next board meetings.

For this phase in our journey, we have to balance between, dividend payout ratio, which is for different types of investors. But, I'd like to say this that, strategically, we want to prioritize value investing. So we want to invest more money back into the company for growth and expansion, which will in turn increase the value of the company and the shares, for the shareholders.

Mr. Ankur Agarwal: As our company, equity is very, low. Any plan to raise the equity capital by be of right issue, QIP, or promoter, high key stake in future?

Mr. Viraj G. Kalyani: Yes. We are currently discussing, these plans. I cannot give a certain date, for this, but, as a promoter, CEO, I can say pretty optimistically that is a path that we are taking up in the future. And, we are very optimistic and, about the long term prospects of this business.

Mr. Ankur Agarwal: And now as, we all know that the EV is now in the market. So any effect to our business, IC business, or we are shifting some, parts to EV?

Mr. Viraj G. Kalyani: Yes. We have been shifting a good amount of parts to the XEV segment, which means parts which work both in ICE and EV vehicles. So the driveline and axle, components, fall in that category, and both are, fast growing segments.

Mr. Ankur Agarwal: Thank you. That's all from my side.

Moderator: Thank you, Mr. Saket Kapoor has some questions.

Mr. Saket Kapoor: Sir, firstly, as you, said, after we mentioned you are interested in, deploying capital and raising your stake. So, means, in this CapEx journey, you want to fund the CapEx through the equity issuance, that is what you are, aligning to?

Mr. Viraj G. Kalyani: Yes. What I'm saying is that, raising capital from equity is something we are looking at, in the future. This is something we haven't done in the past, but now we feel it's a right time. And as promoters as well, we definitely have a strong inclination to participate, in such, fundraise. But I cannot give any definitive, you know, announcements at this point. It would be let's just say that it is under evaluation.

Mr. Saket Kapoor: Yes, sir. That is correct. It has to be evaluated. The program needs to be done, then only it would be executed. As you have already given the road map to growth profitability, there is also a road map for fundraising exercise also. So you are absolutely correct on that front. But it said, since for the last two years, we have already done CapEx to the tune of 49 crores and for the current year also, I think the 25 crore has been outlined. So in total, 75 CR is the CapEx.

However, our top line has been to the tune of around, 36 to 40 crores for the last two fiscal. So just to get an understanding, 75 crore is a huge amount, being invested. So if you could just give some colour on what will be catapult. And also my second question was, although our top line was flat, our bottom line doubled. So the factors which led to this doubling whether it did the product mix, what kind of efficiency.

Mr. Viraj G. Kalyani: Yes. I think, the two or three points that you've highlighted are all interrelated. The CapEx that we have done has actually helped us in the first phase in improving the profitability and the bottom line. And, on the and so it has not completely flown into, top line. A significant portion of this CapEx is for replacement machinery and reconditioning of existing machinery. So it helps to maintain the existing business as well as improve the operate operating effectiveness and efficiency, of the business, which Nilesh pointed out was one of the major factors for, EBITDA growth. There are also several projects that are in that are work in progress, and they take time to, you know, convert into regular, production. So that's the typical nature of these investments.

Mr. Saket Kapoor: Sir, any colour you can give on the tonnage part? What I could make understand is that, for the efficiency part. Capacity addition product mix, say profitability increase here. As per your detailed on the tonnage part you have set up the SOP, order details and productivity progress so how it will work ahead in order to meeting the target.

Mr. Viraj G. Kalyani: Yes. So tonnage actual production Tonnage installed capacity tonnage with the 4,000 ton press, and, we have a new 1,600 ton press. So these are additional presses which are adding to the overall tonnage, but the rest of the reconditioning and modernization programs will improve our actual production tonnage. Apart from that, our machining capacity has been increasing in terms of capacity value as well as quantity production quantity for the year. So that is something we actually, track daily, production, quantity for each of our machining lines. And we work on improving that capacity or adding new capacity.

Mr. Saket Kapoor: So the point which I want to understand is, since you mentioned that whatever money has gone into major part has gone into the efficiency, improving the, profitability. So, on a turnover base of the two particular road with the type of CapEx and efficiency that we have, well, seen in this year, what should we look forward in terms of incremental growth in the tonnage part? And secondly, sir, as you mentioned, are we sourcing our casting, from market? Or, how is the casting is the casting process. And also one more suggestion, sir, our point is that if you could just elaborate the process processes through which our RM select it to finance product journey or take slight So we can understand profitable profitability to predict.

Mr. Viraj G. Kalyani: Okay. Regarding your tonnage, question on that, you know, next year, again, that's more of a forward looking, prediction, which we cannot make. Currently, our tonnage is in the range of 11,000 to 12,000 tons of production. Definitely with the top line growth, there will be some increase in tonnage next year.

But we are also looking at value increase. So with more machine products, the sales value would increase, but the tonnage may not increase as much. In terms of the manufacturing process, and on your question about casting, so we don't do a casting. We only do forging. We make our dyes and tools, in house.

In terms of the manufacturing process, yes. This was something we, we discussed in the previous call as well. The entire process is available on our website. But just in a nutshell, the major processes are from, cutting, forging, heat treatment in some cases. Then there's finishing processes, machining processes, which are on a, machining line.

Mr. Saket Kapoor: Two short points, and I'll join the queue. Firstly, when we look at the P and L for this financial year, the employee cost, is also, I think so, the largest component. Is more than 16% of the revenue goes into it. So going ahead, this would be the fixed cost component because for the last two years, the implied cost has remained the same towards the turnover. So what should we look at this, line item with the type of efficiency which you are, alluding to?

And on this 11,000 per tonnage, what was our utilization, level for, the last two fiscal? If you could give, some colour on this.

Mr. Viraj G. Kalyani: Okay. So you're trying to back calculate our capacity. On the employee cost, we are targeting to bring it, to a much more efficient level. But the major lever is increasing the top line. So employee cost as a percentage of sales, would come down. We have had several meetings of the NRC, that's the nomination and revenue ratio committee of the board, where this year for the first time, we have taken a lot of detailed analysis and strategizing on our talent pipeline, focusing on our human capital, assets, and looking at growing our employees along with our growth journey. An important part of this, as I highlighted in my presentation, is the, cultural transformation to becoming a much higher performance oriented, company.

So good performance will be highly rewarded within the company and in our employee base. And, bad performance will have, you know, different will have different consequences or not be, rewarded. So we are making that, distinction, more and more clear, in this transformation journey. In terms of the utilization on production tonnage, this is purely on the forging side. So and it differs from press to press.

Mr. Saket Kapoor: But at overall level, I can say that we are at, between 50 to, 60% utilization. Okay. So there's a lot of headroom grow on from the existing capacity. Our job order group definitely percent. I mean, that's a good target to have.

It's, in forging, it's always, a little difficult to, drastically increase, utilization because the time it takes to, overhaul the presses and all is involved. But, yes, that is a target that we have. But, sir, very simple growth utilization levels improve Yes. Our capacity order book executes Correct.

Mr. Viraj G. Kalyani: So it's on high priority. So that's the main point.

Mr. Saket Kapoor: The main point if I could, visit the facility and have some more understanding on ground whether you are facilitating the same, because it's a very small, lesser known company with the type of CapEx and all you are doing. So there will be lots of options.

Mr. Viraj G. Kalyani: So Yes. We do organize, visits, to select shareholders. I mean, so based on, you know, based on time availability and coordinating schedules. So our, investor relations team, of Raj Kumar and, Rachana will you can be in touch with them.

Mr. Saket Kapoor: Yeah. Okay, Rachana, ma'am. Kindly coordinate. You have my details. My number and everything is available. Thank you, sir.

Moderator: Thank you. Sir, there are a question in the chat box, to ask. So the question is from Mr. Harish that can we expect Three Fifty Crores top line next year?

Mr. Viraj G. Kalyani: So Yeah. We cannot make a forecast. We do have our internal plans to, substantially increase our top line.

Moderator: Thank you, sir. The next question is from Mr. Shaurya Punyani. What is our current capacity, and what will be post CapEx, and what is the capacity utilization? This has been answered time to time in this conference.

So we now have with the next question, from Mr. Shaurya Punyani, How much export are a percentage of revenue, and what are the major countries to whom we are exporting?

Mr. Viraj G. Kalyani: Yeah. Our, exports we had a 11% increase in exports in FY 2025. Now don't quote these numbers because they are still under evaluation. But we did 48 Crores, in exports in F.Y. 2025. And in F.Y. 2024, it was around 43 Crores. Again, these are not, fully verified data. Hence, we haven't published it at the presentation. So, just going by that as a percentage of our product sales, this comes to about 20-23%, purely with product sales. But from, total revenue, it would be about 20%. So this has increased compared to 15% earlier. And this is, a very healthy development. It's very strategic that we want to increase our exports business, take it up to 50% of total revenues in the next few years. So that is the direction we are going in.

Moderator: We are taking the next question from Mr. Vanesh. So does that mean the will remain, same as 11,000 MT?

Mr. Viraj G. Kalyani: We can't say for sure. I mean, we would like the tonnage to increase. It won't increase in the same ratio as the sales growth because we are doing more value added sales. So, it may not be a one is to one mapping, but definitely tonnage should increase. Okay.

Moderator: He has one more question on that, is difference order also there in the order code or expectation going forward?

Mr. Viraj G. Kalyani: There are some, orders, but those are in the initial stages. So the volumes are also, low. And but those are important projects. That's all I can say at this point.

Moderator: Thank you, sir. We will take up the next question from Mr. Ankur Agarwal. Yes, Mr. Ankur Agarwal.

Mr. Ankur Agarwal: Yes. Just like you have fifty, sixty-year-old company. Do we have enough time plan for expansion? For we have to need add more land plan for further expansion?

Mr. Viraj G. Kalyani: We are very fortunate to have a vast amount of land, open land in our existing premises. Thanks to our visionary executive chairperson who took the bold decision to acquire, a big portion of land in Sanaswadi. So currently, we are occupying, I'd say less than 25% of that land. So we have good amount of space to expand.

And we have some extra land for monetized for further expansion and not, have some land for the monetization so that we can fund our expansion. That is something we have to, we have not yet, strategized on, monetizing existing land to fund, you know, the business. Our core focus is on growing the core business. That is what we would do at this point. But we have optimized a lot of our land usage, even our shop floor space.

So we were able to last quarter, we were able to free up another complete shed by shifting the existing machinery closer to the, other machinery. This way, we have also created a new town hall, for the company. So we have every quarter town hall presentations, given by myself and some of the senior team members to the entire staff, and we are able to, you know, have increase our communications across the company and across all the plants.

Mr. Ankur Agarwal: So How much acres landline we have?

Mr. Viraj G. Kalyani: I don't have the numbers, at my fingertips, but it is it's substantial Oh. For our size of business.

Mr. Ankur Agarwal: Okay. Thank you from my side.

Moderator: Thank you, sir. Any more questions?

We can take up last one question if any of the investor are interested for, members present can ask. Okay, sir. Alright.

There are few, requests we are receiving for plant visit. So we'll, plan a meeting to the plant. Now, we can conclude the meeting with your ending remarks.

Mr. Viraj G. Kalyani: Yes. Sounds good. Thank you very much for everybody's participation, and thank you, Rachana, for organizing this, investor call. Looking forward to meeting again next quarter.

Moderator: Thank you Sir, Thank you all members. Thank you all investors. So all stakeholders. We will now end it end this May, and we'll surely plan for a planned visit as requested to see and, plan another analyst call shortly. Thank you so much for your active participation. Thank you. We will be ending meeting for all. Have a good day!