Frontier Springs Ltd.

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May 31, 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 Audited Financial Results for the quarter and year ended March 31,2025.

Dear Sir/Madam

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015please find enclosed herewith a copy of the transcript of conference call conducted on May 29,2025 to discuss the Audited Financial Results of the Company for the quarter and year ended March 31, 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
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Date: 2025.05.31 17:32:58 +05'30'

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

"**Frontier Springs Limited**
Q4 & FY'25 Earnings Conference Call"
May 29, 2025

MANAGEMENT: **MR. KAPIL BHATIA**
WHOLE TIME DIRECTOR
FRONTIER SPRINGS LIMITED

MR. NEERAJ BHATIA
CHIEF FINANCIAL OFFICER
FRONTIER SPRINGS LIMITED

MR. DHRUV BHASIN
COMPANY SECRETARY
FRONTIER SPRINGS LIMITED

Frontier Springs Limited
Q4 FY'25 Earnings Conference Call
May 29, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Frontier Springs Limited Q4 FY'25 Earnings Conference Call hosted by TIL Advisors.

As a reminder, all participant lines will remain 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 the operator by pressing * then 0 on your touchtone telephone. Please note that this conference is being recorded.

I would now like to hand the call over to Mr. Abhishek Mehra from TIL Advisors for opening remarks. Thank you and over to you.

Abhishek Mehra: Thank you, Ryan. Good afternoon and welcome everyone. Thanks for joining this Q4 & FY'25 earnings conference call of Frontiers 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, Director; Mr. Neeraj Bhatia, Whole-Time Director and Chief Financial Officer and Mr. Dhruv Bhasin, Company Secretary.

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 would now like to hand over the call to Mr. Kapil Bhatia. Over to you, sir.

Kapil Bhatia: Good afternoon, ladies and gentlemen. I extend very warm welcome to all participants joining us for our Quarter 4 and full year FY'25 earnings call. I am Kapil Bhatia and it is my privilege to present you the highlights of our financial and operational performance for the quarter and the year ended 31st, March 25 as well as our outlook for the year ahead.

Let me begin with the financial performance for the quarter and the year as reflected in our audited results. For Quarter 4, '25, we delivered our highest ever quarterly performance. Revenue from operations stood at Rs. 70.08 crore, marking a robust growth of 20.27% over Quarter 3 FY'25 and 58.75 over Quarter 4 '24.

EBITDA for the quarter was Rs. 16.75 crore up 34.26% quarter-on-quarter and 125.71% year-on-year. The EBITDA margin improved to 23.90% in Quarter 4 FY'25 compared to 21.41 in Quarter 3 FY'25 and 16.81% in Quarter 4 FY'24. Profit after tax was Rs. 11.66 crore, a strong increase of 33.57% over the previous quarter and 130.89% over the same period last year. For the full year FY'25 revenue from operations reached Rs. 231.34 crore, a 70.84% increase over FY'24. EBITDA for the year was Rs. 49.66 crore, up 139.10% year-on-year with EBITDA margin of 21.47% and improvement of 613 basis point over FY'24. Profit after tax stood at Rs. 34.66 crore up 166.93% from Rs. 12.99 crore in FY'24.

Moving to the operational front, Quarter 4 '25 was a period of strong execution across our core businesses divisions coil springs, forging and air springs. Coil spring division, our main stay business for over three decades, the spring division continued to see healthy demand from Indian railways, the surge in production of LHB coaches and locomotives has led to notable uptick in orders for the hot coil compression springs. Our manufacturing capabilities and stringent quality standards have enabled us to remain a preferred supplier. Forging division, we have successfully commercialized our new state of our 6 ton hammer, enhancing our forging capabilities while the ramp up of utilization of progressing slightly slower than initial investment. This is a deliberate strategy as we are sharply focused on high value, high margin forging to ensure optimal profitability. We already have orders in hand for this new capacity and expected subsequently improvements in performance in the coming quarters. Air spring division, our air spring segment which began commercial production in 2022 experienced a significant flip during FY'25 driven by ongoing modernization with Indian Railways, we hold firm orders in this segment and the increasing adoption of air suspension system in LHB coaches is providing clear visibility of sustained growth. Throughout the year, our focus on operational excellence, capacity expansion, and value-added products has enabled us to deliver record performance. Our customer base remains robust with long standing relationships with all our clients.

The Indian Railways sector continues to offer significant growth opportunities supported by historic government initiatives. Union Budget 2026 allocated a record capital outlay of Rs. 2.65 lakh crore for Indian Railways. Major procurement plan include record placement for wagons with more anticipated and large-scale expansion of Vande Bharat and metro projects. The government focus on freight corridor development, private wagon ownership and replacement of aging fleet provides a strong demand pipeline for our products.

Looking ahead, we are extremely optimistic about our growth prospects. The positive momentum witnessed in FY’25 has continued into the start of FY'26 with exceptionally strong demand visibility across all three of our core segments. We plan to invest additional 15 crore in plant and machinery over the coming year to further enhance our capacities and fully capitalize on an opportunity presented by the ongoing modernization of Indian Railway. We have set ambitious target of achieving Rs. 375 crore in gross revenue for FY'26 and Rs. 500 crore for FY'27.

Our focus will remain on ramping up high margin value added products, especially in the air springs and forging segments and on sustaining our leadership in the coil spring business. With our robust order book expanding capacities and clear focus on operational excellence and value creation frontier spring is well positioned to benefit from the significant railway modernization initiative undertaken by the Government of India.

With that said, I will now open the floor for any questions you might have. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question comes from line of Priyanshu Jain, an investor. Please go ahead.

Priyanshu Jain: Sir, recently there has been a report by CRISIL that the management is not cooperative with the things, so like they are not able to give the credit rating report. So can you just put some light on it?

Dhruv Bhasin: Good afternoon, Mr. Jain. There are two aspects. Point number one, in case if the limits that we are using are beyond 50 Cr. then we are required to take the bank ratings. In our case, the exposure is far less, so we are not required to take the ratings. Secondly, if you haven't read the top heading, it clearly states that we have already withdrawn the rating.

Priyanshu Jain: Okay, thank you. And like my second question is on the EBITDA margins. Like are you going to be sustainable like 21%-22% EBITDA margins for the next year?

Kapil Bhatia: Yes, I'm 100% sure, this is Kapil, that we'll be able to achieve this and we are trying to improve on this also.

Priyanshu Jain: And is there any chances that from now onwards there has been more significant margin improvement from this side as well?

Kapil Bhatia: Which side?

Priyanshu Jain: Like upward, like 22% and upward, 23%-24%

Kapil Bhatia: I am saying that we will definitely maintain 21% but we are trying to get more value added items and more value added this thing for forging also and for some other product and we are trying to go up from 21% to 22%-23%.

Priyanshu Jain: Okay. And thank you. And like my last question is on the capacity utilization side, like what is the current capacity utilization?

Kapil Bhatia: In some areas, we are doing almost 100% capacity utilization. That's why we have kept another Rs. 15 crore for capacity expansion as the demand is there. So where we have a bottleneck, are increasing our capacity, which order has already been placed and things are already on pipeline. So overall, I think we are using around 60% of capacity in some areas. In some areas it's 100%. So we are just increasing our capacity where we have already utilized 100% capacity in some machines. We are buying some more machines and some modernized machines to improve upon the production capacity as well as quality.

Kapil Bhatia: We take the next question from the line of Garvih Goyal from Enves Analytics Advisory. Please go ahead.

Garvit Goyal: Hello, Good afternoon, sir, and congratulations for recent acquisition once again. So we are guiding for a decent number, INR375 Cr. growth revenue for FY'26. I want to understand two things here. One, I am hearing in the industry that there is ongoing issues of wheel set supply due to which production of wagons is getting impacted. But we are saying that everything is positive. So kindly help me to understand how is this possible because wheels as a product will ultimately go into the making wagons and locos, right? So that is my first question. Secondly, on the margin front, we are currently at 21% this year. And this particular year, steel prices were also down. But now we are seeing some recovery happening in the steel prices on a relative basis. So can you guide us on that thing also, how you are still forcing to sustain these kinds of margins or rather improving it in FY'26?

Kapil Bhatia: As far as the railway wheel sets are concerned, railway has also increased their capacity to manufactures. They have started a new plant Raebareli for making more wheels for railways other than they have an old factory in Bangalore, a railway factory. And they are importing. And I think now India is almost sustainable as far as wheels are concerned. So I don't see any problem and we have never come across with the things that we don't have wheels and the stock production or something like that. So I think railways are doing well and being starting their new plant in Raebareli near Coach Factory for the wheel. So I don't think there is any shortage as far as wheels are concerned. As far as margins are concerned, we are trying our best to hold 21% but we are confident that because of the demand and other thing we will be able to improve on the margin at least 1% to 2% more. And as our order book is good on 1st of April this year, we are already having orders of Rs. 150 crores in hand and almost Rs. 100 crore orders were in pipeline, which is also materialized now almost 50 crores-60 crores are already materialized and other will be under pipeline. So we are quite sure and we know those order values and the thing that we're able to maintain the margin at 21% and more. So we are quite comfortable with that.

Garvit Goyal: You are saying we are having an order book of 150 Cr. in hand, right?

Kapil Bhatia: On 1st of April it was there, yes.

Garvit Goyal: And 100 Cr. is in pipeline. So it is cumulatively 250 Cr only and we are looking to have 375 Cr. So can you put some color on that?

Kapil Bhatia: Actually, railway tenders keep on going on every year. So it takes 2 to 3 months to finalize the tender. So these are the present position. But there are other almost Rs. 100 crores-Rs. 150 crore tenders are in pipeline which are going to open this year. by the end of year, we'll able to do that. So we are quite comfortable that we are able to achieve 375 crores. And we are very comfortable in that because we know what we are doing this quarter and after this quarter you'll get the results so you'll be able to understand that what you're saying is right.

Garvit Goyal: And this 150 Cr. you mentioned in the beginning of the year you are having, so how much of it is going to be executed in Q1 only?

Kapil Bhatia: It is almost 100 Cr. Approximately 100.

Garvit Goyal: That means the execution period is pretty short for this kind of work that I am understanding. right?

Kapil Bhatia: Yes

Garvit Goyal: Understood. So what is happening is you keep on getting the orders and the order timeline is still very short, you have to deliver it fast.

Kapil Bhatia: Yes.

Garvit Goyal: Understood. So out of 150 Cr, 100 Cr is going to be utilized in the next quarter**.**

Kapil Bhatia: Around 90 to 100 every quarter we are trying this year so that's why we are able to achieve 375 crores.

Garvit Goyal: Got it. And just to get an idea of the pipeline, you mentioned, can you tell us like how big is the size of this pipeline on a continuous basis or a quarterly run basis and how many players are bidding for it and what is our success rate in that pipeline?

Kapil Bhatia: Sir, these are a little bit confidential things because there are people who are our competitors. In coil spring there are 2-3, air spring there are 2-3. So in lot of tenders we are L1, somewhere we are L2. So there is a procedure of railway to give order to approved sources. L1 will get 60% order, L2 will get 30% order and like this. So it is like that and it is an ongoing process. And we know what we have quoted and what is our position. And we are quite comfortable that we able to achieve almost Rs. 90 crore quarter every this year and we're able to achieve that and we're able to get that much of orders, which are already there in pipeline. And it is coming also. There are more tenders which is coming also in the pipeline.

Garvit Goyal: Got it, sir. And lastly, again on the margin trend, like if I talk about quarterly basis, this quarter was one of the highest, I would say in last 12-15 quarters, the margins are around 24%. So what happened in this particular quarter, like we achieved this 24% kind of numbers, because it is really a big number, right? So how confident are we to achieve this kind of number, to sustain this kind of number for me?

Kapil Bhatia: Sir, as I have already told in my opening remarks that we are concentrating on good value-added items only. We are not using our capacity for the low value added item and we have a good number of orders with the high value addition. So we are capitalizing on those first and then with that we know that what we are going to achieve. The average will be 22%-23% this year also.

Kapil Bhatia: Our CFO, who would like to throw some light on the questions that have been raised by Mr. Goyal, please.

Neeraj Bhatia: Just I'm answering one question regarding order. Just now, during conversation, I got the order from RCF and MCF around Rs. 100 crore. Just one minute back.

Garvit Goyal: Okay. That is really good, sir. See, actually we've tracking this company since last 2.5 years and I really appreciate the kind of execution you are doing. So, it really matters to us, sir. Thank you.

Neeraj Bhatia: And one more thing I would like to add. On 1st of April, our order book was around Rs. 150 crore and after 2 months of this financial year, today my order position is around 200 crores to 250 crore right now.

Garvit Goyal: Including this 100 Cr. order that we got.

Neeraj Bhatia: Yes, this 100 Cr. 200 Cr. and I am 100% sure in another one month in June we will got Rs. 50 crore order also. It is under negotiation in which I am L1 and I will get the order from Rs. 50 crore by the end of 30th of June.

Moderator: We take the next question from the line of Akshay from AK Investment. Please go ahead.

Akshay: Hello sir. Thanks for giving me the opportunity and congratulations for the great set of Q4 numbers. And my first question is sir, we were talking about Rs. 350 crore in the last con-call, half-yearly concall, but now we are very much confident of Rs. 375 crores. So what has been changing now in the Indian Railways and are we looking for the faster execution for the next 2 to 3 years for the newer Vande Bharat sleeper trains and Vande Bharat metro trains and things like this?

Neeraj Bhatia: Yes, I already mentioned that we are going to achieve 375 gross this year and as you know, Railway and the union budget has already allocated a very huge amount of 2.65 lakh crore to Indian Railways and they are going ahead with the increasing capacity of LHB coaches as general coaches demands are already there because Indian Railways are not able to give more general coaches to the train. So they are increasing the capacity of LHB coaches as well as locomotives. Till last year, Railways are making around 900 locomotives this year. They have a target of 1,600 locomotives. So everywhere our springs have been being used and as far as Vande Bharat is concerned we are the first approved source of Vande Bharat from India earlier. They were earlier the Vande Bharat train were using imported spring now we are approved source and we already got huge order from RCF, ICF and from the private manufacturing of Vande Bharat coaches, whether it is sleeper or chair car. So we are quite sure that the future is good and we able to achieve the committed turnovers and the margins. Thank you.

Akshay: Okay, sir. And sir, my second question is about the export revenue. So currently, do we have any contribution from the export and if not, then are we planning to penetrate in the export market?

Neeraj Bhatia: At the moment we are not exporting anything as India is the only and the largest market in the entire world where everybody wants to come and supply a component whether it is a rail, road, shipping, any infrastructure things, India is growing all around so we don't want to go outside and do things and other people from outside come and supply in our place. So we are at the moment concentrating only on Indian market as there is huge demand and we are one of the few lucky manufacturers that we are into the infrastructure, the railway business and the tour source for the last 40 years. So we wanted to capitalize on that first and then if the opportunity comes, we'll definitely go for exports.

Akshay: And sir, what is the revenue split of Coal Spring and Air Spring if you can specify for FY'25?

Neeraj Bhatia: FY'25 will be around 150- crores-170 crore of coil spring, 125 crore of air spring and the balance will be the forging division.

Akshay: And sir, what is the difference of EBITDA margin between coil spring and air spring if you can highlight some color on this?

Neeraj Bhatia: This is little bit tricky, I have to see the numbers. But overall we are sure that we are able to maintain 22% and maybe improve on that. But exactly, it is a tricky way to calculate and see.

Neeraj Bhatia: We request all the investors to focus on the turnover and the profitability. In terms of the various provisions and regulations, it would not be right for us to give up the breakup of the various segments that we are into. So you can raise your questions accordingly. Thank you.

Moderator: Thank you. We take the next question from the line of Astha Agarwal from Agility Advisors. Please go ahead.

Astha Agarwal: Thanks for the opportunity. So my first question is, what is the installed capacity of coil springs and air springs in terms of the number of railway coaches the company can cater to and when?

And what is the current and expecting demand for air springs and how fast do we think it is expected to grow going ahead?

Neeraj Bhatia: Our coil spring capacity is in our both the plant, one is in Kanpur and another is in Paonta Sahib. Our installed capacity is around Rs. 750 tons per month and at the moment we are using around 450 tons per month, so we have a capacity. In some areas we are a little bit tight so we are buying some machines. So that is there. Air spring we are already doing almost 200. We are increasing our capacity from 200 coaches to 300-350 coaches in coming time.

Astha Agarwal: So these 200 coaches are for Air Spring, right?

Neeraj Bhatia: Yes.

Astha Agarwal: Okay. And so what is the current and expected demand for Air Spring?

Neeraj Bhatia: These LHB coaches, where air springs are used, Indian Railways are planning to produce around 6,000 coaches this year. So every coach is required four air springs. So you can calculate around 24,000 springs is required by the Indian Railway for the new coaches. and then there is another demand of the coaches which are running for the replacement demand from the zonal Railway which will also be there which will be around 2,000 to 3,000 numbers every year which is after warranty they wanted to change the air spring. So there is a huge demand and like our capacity at the moment is 200 coaches that is 2,400 coaches we are able to do it but we are increasing to 3,000 coaches very soon.

Astha Agarwal: Okay, thank you for the answer. And my another question is after the installation of the 6 ton Hammer, what key products does the company plan to manufacture and apart from the defense sector, which other industries is the company targeting for this product?

Kapil Bhatia: At the moment, we are concentrating in railways only and we are already got orders worth almost 7 crores to 10 crores for the 6 ton Hammer. And yes, there is a opportunity to go into the defense and mining industry where we are already exploring the high value added forging because forging's demand is always there, but there is a big competition also. So we are concentrating only on high margin forging. So we are already seeing in defense as well as in mining industry and other sectors also, heavy industries also like JCB, L&T, where they are using forging. So we are already exploring those markets and very soon we'll able to do that also.

Moderator: Thank you. The next question comes from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Sir regarding this FY'26-'27 guidance, are we conservative? Because we increased for FY'26, so can you throw some light on that FY'27 guidance?

Kapil Bhatia: Yes, we are little bit conservative but let's see what happens. Although we are quite sure that we may cross 500 Cr. in 27 but we are little conservative giving numbers because we don't want to fail, we want to improve on those numbers. So we are giving little bit conservative numbers. That is true.

Ashish Soni: And regarding Air Spring, what is our market share compared to the competition, if you can throw some light? And do you think we can maintain that or you can increase that in like a FY'26 or '27?

Kapil Bhatia: We are already having almost 25% of market share. So we are trying to go up to 30% this year and maybe next year. So that is this.

Ashish Soni: Okay, and last question on this forging, you said you are trying for high value things. So is there some approval process required or what's the situation because you said mining and I think I heard some other industry also. So is there any approval process required for that or what's the deal and you said I think you were working with some customers?

Kapil Bhatia: Yes, as far as mining and other industry, we don't see we required any approval for that. But yes, defense sector, we definitely require the approval. So we are already talking to a consultant and things are already in piping where we are already working on that.

Ashish Soni: But how long does it take for this defense approval process?

Kapil Bhatia: It will take at least 3 to 4 months, maybe 5 months to get the item where we are planning to go into it.

Ashish Soni: And the market size or potential you are seeing in that defense area?

Kapil Bhatia: I think that the item which we are concentrating is, the market size will be around 60 crores to 70 crores per year, the item which we are concentrating on.

Ashish Soni: Okay, that is per year or that is overall.

Kapil Bhatia: Yes, Per year.

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

Mahesh Atal: What was the Director's remuneration last year?

Kapil Bhatia: Dhruv, can you please tell them because I don't remember what is the number?

Mahesh Atal: I can take it offline. That is okay.

Dhruv Bhasin: You can take it offline or else I will update you regarding the exact number.

Mahesh Atal: Sure. And one thing I wanted to know the cash, that we have 25 crores to 30 crores on books as on 31st March '25. What I understand that we have been putting this money into equity and all if I am not right, so any conservative management Would be looking at fixed income product anything that you would like to add on that side? Why are we taking our calls on to equity with the cash that we are having in books? Because you see the CAPEX coming up, the railway is having so much big market. So it's better to keep that money into fixed income product. What's your view on that?

Kapil Bhatia: We are definitely putting on additional money to some mutual fund and some equity market. After that we are already but it's not that that hundred percent money goes there. We are already planned to another Rs. 15 crore capex this year which we are going to plough back to the company. So what is required we never stop doing that and going back to the company but if there are additional funds so why to keep in bank account if it is a digital over and above the limits we keep on investing which is good for the company also because we get the profit on that.

Mahesh Atal: Yes. And the Rs. 15 crore capex would be going to which division sir? It would be towards forging, air spring or coil spring?

Kapil Bhatia: All three divisions.

Mahesh Atal: All three of them equally?

Kapil Bhatia: Not equally, whatever required. Coil spring may require another 5 crores-6 crores, air spring required another 4 crores-5 crores and forging require another 2-3 crore. So it's like that. Some testing machines, some production machines like this.

Mahesh Atal: And where are we on the defense side sir? Have we got any... I mean, what about after 27th sir? I was more worried on the things that we'll be doing after 27th because 27th these three things will be sufficient to get you there. given guidance. What are we doing because the railway has a lag time of any security item would be tested for two years. So what are we doing there to get into new product line or maybe... ?

Kapil Bhatia: Already working on some items for the air springs, additional items for the air springs because at the moment we are just supplying the air spring but there is a complete line under the coach which requires at the moment railways buying from somebody else. We are going into that also which will add to our air spring margins and margins and we are also working on forging as you have seen that forging is an industry where we can forge anything which is required because coil spring is a dedicated facility where we can only produce coil spring but forging is a industry where we can go with the same plant and machinery we can go to defense mining sector or export. So we are quite sure and Railways will continue like that as far as Indian population are there. They will never able to produce that much required coaches because railway has to also increase their capacity to make coaches and locomotives which they are already doing. So I think the demand will never die as far as Indian Railways are concerned. So that is always there to increase the 10% to 15% turnover year-to-year in a very normal circumstances.

Mahesh Atal: And I have one question on the execution also sir, because what I understand that we were supposed to do 250 coaches per year by this year we were supposed to reach by 25 itself. But we have come to 200 as per your commentary. And the commercialization of 6 ton Hammer also has been delayed by 6 months. So anything that you would like to tell that going ahead will be like execution will be on time and all?

Kapil Bhatia: There is always because when you are setting up a new plant there is always a teething trouble and the new hammer which has been installed is got delayed, not 6 months but almost 9 to 10 months because of the Ukraine war because we have to bought a hammer from the other country where the shipping was there and it was a 200 tons weight hammer and the shipping was not able to do that because of the Ukraine-Russia war because it was coming from that end. So like this these are some teething trouble where things happen and it got delayed. But now we are in a full swing to get orders and we are already quoting huge tenders to Indian Railways, Railway Board and other components which we were not doing it. We already got approval which is a good thing that we are able to get that approval very fast and now we have regular source for those items which we are going to produce in 6 ton Hammer. So we are quite sure that now these delays will not be there as far as the present capacities are concerned to the Indian Railway and will able to execute things in time. And Frontier is basically if you talk somebody in railway they will say the Frontier is the only company which adhere there delivery schedule and they are having lot of confidence in us and because of that we are sometimes we get orders even we are not L1 because they supply, they require delivery and they accept our offer and they give us orders because of the timely execution of orders.

Mahesh Atal: Great sir, any dividend policy that we are having sir because I would expect that you retain this dividend with you and maybe increase the value of the components. So any dividend policy that we are having currently?

Kapil Bhatia: We are continuously distributing dividend and last three years and we are still this year also we are going to give you dividend sir

Mahesh Atal: Any policy on that? That any percentage of PAT that we are going to give as dividend or maybe something like that?

Kapil Bhatia: Dhruv, can you tell this thing?

Mahesh Atal: It is alright sir. I will take it offline. Alright. All the best sir. Thank you.

Kapil Bhatia: Thank you.

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

Ankur Kumar: **H**ello sir, congrats for a very good set of numbers. Most of my questions have been answered. Just one question sir. On this PPT you were saying high value, high margin forging business. So can you comment what is our share, revenue share in forging right now and on this estimate of 375 and 500, what is our expectation forging will become and how much high margin is forging actually versus the rest of the business?

Kapil Bhatia: Can you take this question offline to Mr. Dhruv? He'll give you the exact numbers because I don't have exact numbers at the moment. But definitely at the moment, the margins in the forgings are less and coil springs and air springs are having a more margin. And that's why we are concentrating only on the high value added item in forgings, which has been already pointed out and selected by us from the Indian Railway where the supplier are less and the demand is good as well as the new market which we are already exploring, defence and heavy engineering industry. So we are trying to improve upon the margin of forging and trying to go near to the coil spring and air spring business margin.

Ankur Kumar: Thank you and wish you sir you continue this concall every quarter sir. That would be really nice sir. Thank you.

Kapil Bhatia: We are already doing it, so keep on continuing I guess.

Moderator: Thank you. We take the next question from Ankur, an Investor. Please go ahead.

Ankur: Hello sir, I just want to ask if management is considering any corporate actions such as stock split, bonus or this thing?

Kapil Bhatia: At the moment, no. We are not doing any split or something like that. We have not planned anything.

Ankur: Okay. As sir second question, this LHB platform conversion, can you give me any estimation total demand of air spring especially and how many air springs are expected to require, how many years?

Kapil Bhatia: Already replied that Indian Railways are producing almost 6,000 coaches of LHB springs, every year new coaches. So 6,000 coaches require almost 24,000 number of air springs and we are having around 25% of market share which we are trying to increase to 30%.

Ankur: Okay. sir. So last question, any planning of NSE listing?

Kapil Bhatia: Yes, we are already working on that. What is their minimum requirement? If we are able to adhere all the requirement of NSE, we'll definitely list our company to NSE.

Ankur: Okay. Thank you.

Moderator: Thank you. you. The next question comes from the line of Harsh from Toro Wealth Managers. Please go ahead.

Harsh: Congratulations on a great set of numbers. I had one question. Where are we on the defense initiatives in the previous concall? We had mentioned that it takes few months to get those approvals. So have we got those approvals? Have we started production and supply for the defense segment?

Kapil Bhatia: Still we, because our hammer got delayed in production so we are not able to because without producing items we cannot go ahead with the defense approval. So now the hammer is already installed and we have already started doing production. So now those items are under production and now we are going to apply for the approval of defense very soon. And it will take 3 to 4 months to get the approval and then we able to quote the tender and get the orders.

Harsh: Okay, got it. And just one more question. Apart from railways and defense, there is no other sector where you are currently focusing, right?

Kapil Bhatia: Yes, in forging, we are definitely focusing on some in mining as well as heavy engineering industries where these JCB and L&T where they are using heavy machines and they require a lot of forging. So we are concentrating on those also.

Moderator: Thank you. The next question comes from the line of Majid from Pinpoint X Capital. Please go ahead.

Majid: Thank you so much for opportunity. So I have only one question. How do you see this Vande Bharat going on and how do you see that capitalizing going forward?

Kapil Bhatia: Vande Bharat is doing alright but thing is that since last 5-6 months, the railway is more concentrating on LHB coaches being required by Indian Railways for the general public. So they have little bit slowed down the production of Vande Bharat, but definitely the contracts are already given. But Railways at the moment more concentrating on LHB coaches. And the Vande Bharat is coming, but little slow because they wanted general coaches to come first. And finishing is done by the RCF, ICF and MCF Railway Coaching Plants. They are doing more concentration on LHB coaches rather than Vande Bharat. But definitely those things are in pipeline and it will definitely come whatever is committed by our Railway Minister.

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

Ajit: Thank you for the opportunity. What is the realization of air springs and coil springs?

Kapil Bhatia: Realization means what do you want to know?

Ajit: Price per air spring and coil spring?

Kapil Bhatia: Actually, we are producing almost 100 types of coil springs. Every coil spring has a different this thing and air spring has a different type of pricing. So margin as overall as you have seen that margin is around 22%-23% in both air spring as well as in coil spring. The final margin ratio.

Ajit: Okay. Can you provide any average selling price or something?

Kapil Bhatia: Sir, I don't want to reveal all these things because it's a little confidential. You see the final numbers. That's it.

Ajit: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Sheshadri from Ksema Fincon Limited. Please go ahead.

Sheshadri: Can you throw some color on break of the order book between coil spring and air spring?

Kapil Bhatia: As I have already told earlier that this year we are planning to do around 170 crore of coil spring, around 125 crores to 130 crore of air spring this year. And balance will be the forging. So this is the breakup of 370 crores gross revenue.

Sheshadri: Also, my second question would be, like you mentioned that you are supplying air spring to 200 coaches every month, this is new coaches as I understand, right?

Kapil Bhatia: Yes.

Sheshadri: Also, in the replacement market, are you also in talks with railways to supply air springs to replacement market?

Kapil Bhatia: We are already doing it. We are getting replacement business from the Zonal Railway also every month.

Sheshadri: That would be how many coaches every month?

Kapil Bhatia: I think it will be around 1,000 numbers like overall in the year. That will be around 300 to 400 coaches springs will be required because that is not required as far as the coach is concerned. They buy a single-piece, two-piece, five-piece. So it will be, if I convert into the coaches, it be around 300 to 400 coaches set of air spring.

Sheshadri: My third question would be as I understand there are 3 or 4 players in air spring manufacturing. And do you think the margins would be sustainable going forward in air spring market?

Kapil Bhatia: Yes, being only three main player at the moment. So, and everybody is importing something and doing something in India and then assembling it and testing is being done in India. So I don't think anybody is going to reduce prices on these. So the margin will be sustainable, I think.

Moderator: Thank you. The next question comes from the line of Shaswat, an investor, please go ahead.

Shaswat: So I just had 2 questions. The first one is that the company has a partnership with Contitech Germany, right? So what is the specific component or technology that the company is importing from there for the air spring production, right?

Kapil Bhatia: Actually, air spring required some rubber items and as well as the metal items. So metal item is produced by our company and the rubber bellow which is the air suspension system and their technical know-how is we are importing from Contitech Germany and assembling it and testing it at our factory and supplying to railways. So it is like that. So rubber items are coming from Contitech Germany with the technical know-how.

Shaswat: Okay. And another one is, do we have any tie ups or discussions with the metro coach OEMs like Siemens or any other for the supplier of air springs and what is the current status on that?

Kapil Bhatia: Yes, we are already into the discussion with Siemens, Bombardier, Alstom. Being Contitech is their original supplier in Europe. So we are talking through Contitech to all these parties that Contitech should supply these springs from our unit to those companies. They will also get better margin, being less cost of production in India. So things are already under discussion and very soon it will be materialized. So we will able to supply springs to Siemens, Bombardier, Alstom and other companies.

Moderator: Thank you. We will move to the next question from the line of Yashwinder Singh from Prudent Equity. Please go ahead.

Yashwinder Singh: Good afternoon. I have 2 questions. The first one is how much total capacity are you targeting to end with FY'26? And secondly, like on a conservative basis, how much capacity utilization for the new and the existing capacity you are looking after the expansion?

Kapil Bhatia: As I have already told earlier that we are using around 70% of our capacity and in some areas we are using 100% to avoid those bottleneck of 100%. We have already placed order to come to the 70% on those parts also. So we'll be using after installing and after this CAPEX which we are going to invest, will be around 80% of our capacity will be utilized as far as the orders are concerned at the moment with us.

Yashwinder Singh: Okay, and like how much total capacity are you looking to end with like, at end of FY'26, sir?

Kapil Bhatia: As I told you, around 80% of our capacity will be utilized.

Moderator: Thank you. We take the next question from the line of Soham from RV Investments. Please go ahead.

Soham: Sir, post this Rs. 15 crore CAPEX, like, from our current capacity, what will be our revenue position like for the Rs. 500 crore we are aiming in FY'27, would we need any further CAPEX or would we need anything to, like, that raise?

Kapil Bhatia: I don't think that after doing this Rs. 15 crore CAPEX this year and achieving Rs. 500 crores for the FY'27, we don't require much of the investment, maybe Rs. 2-Rs. 3 crores in the general thing but not much is required till we reach a revenue of Rs. 500 crores.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, that was the last question. I now hand the conference over to the management for their closing comments.

Kapil Bhatia: Thank you very much. Before we conclude, I would like to once again express my sincere appreciation to all our shareholders, our customers, partners, employees and shareholders. For your continued trust and support, FY'25 has truly been a landmark year for the Frontier Springs marked by record revenues, robust profitability and significant operational achievements. Thank you for joining us today and wishing you all a pleasant day ahead. Thank you so much.

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