



**SECRETARIAL DEPARTMENT**

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To

The Department of Corporate Services - CRD  
BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
**Scrip Code: 500330**

The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Bandra-Kurla Complex  
Bandra (East), Mumbai - 400051  
**Symbol: RAYMOND**

Dear Sir/Madam,

**Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Investor meet Transcript**

Please find enclosed transcript of the investor and analyst meet held on May 13, 2025, to discuss the strategy and prospects of Engineering, Automotive and Aerospace businesses.

The transcript has also been uploaded on the Company's website ([www.raymond.in](http://www.raymond.in))

This is for your information and records.

Thanking you.

Yours faithfully,  
**For Raymond Limited**

**Rakesh Darji**  
**Company Secretary**

**Encl.: as above**



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**Raymond Limited**  
**“Investor and Analyst Meet - Transcript”**  
**May 13, 2025 at 5:30 pm**

**Management:** Mr. Gautam Hari Singhania – Chairman – Raymond Group  
Mr. Gautam Maini – Managing Director – Engineering Business  
Mr. Amit Agarwal – Group Chief Financial Officer  
Mr. Jatin Khanna – Head Corporate Development  
Mr. Harmohan Sahni – Executive Director & CEO – Real Estate  
Mr. Sunny Desa – Head - Investor Relations

**Jatin Khanna:** Good evening, everyone. Thank you for coming for the Investor and analyst meet of Raymond Limited. We will start in another 15 min because chairman is running a bit late. So please bear with us apologies for this. We'll start in another 15 min. Max. Thank you.

**Jatin Khanna:** Gentlemen, I request you all to settle down. Our group chairman, Mr. Gautam Hari Singhania, is already here. So, I request you all to settle down so that we can start very quickly. Please settle down. I request everyone to please take seat. Take their seats. We will start very soon. Our chairman is already here.

So, I welcome our chairman, Mr. Gautam Hari Singhania, Welcome sir, thank you so much for coming, for our investor and analyst meet. It's a very fateful day, because we are looking forward to listing of our engineering business, ex real estate tomorrow through Raymond Limited.

We also have the pleasure of having Gautam Maini, who is the managing director of the engineering business. Welcome, Gautam.

We have Amit Agarwal, who's a group CFO and Harmohan Sahni also, who's from a real estate business, because that's the business which has now got demerged. So, on that note I'll hand over to Mr. Singhania to give some opening remarks and then, you know, we can start with the detailed business overview, over to you, sir.

**Raymond Chairman:** Thank you, Jatin. Well, good evening, everybody, and thank you for coming. I think it's a momentous day for Raymond. I'm just going to speak a little bit about the past, the present, and the future, so that everybody, a lot of people new faces here. So, you get a bit of an idea. As most of you know. Raymond started in 1925 as a textile company, and over the last 10 decades, exactly because this year Raymond will be a hundred-year-old company. I think the 18th company in India that will be a hundred years old, and tomorrow, being a historic day, we are going to demerge the real estate business from the engineering business. We've seen lots of ups. We've seen lots of downs, and post-covid when we were right at the bottom, decided that we're going to do a lot of corporate actions and one of them being creating 3 separate listed companies for 3 separate businesses. Primarily lifestyle, real estate and engineering & auto. As per our commitment. We also committed that in 2025

we'll be debt-free, which we accomplished in 2023, and we successfully entered the real estate business, we got the lifestyle business demerged last year, which also got listed. We then immediately said that we will do the real estate demerger, which is happening now, and tomorrow is the record date. So, tomorrow Raymond will go ex - real estate and in about 45 days we expect the real estate business to list.

My objective of creating 3 separate companies would have 3 different sets of investors, people like real estate people like lifestyle people like engineering auto.

You have a different set of investors. You have a different set of governance. You have the best-in-class governance on the engineering. We've got people qualified from the engineering field to come onto the board to add significant value, on the lifestyle. We've got people from the branded apparel space, branding space that will create value. On the real estate, we're going to bring directors from private equity and real estate space to create value. But just to give you a little bit of background on the engineering business which is going to list tomorrow. Raymond started off in the engineering files business, which was about 50 to 60 years ago, where we made engineering files for the automotive and agriculture industry. It was a small business, and in 2000, when we sold cement, steel and filament. People said that why did we not sell this business. Yes, we did think of selling it then. But the clear answer was, we didn't have a buyer at that time, somewhere down the line, we decided to grow the business, and we bought ring plus aqua, which was an auto component business. And then, about 2 years ago, Mr. Maini and I came into contact, and we saw a great opportunity to merge Maini precision engineering into our engineering business.

What we had was the lower end, which was the files business. Then we bought the auto component business which today the ring gear business is about 10% global market share.

Because we make about 10-11,000,000 pieces compared to a hundred odd IC engines that are made in the world. So, we have a reasonable market share globally and Gautam's business made auto components, aero and defence. So, it was a natural fit, because the 2 aero businesses amalgamated and the Engineering, the whole overall engineering business is moving up the value chain. In terms of aerospace and defence, which are more precision engineering, more difficult to business, and more margins. And you know, future long-term value creation. So, I think it's a great company with Mr. Maini owning about 29%, and it's a professionally run company with Mr. Maini becoming the managing director of the whole company together. So, our job is shareholder value creation, and we believe that this merger has created tremendous amount of value for us.

Moving forward, I think aerospace and defence are going to be the future industries today. We've already begun starting supplies to Adani defence and in the aerospace, Gautam will speak more, but whether it's Safran, Honeywell, Pratt, and Whitney. Any of the big names leap all of them.

We've been lucky to become suppliers, and I think the real advantage that's come. Gautam is a 1st generation entrepreneur. He had limited resources. Raymond has resources because we are a debt-free company. So, we can now go to companies which are 80-100 billion dollars companies. And say, Listen, we are a 2 billion dollars group. And if there is a requirement, we can support it with a capital investment. We can make the investments. We have the bandwidth. We have the manufacturing capabilities. We have the experience to be able to meet the needs, so suddenly, with no disrespect, of course, Mr. Maini did a fantastic job till a particular level, but I think, coming under the Raymond umbrella, he's going to be able to take it to the next level. And of course, we're as Raymond group, purely interested in shareholder value creation, which is why Mr. Maini, who understands the business well, is the managing director, and he's going to continue to run that business and grow it. Of course,

Raymond Group will provide all support and resources that are required to scale this business up, because I believe that in the make in India and Mr. Modi's vision of India for manufacturing and the China plus one. I think there'll be a huge opportunity from an India point of view. So that's a little bit about the engineering.

The real estate will separate into a separate company. As most of you know, we have built a strong real estate business in 5 years, with almost a 25 to 30% market share in Thane. We are probably the fastest growing real estate company in India today. I think we've grown over 40% this year and there's so many assets like JDAs that we are taking up and I genuinely believe that the real estate being listed as a pure play, Real Estate Company will give you a benchmark against the peers in the real estate space. Also, from a governance point of view, from a capital point of view, we'll be able to provide it capital because it can raise its own capital and its own balance sheet. Thereby exponentially grow to meet the dreams and the visions that we have for this company. So, all said, I think there's a very great opportunity up front. I'm excited. Tomorrow is a landmark day for this company, where Raymond, which actually started as a 1st business, was lifestyle. 2nd business was real estate, and 3rd business was engineering, Raymond Limited is only going to be left with engineering. Real estate has now taken its own of our lifestyle, has taken its own avatar. I think what's at the core of this organization which we're 100% committed to is shareholder value creation. And I'm sure Mr. Maini will talk to you about what we plan to do.

So, if I just look at the engineer business, which is a 200 crore engineering files business for the group.

Today over a 2,000 crore engineering business for us, and why can't 2,000 become 4,000? Why can't it become 6,000?

We believe, if we take the right steps and invest in the right technologies for the future. India is going to be an engineering hub to the world, and it's certainly going to play in a China plus one strategy.

Having said that with the geopolitical issues that are going on between The US and China, you will always have a duty advantage over China to the US. Number 2 on a personal note. I have met several customers. I'm extremely enthused at their interest in India, more than I can imagine, not beyond surpassing what I can even dream of. I think the question is The West is ready to throw the bait in at you? Are you ready to catch it? So, as a company. I think we have positioned ourselves that we will be ready to catch it. We have the balance sheet to invest in this business for the future. We have the intent to grow this business, so I think that's about it. I think those are my comments. If you have a few questions, I'm happy to take them. Otherwise, Gautam is going to give you a presentation on Engineering. Also, Harmohan can give you a little bit of flavor of Real Estate as well. But since you have me, if you have any questions, I'm happy to answer them.

Any questions at an overall level. Otherwise, I'll leave it to Gautam to take you through his presentation. I guess no questions, so we'll go into the presentations, and I'll leave you from here. Thank you very much for coming. I'll excuse myself because I've got a packed schedule, but you're in good hands. Thank you.

**Participant:** Sir. I'm a small shareholder at JK investor. Now you sold out all the cosmetics and soaps to.

**Raymond Chairman:** We're not discussing just JK, investor right now. Okay, it's a separate subject. Okay, fine. Okay, so thank you, sir. Thank you so much for your comments. If you have any comments, you can take them up with the team, they'll be happy to address them.

Thank you. So, on that note we'll hand over to Gautam for his presentation. So, Gautam, really over to you.

**Gautam Maini:** So good evening, ladies and gentlemen. Pleasure to see you all here.

So just to give you a little bit of a background, most of you are fully aware of Raymond, right and the lifestyle, reality, and also the engineering. So basically, JK Files and Ring Plus Aqua. This has been a part of the JK portfolio, and you understand that quite well. I'll give you a little background of the Maini group, so that all of you can understand where I come from. So, we were better known as India's 1st electric car producer by the name REVA. Reva is my mother's name, and we are 3 brothers, and we worked very hard on my father's dream to build the 1st electric car in 2004. We were the largest electric vehicle producer. We were too early. We had big visions, but we had very less pockets, and we were too early. Let's put it that way, but that never stopped us from being what we are today. One of the things that I always remember from my father, who's no more, was very simple, is, we may not be the biggest, but we will always be the best, and I think those are words that stuck with me right from day one right when it came to precision.

The name says it, but we all believed it, and we, you know, each slept and drank precision.

So just to give you a few things. The mergers that happened is with Maini precision products, which is the flagship company of the Maini group, which I have always run for a long time, and we have several other companies in the group that help us to determine our own direction and vision. But they're not part of this merger, but just to give you a quick background. We are in electric powertrains, autonomous vehicles. We are in battery, swapping as promoters which my brothers are running, and I'm fully dedicated to this business, so just to clarify that the rest are run by my brothers, and this is run by me. We are now obviously part of Raymond Limited. We're going to merge and demerge in such a way that we will have 2 new companies. One will be completely focused on the precision products outside of aerospace and defence which will be in the new core and the other would be in aerospace and defence. So, the idea is to separate out these 2 because both have their own growth paths, their own investment strategies, their own future. And we wanted to make sure that we gave both companies an equal chance to grow and survive and thrive. So that's a quick introduction of where we are. I won't spend a lot of time on the milestones, but just to tell you that to bring in the precision part of what I talked about. So, we started exporting way back in 1984 to Bosch and we started with a product called lapping mandrels. And just to give you an idea, lapping mandrels were very high precision parts that used to make the precision boards in fuel injection, which is very critical, as we all know it, there was no process called honing at that time which is there today. Now, as a consequence, we were making one-micron mandrels, and just to help you understand what one micron is. Your hair is between 40 and 60 microns depending on how old you are. But imagine splitting your hair 40 times or 60 times vertically.

Okay, you cannot see it, but that's the precision I'm talking about. And that is how we looked at our products. So, we realized, my 1st thing I learned was, there was no market in India for our products.

So, it was the other way around. So, we exported all our products. Our only customer in India was Bosch, because the German technology was here. Fuel injection was here. There's probably the highest precision that was going on in those days outside of maybe some of the stuff Hal did on the engine side.

So, having said that we took a very different route. So, till 2003 we did not sell in India, so, therefore, very few people knew about us. They knew us more as Reva. Then as Maini precision. But the background is all Maini precision. And I wanted to bring that up for all of you. Between 1988 and 1998,

we sold 30 million mandrels. Globally, we were the global supplier of Bosch, one micron across the globe. Just to give you an idea, we had a difference of one and a half microns just in temperature, difference between summer and winter, and you can understand. In those days there were no mobile phones. There were no communication methods. We had to dial through operators in the beginning, I remember, and then after that we had to send faxes, etc, etc. But those were the days we managed that kind of quality. And why? I'm repeating this is because a lot of people mistake precision, machining, and engineering. They mistake it with a general automotive sort of situation. And I want this crowd out here to understand that precision is a very different world. There are very few real precision engineering companies and manufacturing companies, and I wanted to sort of say that the rest of the journey you can see we obviously, Mr. Singhania mentioned about JK. Files having started a long time ago. And then we've just inaugurated in our new plant in Sinnar, which we've added huge space and capacity to grow significantly over the next couple of years. So, we're quite well prepared to take on the growth. Here's another slide emphasizing exports. 62% on an average is exported more or less, the industrial and automotive average. But look at our markets. Our focus is Europe. And us, just to give you an idea, 50% goes to Europe, about 30%. 35% goes to the US. The rest is the rest of the world and us. I include Mexico because all the Mexico products actually get shipped into the US. But what you're seeing here is we do 500 plus containers a year. That's the leverage, and that's the synergy we're talking about. So, when this discussion came up and I visited all the plants, and I said, you know what? There's massive synergy.

I can see it because all the businesses export. But we have different customers. All the customers are synergetic, as I will take you through a few examples, and therefore this business makes sense. Maini precision comes with the thought process of precision and how to make higher value products. And how could we take the tool and hardware business, add value to it and put it on a different pedestal? So, these were the thought processes that ran in my mind when I looked at this business together.

Yeah. So just to give you a background of which you know. But I'm going to use these slides to also sort of tell you, what are these opportunities that are coming around? Let's take. Let's start with, let's say, ring gears, yeah, ring gears. We make 10 million ring gears like you heard. We'll probably make, you know, increase that. But the fact is that ring gears goes on to every engine, and at Miny precision.

I will come back to that a little later. We make engine parts across several customers. What does that do for us?

Clearly a synergy. Right? We cross-sell. We have hardly 3 or 4% common customers, which means we cross-sell all our products across this industry, across the world. And again, globe is our stage. So that's 1 of the things I wanted to bring up out here. Let's talk about drills.

We sell drills at the lower end of the market today, you know, at a much, much lower cost. We've already done trials, and I said one of the things 6 months ago, and Parag is here, and you can talk to him later about it, we said, I want high value drills. How are we going to do that? We make the most precision products. Our precision products need precision tooling. So, we started to educate what we need.

And we started to do trials within our own factories. We are now going to be able to come into a position where we can 1st of all certify products that are far more valuable, and then take them through our distribution channels, but also

go into the industrial market, which is the OEM market. So, we have big plans on how we are going to synergize and add value even to products that people had written off saying, oh, you know tools and

hardware. It's a low EBITDA sort of a business. And I said, no, it's a question of how you think about it. You think about files.

There are files that exist at 5 times the price we're talking about jewellery files. So why aren't we in that business? We've got medical, you know, surgical files. We make titanium in aerospace which I'll come to? So why are we not in surgical files. So, question is, how are we going to add value to this business? And that's something that we've thought about very carefully before going putting these businesses together and the reason for putting them together. So, these are just some examples. Let's go to power tools. Power tools is one of the big products that tools and hardware sells across the country. We compete with Bosch and everybody else, and on the MPP side we are the biggest and the most and the supplier of the most complex parts for power tools to a brand called sandy, black and decker and Dwart, which is you know, with the standard of power tools in the world. And suddenly this place gives us a huge opportunity because they buy 50 to 60%. Not only them. But most of the people buy 50 to 60% of this from China.

Why not India? And why not Maini? Why not? JK, Maini? You know the combination. So, this is something that, again, is massive synergy for us. We have all the channels, we have, the relationships. We have the OEMs, we make critical products. Why not make in India? So, these are just a few highlights of our thought process of how we're going to bring value into the engineering business. I haven't touched aerospace yet, and I'll get to it.

But this is just the engineering business. So, coming to, let's say, the MPP side of the story. We are a completely opposite story from everybody else. Everybody else makes products.

We focused on capability. We said we didn't focus on products. We said, Let's be the best in everything we do, what makes precision machining, what makes precision engineering, what makes precision parts. It's your ability and capability to build some of the most critical products in the world, using sets of processes, equipments, fixtures, tools, methods, and to bring out the best of that product right? And that's what we focused on. So, what did that do for us? That made sure that we could absolutely go into any segment. We didn't have to be stuck to a particular segment. So, we started with auto. We moved to material handling industrial hydraulics. Today we do EV Hybrid. So, there's no sector that's stopping us right because all of the machines and the investments that we make are completely fungible. Let's look at. When Covid happened, our industrial business went up. 20% aerospace business went down 60%.

So, point is that there will be circumstances and situations in life where certain sectors will go down. So, when you have a de-risk sector like this, when you have de-risk geographies that you supply to, when you have a dearest plan for your assets, that you can use them across sectors. In a short period of time, you can move those assets around and go into different sectors. That's what makes your company strong and financially viable. So, this is what we did built that capability. And now we're using these capabilities to move into different areas.

Let me take the next slide for you to give you a little bit few pictures, you know, we make thousands of products. But just to give you a little bit of a view, and let's talk about clean powertrain first.

What do you mean by clean powertrain? I mean, you know, forget about the legacy. IC engine. If somebody is going to say IC is going to be finished. I think they're wrong. We made electric vehicles 30 years ago, and I'm telling you it's not finished. Right? So, point is, we saw everyone so excited about the European market. You know everybody's going for EVs. Everybody's doing this. Everybody's doing that. And you know, we knew that that's not going to happen. When you go to Paris, you go to Italy.

There are cars parked on the footpath. Where are they going to charge? What are they going to do so. Everybody's in this whole political situation that by 2030 we should stop ice, and we should do this, and we should do that. It's great to speak about it, but there's no backup to it, right? So, what we decided at that time was, and I'll come back to a story of how and why we are focused in certain areas and certain commodities. I'll take the 1st one here which is called a GDI pump, which is a gasoline direct injection.

We started to supply these to Morelli in 2013. In 2013, with the numbers we were given, we realized that there will be no Diesel passenger vehicles of the smaller size. This was 2013 when I came back in India, and I started to discuss with people. They wanted to invest hundreds of crores in Diesel passenger vehicles.

And I said, I'm not investing. I'm going to invest in gasoline, direct injection, you know, because Diesel passenger vehicles will die, and sooner or later, in 2020, we saw that happen. So, the biggest advantage we've had is we've entered into markets which are global with the highest precision, and that tells you where the markets are actually going to go.

So, we are in discussion now with hydrogen components. It may come 5 years later. But we're in discussions today, and we're making samples. And we're figuring out how to be in those businesses. So, for me, all of these businesses will coexist, and the company that's with all these businesses will decide how much market share is in which business. But you will have a market share in all businesses for us. It's prudent to be in these businesses as we project today. Clean powertrain, then, is an equivalent of what you call, let's say in diesel euro 6. That's sort of clean out here in India. But you know, we started making engines. Engine parts for Euro 6 engines in 2008, and was introduced here in 2019 right? We're the global suppliers to Volvo with 100% market share on everything we do, which means not a single engine in the world can be made without a part from us. And this all comes from Bangalore. That's how strategic we are, but that's how much trust our customers have in us. In our OEM business quality. We come back to that precision. We come back to that. Are we reliable, and for me reliability is a combination of quality, precision, delivery, and everything else. And that's what people are looking for.

So that's what's happened to this business. Now, in coming to, let's say, electric and hybrid. So, we bet on hybrid. A few years ago, we said, you know what hybrid is going to be bigger than electric. So, while we still made parts for electric. We bet big on hybrid the bets paid off. We started 24 months ago and decided we'll do hybrid. We'll support the hybrid European market in 24 months, we've hit a run rate where we could. 15% of our entire business is hybrid with complex parts. You see, some of these parts are extremely complex. 5 axes, heat treated ground cold formed all kinds of processes, and like I said, the processes are not a problem because we built our strength on capability. So, for us, every drawing comes in is something we can do, and then we'll choose. Is this a part we want to make is this investment paying off with the ROCE? Do we get returns? Do we get EBITDA, etc, etc? And then we choose the playing field where we want to play and how we want to play. And that's what puts us in a very big advantages position to play in the field. We want not what our customer wants. So, we played that field and we've seen massive returns. We've seen our month-to-month improvements on these areas, and they will get only better.

And you know we make this entire transmission. This is an EV transmission. If you see, part number 7 is an EV transmission that we make for electric 3 wheelers, for instance, right? So, the complete transmission, including end of line testing, is now made by us. So, we will make products and components as we deem fit. If we see that the EBITDAs and the returns are in line with our expectations. So literally today. I say, if you're not making a ROCE of 25% in future products because



we have legacy products that have brought EBITDAs down, I mean, we have customers like Bosch for 50 years, where, because of relationship, we still have to keep their parts a little bit pressure. Now that Raymond has joined us which I can manage but the future products. We literally aim for that kind of our Coc. So, over a period of time, we can expect those things to. You know the averages to improve just simply because we have a basket and a pipeline that is so large that we can choose. Now, this is why we can choose.

We sell ourselves as a tier 1.5. You all know that today, if you look at all the tier ones, they're all in excess of probably 20 billion dollars, the ones that count. And just look at the tier twos in India or in other parts of the world. Your tier twos are all really small people. They average maybe 50 crores, 100 crores. Look at the gap huge. Every time a good tier one goes and acquires a company, they acquire thousands of suppliers. What is the biggest problem that exists

with sourcing heads all over the world? I mean, I've been on advisory boards of the top companies 20 years ago, advising them on what their strategy should be as part of, because they found us innovative in our approach, etc. And then you realize that their biggest problem is to have reliable suppliers who can take on lots of work. you know, not just products, but capability. So, we did a deal with somebody 20 years ago where we had to.

You know, they wanted to get rid of 18 suppliers, and we gave them a strategy how we'll get rid of them over 2 years now that strategy. That's what I call 1.5 where you just don't go in and say, oh, I sell this product. But you go in and say, listen. I'm a solution provider. I supply anywhere in the world just in time. My products on a global level. You have 20 locations in the world. I'll supply you products across those 20 locations just in time every morning.

So that's a solution that you provide globally to a customer, and I will make sure that I have your entire variety. You don't have to worry. I make machine castings, machine forgings, aluminium, black cast extrusions. You need something else. We'll do it for you. Right? So, the innovation in process and the ability to deliver that differentiates us. And that's how we talk about the 1.5 tier story which for me has been very successful. And now being part of Raymond, we can ask for large businesses, you know, real strategic, large businesses which I couldn't ask for with my financial strength earlier on, always had the vision to be global, you know, player, but didn't have that strength. And I think now, with that strength the confidence is there to go and ask for big businesses from these same people. We have the best customers in the world, you know. If you add up the revenue of all our customers, I think it's over 500 billion dollars. So, what is the problem in getting business market is not an issue. When people tell me, oh, market is going down. Market is going up. I said, listen, I'm not interested because the addressable market bias is so large. Why do you talk about market? If market's going down, go get more market share, make more products, make new product development, increase your market share through other means. Why are you worried about market going down? So, the thought process has to be very different when you want to play in this market.

Let me now shift my focus a little bit to the aerospace side of the story, and I'll tell you I couldn't have built the aerospace story without the automotive, and that's why I feel we are in a very advantageous position, because a lot of companies that did aerospace never learned automotive. And I can tell you an automotive background and automotive fundamentals are still very, very strong and bring so much value. Right?

Key thing is that all processes that you do in automotive are in millions, and what you do in aerospace are in hundreds. So just imagine the learning curve we run, GDI, which I showed you earlier. We make half a million GDI pump bodies most complex, tooling very hard materials.

Stainless steel, forging, more difficult to machine than inconel, which is one of the difficult materials to machine right now that learning curve, you have 40 operations on that part, and the learning from that that you get you can horizontally deploy to all the engine parts that you make in aero engine. So just see the just one small aspect and imagine the whole learning curve when you have a capability of processes across all of precision, machining the strengths that you have to deliver multiply market is huge. I mean, the addressable market is huge again, like I said, it's up to us, you know. For instance, whatever hard work we've done over 20 years. My pipeline today of RFQs is 2 X of all of that. That's the addressable market. It's up to us. How much can we chew? How much can we take? What should we take? You know? Where is the value? Add etc, and that's a choice we have to take. But the choice is there, and we are taking them.

This is a quick summary of where we stand now. Unlike most aerospace companies that exist today in India, you know. Aerospace was a very late story for us, because everybody, you know, Hal was there. It was doing its bit, and aerospace was really, you know. Nobody was interested in it, you know. So, there's a lot of that thought process. Was there? So many people couldn't think of how lucrative this business was, and the entry barriers were very high, extremely high. So, we decided at that time that let's go with the most difficult part of aerospace. Let's start with the engine.

Everybody starts with the structure and the system, which is easy. But let's start with the engine, because the engine is the most difficult part. That's what we did 20 years ago we went. We took on the challenge. We were able to sell ourselves to one customer, Safran, I told Safran, I said. Listen, give us whatever parts you want to give, and we'll make sure that we do a good job. They gave me 50 parts of an engine. 50 parts. They said, Okay, Gautam. if you can do these 50 parts for us, it's proof enough for us to start. Our relationship took me 6 months, only 6 months, and a lot of people think, wow, you know. And it's true today. And I'll come to that story. But in 6 months we delivered 50 parts. Everyone was 1st time right precision parts, and they were shocked and surprised. They couldn't believe me. They actually invited me to their 7th floor in the Safran headquarters, where only the biggest of customers are invited. I was invited there to meet with the number one guy, and say, Listen, we want you to partner us in India and build our ecosystem in India, I said, Sure, I'll build it for you, because, as 9,100, no certifications existed. 20 years ago. There was not as 9,100. There was no natcap, nobody knew aerospace and forget about engines. Nobody had made parts for engines. So that is the innovation that we went with. We brought automotive suppliers into aerospace. We taught them what is aerospace. We built them today all these suppliers that we brought in are all approved by Airbus and Boeing, and the factories are full, but they had to believe in the story because not everybody believed in the story, right? But then that 20 years is the advantage we have today. When you want to go to a new customer, it takes 2 years to get approved. You go to a GE. You go to a Safran, you go to a Honeywell, you go to a roll.

All these processes take 2 years. So, what I decided 20 years ago was that we won't be happy with just one customer. We will get approved by every engine manufacturer in the world. We'll go after that to structures. We'll go to systems. We'll go to fuel. We'll go to hydraulics because we had built capability in automotive, and I was very confident we can build capability in aerospace. And that's where we were different.

So, a built on the most complex part. So, start with the most difficult thing, not the easy thing. And then it's very easy to build your reputation. And that's what we did. So just to give you an idea. We make 1,200 different part numbers for aerospace. Today, 75% of these part numbers are for engine, and just on the leap, 1 a, 1 b and 1 C, which is the main engine. All of you may be knowing the story of leap, and for those who don't it's a joint venture between Safran and GE. It's a very long-term joint

venture. They make the engines for the narrow aisle aircraft. So, you make airbus a 320 neo, and you make Boeing 737 max. Those are the high volume, narrow aisle aircraft.

A stands for Airbus, so leap one A is Airbus leap, one B is Boeing Leap. One C is Comac, which is a Chinese aircraft. So indirectly, our parts also go to China. They're just starting. But all these engines we have 350 parts on that engine. Now, mind you, these are parts on every flying engine. If you sit in those aircraft, so we don't make parts that are on the ground. We don't make parts that are used in ground handling or in fixtures, or we make parts that fly. It's part of the engine now. We were the 1st also to make titanium forgings, which was never made in India. We made our 1st titanium forging 10 years ago.

Today, on every flying aircraft we have 17 varieties of forgings, and several of those forgings were done as a vav exercise to bring down their cost, and our market shares have doubled since we developed these parts. So, coming back to the growth story, what are the 3 things you need to actually look at that growth story right? And I'll come to that a little later. So when you look at, let's say the customer base, we have 25 plus customers, right? Everybody that you can think of in the engine business. You say their name. They're our customer, the entry barrier, is there. So, when people started 3 to 5 years ago, they may have 2 or 3 customers right? Because it takes time. And the point out here is, where's the market now? The market is huge, but remember, aerospace is five-year 10-year contracts. They're not one-year contracts. They're not like pos you do something. There's a lot of development work that you do, and you need a minimum 5-year contract for it to pay back.

You know, all the R & D and development we do in process which I'll talk to you about is written off that year, because that's part of your business model. You can't capitalize it. Because if you want to grow in this business, then new product development and process R&D is part of your part of life. And so that's the difference is, can you think that way? So let me get to a little bit on just giving you a little pictorial view of some of the parts that are made right? So, if you look at these parts, they're complex engine parts, the structural parts and the system parts 75% of our revenue comes from complex engine parts. Each one of these parts are intricate and I want to tell you that we make one new part a day.

Now, how do we do? This is what I'll come to next. But that's the thing. How do you grow your business? You can grow your business in aerospace in 3 ways. Number one, you have a huge customer base, because customer is not always ready to give you business products are in contracts of 5 years 10 years. So, when it comes up, are you his supplier? If you're not his supplier, you're not even on the bid list. So today, like I was telling you. Our pipeline is 2 x of our entire business that we built in 20 years. That's the kind of opportunity that's coming our way. Now it's up to us to choose what those are. But the trick out here is very simple how to go up the value chain it took us. So, let's talk about engines. So, the way engines are defined in that language is, you start with N. 4. Criticality. Then you go to N. 3. Then you go to N. 2, then you go to n. 1. So, n. 1 are the real complex parts that actually move in the engine, which are not that many a lot of parts in a jet engine are actually stationary, and the main shafts and those kind of things move. The N. 2 is very complex parts, but they don't move.

So that 1st part out there is a turbine vane. It's a very complex part, made out of material called Rene 77. It's so hard you can't even machine it. So again, the processes that you need. So, all of the technology was transferred from Safran to us because they believed in us as a partner, and they needed such critical parts made out of India. So that's the advantage you get that if you're able to build the trust of these customers. They need you earlier. It was, I'm cheaper earlier. It was, I'm giving you value. Add, today it is I need you. I don't have a supply chain. I can't ramp up. I want you. So that is the difference I have seen in the last 3, 4 years, especially after Covid, right? So, we did structural

parts again to increase that envelope because we didn't want any vacuums in our growth process. So therefore, we would take RFQs from all parts, but you know the margin is in the engine.

So, we take more of engine parts. But if we come across a situation where, at a particular point. In time we think we'll have more capacity than we have. We'll take some structural parts. We'll take system parts. So, we'll integrate all of this into our plan.

Literally, because the kind of growth we have, right, we literally map our capacity on a monthly basis. So, this is not a business like a process. You put a cement plant, and then you wait for it to fill up. This is a business which you operate on a monthly basis. You calculate capacities on a monthly basis, you forecast which are the parts you will develop over the next 6 months. We have a pipeline of 200 parts to develop. Hopefully. It takes us 200 days to develop them. We're trying to increase the speed of that development. Then each of those parts has a ramp up plan. When you ramp up, your 1st ramp up to a 35% market share. Then you wait. The customer sees. Are you good? Have you done your job? Are you delivered on time? Quality is great fine. Move the market share to 65%. So, all of this growth comes from a new product first, then you ramp it up, then you increase market share.

But then you have a huge customer base, so you don't have to worry about somebody's contract getting over, or somebody not having the ability, even if you're very good. If there's nothing in the market, what will you do? And I think that's what's helped us grow our business, and which will further grow our business. So obviously, you need Capex to grow. The business aerospace is not free of Capex, but we've done our best to work it in such a way that we can increase our ROCE continuously. So, we are hoping that our strategy pays out. And not only we have the advantage of high EBITDA, but we also have the advantage of High Roce, and that's the whole idea of this business.

This is what I'm talking about. So, we're probably one of the few companies that works our engineering department in 3 shifts. Engineers are difficult to handle, and even when I had to push them 3 years ago to go 2 shifts, it took a lot of effort from me but 3 shifts. They run 3 shifts. That's the reason why we can make one new part a day, because all of our new product development.

We've dedicated 20 machines. And we said, we will only produce new product. And this is what we're talking about. It's a concept many people have to think man, I'm dedicating so many resources, you know. When will I make money? But you know, without this you can't be in the business. So therefore, fundamentals of growth, new product. Now we reached one new part a day, you know, I was struggling with let's say, 10 a month, 5 years ago, 4 years ago before Covid. But we've achieved it now. And now we're pushing those limits as to what else we can do, because we've seen that we can do it with complex parts. But that's the key. So, right from the core engineering, and how we run the business is very critical.

Yeah, I'm just showing you this one part which I talked about a little bit earlier.

We have a capacity of 8,000 units. This is one of the high-volume parts in Aerospace, which is really interesting because it adds value. And that's what we're looking at. So, we're talking to our customers. We are identifying high volume businesses within the engine. Now that our customers have confidence in us. We're saying, hey, listen! Why don't you give us this business instead of the customer sending us an RFQ. We are going into their plants and picking parts, and saying, why don't you give us this? Why don't you give us that? Why can't we assemble this, etc, etc, etc. So, a little bit of reversal in how we can pull what we want and what is valuable. That's what we started doing. So just to give this example. Complex machines, 5 axis machining, Edm vacuum brazing. This technology you'll find in Etl. You won't find generally in the country.

That's the kind of stuff we are doing. And then the horizontal deployment of these kind of technologies is huge in the aerospace industry, and therefore puts us at an edge.

This is to give you an understanding of how complex it is on the supply chain.

You know you're buying materials from all over the world. You buy critical materials like in Cornell, titanium, aluminium, and steel. You buy it in every form and shape. We've started to localize castings. We've localized forgings very successfully in the plans and look at the varieties.

We have 110 varieties of material. So, like I said, there's a lot of people that look at verticals. Somebody is going to look at titanium and say, I'm going to be an expert in titanium. Somebody says I'm going to be an expert in veins. Somebody said, I'm going to be an expert in a certain section. We go horizontal because of capability. We want to build expertise across the chain, select where the money is, and then make those volumes. So, we have a choice. We're not restricted, because one fine day I said, I want to do only this, and that is what's going to give us the edge going forward.

So, this is a quick summary of everything I've spoken just to put a few numbers in perspective. Of all the 3 companies put together, and the huge strength that automotive has brought to aerospace can't be undermined, and I think many companies that only have aerospace and never have run through the automotive cycle, are definitely at a disadvantage on high precision products. Because whatever's said and done, automotive precision is very high when you're in the high end, like fuel, injection, and stuff like that, you really are very, very precise.

More precise than some of the aerospace parts, and therefore, when you do them at volume, you can become very good at aerospace. So, this is a quick summary.

These are some numbers that that you can see from last year, and this year.

Obviously, the MPP side of the story has been added. So, if Jatin wants to explain a little bit of that.

Yeah. So that's just to we had the earnings call already on numbers. Yeah, we've already had the earnings call. But of course, I mean people as we get into Q&A, and a people will have more questions. Sure. Sure. Okay, good. So, this is on sustainability, you know. Today, no customer finishes their slide without sustainability, and that's been our passion for over 30 years. So that's something we will obviously do. So, with this. You know, the stage is open

Jatin Khanna: if somebody wants to ask some questions. Thank you if I may. Yeah. So, we'll open the floor for Q. And A. I think we have some questions already submitted by. You know the participants, so maybe I can. So we've already received some questions from the participants, whilst most of them are on engineering business. But there are some on lifestyle and real estate as well, so we will try and address, you know, together.

So, question really, first, Gautam is for you. Now, what is your growth? Strategy for next 5 years? And what are your competitive advantages. I mean, what is the base of that growth strategy? I mean, how do you leverage your competitive advantages for that? I think I covered a lot of it during the presentation. But just to reemphasize

**Gautam Maini:** vision is very clear. We go up the value chain on every one of our businesses. We synergize those businesses on every front, on marketing, on supply, chain, on logistics, on warehousing, we look at sustainability by trying and combining automotive and aerospace dispatches together. So, you move from sea to air, to sea, etc. So, there's a lot of plans out there. But I think overall in every segment. We go up the value chain. So, like, for instance, we are in engines. We are today on complex parts. We go up into sub-assemblies, we go up into modules in automotive. We do

the same. We're getting into hybrids and complex parts on new fronts of capability. We're looking at areas like medical, perfect synergies for us, because in medical. You have a lot of titanium machining in terms of your body implants. And for me it makes a lot of sense. So, we will continuously look at areas in the precision machining segment that will bring value to us. We will grow definitely, I would say. You know, as far as expectation is concerned, we'll do a 15% growth in revenue. Obviously, the aerospace will probably go higher than probably the rest.

But we would definitely average a 15% and a 20% EBITDA growth over the next few years. So that could be a vision.

**Jatin Khanna:** Okay, so now, how do you see the geopolitical tensions impacting the growth prospects of our businesses.

**Gautam Maini:** Well, you know, I mean, it's very difficult. It's like, you know, anybody getting up in the morning and saying what will happen. But, luckily for us right now, most of our market is in Western Europe and in the US. And it's quite far from some of the conflicts that are taking place. So far, we've seen that even though there's been a conflict in Europe and on the borders for so long, nothing's impacted us. What's impacted us is, yes, it's taken longer for our ships to reach. You know you had some Red Sea stuff going on, but then those are all areas which you can act upon. So, I don't really see unless something really crazy happens which nobody can forecast.

But otherwise, I only see a lot of opportunity happening across the globe.

**Amit Agarwal:** And actually, you see, it is big advantage with this reciprocal tariff, because it is very, very clear that compared to China, India's duty will be obviously lower. It is very, very clear. He has given all the clear hints, and we, as an engineering business, have almost 2 thirds as export and if you have 2 thirds of export, your ability to supply into the American market becomes larger and larger, and since you are in a precision engineering, which is also a little manpower, intensive to that extent we stand to gain significantly more. And the other thing, what China was trying to do by sending the goods into Vietnam and other countries, and doing a little bit of a value, add, I think the Trump Government has realized it very clearly that we should charge the duty based on the value addition. So, therefore, a big value addition happens in China, so the tax reciprocal tariff will be based on China's. Whatever rate is so, therefore.

We believe India and our mining JK. Mining stands a very, very good opportunity in terms of expanding. Second thing, the era is over where multilateral trades used to happen. Now it will be purely bilateral trades like India signed FTA with UK. Now we have certain customers in UK. It will continue to grow so like that you will see many more bilateral trades will happen between the countries which will benefit companies like us.

**Jatin Khanna:** Okay, so next question is on Q. 2 q. 2 and Q. 3. Guidance. So, we don't get into quarter. Wise guidance. I think. Directionally, Gautam has already said 15% revenue growth and 20% EBITDA compounding for the business, you know. But one thing I must say, that relative to last year, and this year I think there are 2 critical trends which have changed. One is that you know, we had Boeing going through its own issues. I mean, it was really a Black Swan event for Boeing. It started with 737 Max. Then their door fell off, and then the strike. So, I guess that overly impacted the business last year. We've seen a smart recovery in quarter 4. As Boeing has come back, and we really hope to build on that. I mean, Boeing's already made a statement to say they'll make 38 aircraft this month and they are wanting to submit for an approval to make 42. So, I guess they're back with the bank. So, I think that's 1 thing which has changed which should help the business in the coming year. I think the second thing which has changed is that we had a lot of inventory issues in Europe because of which the

automotive business suffered. Because, you know, I mean, there are some of the suppliers who cut their supply schedules by as high as 50%, so that impacting impacted the business also last year. Now that trend is also behind us. Now, I think we've already more or less in quarter 4, you know, caught up to last year, slightly lower still, but by the time we get to quarter 2. Certainly, all of that will be behind us, and therefore you know that in some sense downside on the numbers which impacted. Our last year's number on the engineering side will not be there with us as well.

So clearly, unless and until something new comes up we are all set for growth for the coming year.

**Jatin Khanna:** The next question, Gautam, is on the technological capabilities that we have. And how do those technological capabilities position us in defence.

**Gautam Maini:** Yeah. So, I think you got a good brief on technological capabilities. And the reason I didn't spend too much time on defence is because none of the numbers that I've incorporated this year are actually in defence, but they make an entire story is very big. To be honest, there are 2 parts to the defence story. One is connected to flying machines, aircraft. One could be land systems and ammunition and arms. Right? So, we have some projects going on, but they have to fructify. We have the technology for those products. One of the things that we are trying to do is to combine civil and defence. And we're talking to a lot of our customers to say, hey, listen! If you want us to do some of the defence work. Then we'd like you to give us a similar civil part, so we don't have to spend time and efforts on only low volume. So, these are the negotiations we're having. I believe our negotiations are going in the right direction and over a period of time. I think that they'll make a lot of sense. So, the scope is huge. The technology is ready. And I think we're one of those players that actually could be one of the ideal partners for any in India program. In the mechanical assembly area, and we're talking to several partners.

The future looks good, but we have nothing on the plate right now. It's all work in progress.

**Jatin Khanna:** and we've broken into some of the players as well, so I'm sure we'll build on it as we go forward. The next question Gautam is on the main competitors in our tools business and how do our margin compare with them? But what's not asked? And I will add that question is to say, how do you see the future of this business as well? So, I was explaining to you the value addition on tools. Right? So, if you look at cutting tools. For instance, you've got Edison you've got, you know, others that are players in the market that we look at. But we want to go actually ahead of them by

**Gautam Maini:** adding what we wanted to add. Right? The industrial segment of the business, and especially in aerospace. That's where our focus is going to be, how do we add value? And how are we going to go up the value chain? So, Parag is here, and whoever asked that question can spend some more time with Parag, who heads our BU for tools and hardware, and he will be able to explain to you whatever you need to know clearly. You will see a change come in into the segments as we progress on the tools on the hand tools side. We're going to expand our portfolio again. So, we are looking very strategically. We are also looking at the industrial side of hand tools because we have OEM customers all over the world who need hand tools who need power tools. And we are trying to cross leverage just like we are doing on the engine side. We're trying to cross leverage global customers and going into the OEM side rather than just focus on the distribution side. So far, our focus has only been on the distribution side, and that's a whole industrial side that we're going to bring in with value adds.

So obviously, you know, the retail business is going to keep increasing. The branding is going to happen. We are moving into from just HSS tools into, you know, carbide tools. So, there's a lot of value add happening at that end which will ultimately get us results.

**Jatin Khanna:** So, I'll side-track a little bit. There are a couple of questions on lifestyle, so maybe Amit you can address those. So how is Raymond adapting to evolving consumer preferences?

**Amit Agarwal:** Absolutely. I think. You see, Raymond, the lifestyle business has been in business for 100 years, if one would not have evolved with the consumer changing behaviour, we could not have survived. You look at the kind of fabrics which we used to make 30, 40 years back. And what we make today, we have the innovative technology, and where we got into linen, silk blends. And these kinds of blends, which are very, very popular in the youth, which is sustainable, that is one.

If I look at the apparel business once again, we were primarily into a formal. We have launched a lot of casual, and, as you know, in India there won't be a wedding without a Raymond suit.

What used to happen previously. The wedding used to be for one day or 2 days. Now it has expanded to 3 to 4 days. Where people wear ethnic. Now, ethnic is one thing which we have launched in a big way. We have already got more than 150 stores all across the country which has picked up well, our products are very well accepted. So very clearly, we are catching up with the trends, and as the trend continues to evolve, and fashion is one thing which evolves very fast, and let me also add that we have a large garmenting business which we supply to the big brands overseas be to the US, Europe, UK. Now we get also a lot of good trends from them, and that we are in a position in a similar manner to implement in the Indian system and bring that fashion to the people. That's what we are doing.

**Jatin Khanna:** I'll also, you know, encourage you to look at your back, and, you know, just walk around a little bit. Once we finish the Forum you will see some of our cutting-edge designs in form of the chairman's collection. I saw some of you taking pictures as well before we started, so you know, you can look at the made to measure store, where you'll find the latest chairman collection which is totally cutting-edge designs from Raymond's table.

**Jatin Khanna:** So now Amit the second question on the lifestyle side is the traction in the sleepwear. Yeah.

**Amit Agarwal:** So actually, you know, this is one thing we define Raymond with a complete man. What used to happen was, if you see the journey of a man from the morning till evening, we were able to cater, dress them, and there was one category which was missing, which is more than discretionary, was the sleepwear, because every day you have to wear it, wash it, get it so. It was more like a consumption category. And if you see in this category there is not even one player who is in an organized segment. It was all unorganized segment, and that is why we saw this as an opportunity to be looked at. Second, what we introduced our products was at a very, very attractive price point, and the price point is, if you take an Indian wear like a kurta pajama, it comes up ₹1,000 for Indian wear, coming from the house of Raymond. ₹1,000 is a great price. Similarly, the Boxer shorts and T-shirts also come in the range of ₹800- 900.

I think that is what we are trying to make and democratize this and we strongly believe. And this is once again, if I take the 1st question that how we are evolving with the trend, as the affluence will keep coming into the country. The sleepwear category, which used to be not a prominent category on its own will start to be exist there, and we want to be the leaders in that category, and pioneers in that category. We have seen a good traction. Our products are available in more than 3,500 counters



all across the country, and it is a journey where you will see where you live. Around you, mom, and pop stores will have our products over the next few years.

**Jatin Khanna:** Okay, now, Harmohan over to you. How would you define the long-term strategy for real estate business?

**Harmohan Sahni:** Well, the long-term strategy is pretty clear. We want to be one of the significant players in the country. As far as residential play is concerned. It's a very, very large market primarily, if you see India the way it is structured a home. Everybody needs a home. So that's not a secret. And the large markets which are there in the country about 6 or 7 large markets in value terms. They are about 70 to 80% of the entire Indian market. And Bombay is one of the largest ones. In fact, MMR, so our strategy basically is to 1st get our roots very strongly embedded in this market. And it constitutes roughly about 25 to 27% of the Indian market in value terms out of all the large cities. So, it's almost 1\3rd you can say just under 30%. So that's the market we want to play. In additionally, we would look at Pune as another market. So that's the geographical end of it in terms of the price point and the ticket size. We want to look at deep ends of the market strong locations. So, we are not looking at the bottom of the pyramid. We are not on the affordable segment. We are not in the luxury segment, the ticket size and price points are going to be for the masses, so it's affordable luxury. It's the premium segment that we are targeting towards the Raymond Brand itself lends to that. And that's a strength that we have. And within the team also, the execution capability is very high on that segment, and we have demonstrated that in the last 5 years, so that strategy is playing out quite well for us, and in terms of product. The products are going to be premium in their look and feel, and the way consumer experiences them, and yet they would be affordable in that segment. So, it is not the affordable segment, but in the premium segment you would find our product rightly priced. So that's essentially the strategy that we are playing on, and it's been working for us for the last 5 years. We've seen tremendous growth in the business. We are already one of the top 10 developers in the MMR Region. By turnover. Of all the listed players we have already entered the top 10.

I mean this, the march 25. We closed the year at 23-2,400 odd top line number, which is what people have taken almost 2025 years to reach that milestone. We've done it in 5 years. So naturally the brand is very well accepted in the market. The strategy has worked and we want to continue playing that game.

**Jatin Khanna:** The second question is, what is your sales? Expectation in light of the current sector trends

**Harmohan Sahni:** Well. I don't know what you mean by current sector trends, the trends are actually varying, depending on which product line that you look at so, and also depending on which newspaper you read and which reporter that you subscribe to. Some of them are saying, markets are slowing down. Some of them are saying, markets are doing very well, and it's been the record month and record quarter. My personal view is that on the luxury side there is definitely some kind of tiredness in the market, because that's not the deep end of the market lesser number of players. The inventory is quite high in the market today and but the good news is that it's in strong hands. So, nobody is really panicking there. As far as the other part of the market is concerned. The premium, the segment that we are playing in that continues to be extremely strong, and we are playing in deep markets, so volumes are very, very strong. They continue to grow for us even in saturated markets, where the competitive intensity is very high. The market just continues to grow, I mean, in a highly competitive market like Thana. Also, the market has expanded, and so has our share. New competition has come in. New players have launched substantial size projects, but we continue to grow. The market continues to grow because it's a deep market. Its actual user driven, and prices have not run away. So,

the affordability is there. Affordability in that segment is probably at its highest level, that it has been in the last 1015 years, I mean as a multiple of income. So that's pretty strong. And even in the Bombay market other than Thana, where we have taken positions. There also the markets continue to be strong. Volumes are pretty good and robust. So yeah, I mean, that's my take on the market.

**Jatin Khanna:** How would you define the future course of action for real estate business?

Harmohan Sahni: I really don't know how to answer that. So, I mean, we are already doing whatever we have planned for. So, when we started this business, we put a 5-year plan in place, and then we roll it every year. And so, any given point in time. We have a 5 Year plan in mind looking at the current conditions and how the market is playing out so that we are nimble on our feet, and we take current.

Let's say circumstances into account. So far, whatever the plan has been, we are actually we have stayed ahead of that. We started off by saying that we will have a 25% CAGR in this business for the 1st 5 years, and we are already ahead of that.

**Harmohan Sahni:** In the last 2 years we've been promising a 20% growth on the top line on the business. We've every year. We have stayed ahead of that. In fact, last year, March 25, that we closed, we gave a 45% growth on the top line.

This year also looks quite promising. So as a general guidance, we look at a 20% growth on the top line and the general strategy I stated in the 1st question which was there. So, we will continue to play that game. I don't think there is any need to significantly change that. It's working for us. The markets are also strong, so we've got a big boat in the waters. Our sales are up, tailwinds are strong.

So, we continue to cruise along.

I just want to add one small thing. So, on the land sourcing strategy. So, my colleague Amit rightly pointed out that that's something which I can address that on the land. Sourcing strategy. Principally we are looking at JDAs to grow and that's been our stated intent. It doesn't mean that we say No to every other means of getting land. So, if some sweet deal or something really lucrative comes our way, we are happy to look at other means of getting outright land also. But we will continue to navigate the waters through JDAs, because we feel that that's something which is you know, very capital efficient. And also, it gives us the kind of ROCE that we have targeted. We've been maintaining an upward of 25% return on capital employed, and I don't see that changing in the current year or the year after that. So that's going to be our stated strategy.

**Jatin Khanna:** Okay, Gautam, the question for you. What is your current order book and expected execution? Timelines?

**Gautam Maini:** Well, like, I said to you that most of the time we have 5 year to 10 year contracts. So, therefore, you have very good visibility in the let me talk about 1st the OEM side of the story. Right? That's where you have all the visibility. So, you know what products are going. But the markets could go up or down. There could be incidents in the world. So, you have to keep a watch on your schedules, but in general you know what products you're going to make, for what period of time and in general are those market shares expected by the customer to go up so like we talked about the, you know hybrid case that we launched the customers 18 months ago said that you have to be at 50,000 a month in 18 months, and we are at 50,000 a month, and they're using 50,000 a month, and now they want to go to more, so it will always be dependent finally on the market. But the visibility is given by the customer. The customer backs up any huge investment that you have by having volume contracts that are flexible. So, if you generally have a 5 year contract and you haven't finished the volumes. You push them to go for the 6th year or the 7th year, and not to source that business unless the business itself

goes away, so I think there'll always be some market dynamics to it. But in general, you have a very clear visibility on long term in the Oem side of the business, obviously on the b 2 c side of the business. A different story, you know. If you're talking about files and tools, your brand's established, you have a certain market share, and so overall, I would say it's a fairly high reliability when we say that we're going to do something. There is a high factor.

You rightly pointed out, execution is the main thing like, I said. If we can execute well.

And make sure it's 1st time, right? That's what will differentiate. And we are putting a lot of resources in systems. So, for instance.

1st thing I'm doing is I'm getting sap. Hana organized across the company. So, I'm making all the companies really integrated in a real manner, not just for namesake. So, we will actually have the companies have a common brand common management.

Resources at the top. We've hired a new CFO. We've hired a new Chro. So, I'm building the organization of the future. You know, products. One side, you need systems. You need organization. And you need technology. And you have to build on all fronts. And that's what we are doing to make sure that we have a stable growth going forward.

**Jatin Khanna:** The next question cuts across businesses. We already said.

You know, 15% revenue and 20% EBITDA growth. Of course, business went through its own difficult time. So therefore, I mean last year because of Boeing and supply cut, and also this year can be a higher growth rate. Same way, lifestyle. You know, our stated growth rates have been 12 to 15% on revenue and 15 to 18% on EBITDA. But again, lifestyle had difficult year last year. So, this year can be better than that because obviously, you'll pull back from a lower base same way for real estate. You know, we've said that you know, 20% sales growth, 20% margin and 20% IRR. So those are our stated.

you know, long-term growth objectives or medium to long term growth objectives for each of the businesses. Then the next question is, I think, on the engineering side, because it doesn't save its space, that what will be the revenue and profit contribution from the remaining business after the demerger. So clearly, engineering business is what will drive the future of Raymond Limited, which will list tomorrow morning. There we've already done 1,800 crore revenue and 240 crore EBITDA last year. Approximately, so say about 15% margin. We see because our growth outlook is higher growth on both revenue and EBITDA. So obviously, you know, you will see that number growing faster, and the margin expansion also happening in the business going forward.

But that will be the core business, for Raymond and Raymond will own two-third ownership of that business. So that's what will define Raymond Limited going forward now, as Raymond. Reality lists separately, then it'll have its own future. And Raymond lifestyle, as we all know, is already listed separately.

**Jatin Khanna:** The next question, Amit is on the lifestyle business. So maybe you can take that, the wool and polyester. How does it impact your margin in terms of the raw material prices changes for wool and polyester.

**Amit Agarwal:** Yeah, actually, you know, for a brand, the raw material component, if I look at the price, is very, very small, it is not more than 1518%. Second, as we see the way things are happening in China, all the raw material prices are coming off. So, we will have that advantage, and when you are a domestic brand player.

The raw material price increase or decrease is something which you do not have to pass on from today to tomorrow whether it is increased, and once you increase the product prices, it's not that when the prices drop, you reduce the prices of the product. So therefore, it keeps on building into the margin, and that is what we have seen. If you look at the simple is the cotton shirting.

Cotton candy prices used to be ₹32,000-₹33,000 candy. It went all the way to ₹70-80,000 a candy, and did we increase the price at the same point of time, in the same breath. Answer is no. We did increase in a very small bits, and there was a little bit of a margin pressure for very small period of time. So today the prices have come down to 55, ₹56,000. And now we are taking the benefit of it. So actually, if you see on a long-term basis, the raw material prices do give any major volatility on a positive increase side helps us to improve our margin.

Okay, the next question is on currency, volatility, and its impact on our exports. And are we hedged? I think this is relevant for both engineering and lifestyle. So maybe you can Amit. Cover that. And then so look.

**Amit Agarwal:** I think, currency volatility. Except for the last 4 to 6 weeks. Rupee has been continuously depreciating against dollar. If I look at the business primarily in the garmenting business as well as in the aerospace, it is primarily dollar denominated so. We have been always getting the benefit of it, as far as some businesses are concerned, in the European countries, in the auto components, where it was linked to euro. So, we have seen in last year. The euro has been strengthening.

I'm sorry euro has been weakening against the rupee, so there we saw a little bit of a pressure. But over time you get it.

Okay? And I think as a business, we tend to believe that currency is not the way to earn money for us. It is good if it depreciates, the rupee depreciates. But can we say that is the only basis on which we are going to make money? Answer is no, our focus is on productivity. Improvement cost rationalization, and whatever the benefit comes out of a currency, depreciation should be added, and we normally hedge our businesses. We when we get the orders, like in b 2 b businesses, we book our currency well in advance so that we don't have a speculation on the currency.

**Jatin Khanna:** The next question is, what's a rationale behind? Maybe acquiring many precision products? So maybe I can address that. See? The reason we did that is because, you know, we were already in automotive and engineering consumable space. What many brought in was a complementary automotive business, which was clearly, you know, one plus one becomes 11, and there are lots of synergies which Gautam spoke about in his remarks.

In say businesses when we look at you know Raymond Maini combined, and then it also enabled our entry into a sunrise sector of aerospace. I guess that also, you know of our conversation and discussion today has been on aerospace. I think it was a big strategic move to really change the trajectory of our engineering business, which is why we did what we did, and the results of that are for all of you to see.

The next question is, will you acquire 100% of Maini precision consolidate? So, we don't need to acquire 100% of Maini precision to consolidate because we've already consolidated, I mean, for some of you who don't know. We acquired 59.25% of Maini precision. But at the same time, we are merging our existing auto and engineering consumable business with the businesses that came from many precision to create one large consolidated entity with engineering businesses, which is auto engineering, consumable, and then at the same time simultaneously demerging the aerospace

business, because sunrise sector, its own growth trajectory can grow very sharply, needs a lot of focus. So simultaneously we are demerging the aerospace business into a separate company, so that it has its own board. So, you know, as we, as we finish this corporate restructure, which we hope to do soon, because the Court.

**Jatin Khanna:** You know the High Court has reserved for order, so I mean, it's a matter of time, I guess.

Sorry the NCLT Has reserved the order, so it's a matter of time, and you know you will see that for both the businesses we will have a separate board and a focus board to drive the growth trajectory of these 2 verticals. Of course, Gautam will be the common MD. Given his, you know, vintage and his, you know, legacy and experience in the engineering business. but that really what we are trying to do through this consolidation.

when is the listing of aerospace and engineering business expected? So, these businesses are already quasi listing through Raymond Limited, because these are the main businesses where Raymond Limited will have now, whether we tomorrow list them separately or do any other corporate this thing, you know. Let's park that for now we will come back to you at the right time. Okay, sorry. Amit has to say something on this. I think you have seen. The group has very clearly demonstrated.

**Amit Agarwal:** When the businesses become matured, reach a certain scale and size, they tend to stand as a separate listed business. Then at that point of time we list those businesses you saw lifestyle we demerged at that same point. We had the capability to demerge also the real estate business. But why we did not do was very simple, because it was just operating on the Thane project, and had only signed one Jda. At the Nirmal Nagar, and we had not launched.

Why did we do in July? Because by that time we had launched the Bandra we had already signed 2 more, 3 more JDAs, so it can, had the possibility to stand on its own basis, had certain liquidity in order to fend for themselves. Therefore, it is very, very important as a group philosophy, that the businesses, when they become mature and right, have a scale, then you should list, and that is exactly what would happen even for these companies.

**Jatin Khanna:** the next question is on opportunity in defence expansion, which I think we have already addressed. So, I'll skip it. The next one is on, you know the impact of global tariffs, which also, I think has been addressed. So, I'll skip that one.

Yeah, I guess the question that we received from all of you have been responded to. But now we'll open the floor for any more questions that you may have.

Can somebody just move the mics around, please.

**Participant:** So, Gautam! Hi! Thank you for a very detailed presentation, and very insightful. You have a couple of decades of legacy in this business. My question is, how are you addressing some of the potential constraints. Clearly you have the capital, the group, the brand, the technological knowledge. Now the issue is now scalability and execution. So, areas like talent, grooming, sourcing, expanding the management base. That is one area, and second, is the vendor ecosystem. You talked about raw material, which is, you know, the best mills around the world. We're sourcing. But there may be a supply chain aspect that you may be dependent on. So, if you could address talent and the ecosystem of supply chain. Thanks.

**Gautam Maini:** sure, no like, I said. I picked up a little bit on it. But let me expand on the organization first. So basically, we're going to create a structure where we have a team that is very core. And that's overseeing both the companies, right? Because it doesn't make sense to add overheads in each

company at this stage, and since I'm looking after both, it makes sense for me to have a corporate team. So we have a new CFO in place. He's here, Naveen Sharma, so if you want to meet him, has great experience. You can have a chat with him. We have our CHRO. He's not here right now. Again. New has a background from Mahindra has joined us. Abhinav.

He's on board already. We have several other positions that maybe once they join, we'll tell you, but there are at least a couple or so we've clearly looked. If there's somebody internal, we've made them happen. But if there's not. We've brought from outside, right? The scale and size are really large. And I really need a set of people that can take on that level of business. So, we have been very open on this.

We spend a lot of our Saturday Sundays interviewing and hiring people, because those are the days on which senior people are available. So, I can tell you. For the last, I would say 6 months. We've probably covered almost 90% of every Saturday Sunday goal is to really have a very strong professional team to run. While I'm doing that on the organizational front.

Jatin and team, we are continuously looking for the right board members whom I'm also talking to, and we want to really bring people that can add value, you know, and I can tell you and vouch for it that the independent directors that we are having and that I'm talking to it's really exciting, because these people can really bring some big time value. So, I would say, we'll have a very strong board, very strong organization structure.

But we're also focusing on the bottom end, because, you know, it's not just at the top. The organization has to be very solid and middle management plays a very big role. And our problem also is that our training is of such a nature that people like to hire from us.

So, we have to see that I was at a recent Airbus conference about a year ago. I won't say recent. At the C 295 launch, you know, to localize the 295, and we are part of that whole business structure as well, and I was sitting at dinner at a table with 10 other people. Every one of them was Ex-Maini, all trained by us and a lot of them trained by me. So, point I'm saying, is that we are at that cutting edge where there's no other company. We think that trains the way we do and because of that we will lose people, and therefore our training is extremely robust. So, I say, listen, it doesn't matter to us. We will train somebody in the country will benefit, and I'm happy about it. But we will train at the best levels. Whoever comes to us. So, we have to focus on that level. And we have to focus on the top set the direction and the passion so that covers organization. Your second question was around the supply chain. And yeah, so I would say, basically what we've been very used to in the automotive. And thanks to our automotive and industrial experience. We actually got our tier 1.5 concept from the fact that we built supply chains. So, if you look at, let's say, let's take forging or casting or die casting right. We have about 20 sources over the last 20 years. So, we have built supply chains and relationships over a period of time as the mining group before we got into this relationship. If you look at it, there's nothing we really don't do. We built everything to a car electric car. We've done technology. We've done battery swapping. We've done so. There's nothing we haven't done. We built material handling. We had powder coating plants which were 18 meters long. So, there's very few processes. Whether it's in sheet metal, fabrication, painting, technology, electronics, you know, there's very little that we haven't done. We have supply chains across everybody. So, I'm not afraid. Today when we have to say, oh, there's a new project that comes your way. It's very easy for us to sit down and say, is this worth doing or not? You know, because we have opportunities that will come our way, which are much larger in nature, and we'll have an opportunity to take them or not to take them. So, I would say, supply chains are very strong. We were the 1st to develop. If I go back to the 1994 s. We were the 1st to supply General Motors products for their transmissions in Romulus, in the Us. And at that time a simple grade.

I still remember, like 1144, the simple grade of alloy steel didn't exist in India. We developed that steel so many stainless-steel grades didn't exist in India. So, I'm saying, over the last many years we have developed so many grades of steel, and we're just going to repeat the same in aerospace. So, we've been very strong. Our goal will be to localize material. Yeah, you have some players who are already focused on titanium. I don't have to tell you, and I'm working closely with them to buy titanium in India. But there are. There are other mills that I'm encouraging. My customers want me to help them localize. Right? We're localizing castings. We're localizing forgings. We're going to localize raw materials. Just imagine that today, we make 25% EBITDAs, after importing raw material, spending 2 months on the sea, or 3 months, having 3 months of safety stock paying for all of that, then we add value. Then we fly these parts, the logistics cost and everything else, and we still save them. And we make 25% EBITDA. So just imagine the story when phase 2 unveils. And we've actually developed all these materials in India over the next 2 to 3 to 5, 4 years. Just imagine the margins, the future of the aerospace industry.

**Participant:** Thank you very much for your detailed thoughts and all the best to the entire team. Thank you so much. Thank you.

**Participant:** Yeah. Good evening. My questions on Raymond lifestyle, while I see our sales dipped by around 4 to 5% in Fy. 25 compared to the year before. Margins also took a hit, and we reason that it is because of the slowdown in discretionary spends. How do we see that play out in Fy. 26, with, you know, even inflation. Now, slowing down, income tax rate cuts announced in the budget. How do we see that?

**Amit Agarwal:** I think you have answered yourself. These 2 are big factors automatically, for a discretionary spend. People wanted to spend 1st on the food which was taking big share from the because of the inflation and everything. Second thing, the inflation has come down. 3rd thing you have to also understand. 2425, the 1st half in the summer there were no weddings. Second, there were elections, incessant heat, so all that put together people very apprehensive, and the consumption Slowdown has been there for last 18 months. So, what has happened is 2 or 3 good things have happened in the second half of the year. If you see the secondary sales have picked up, seeing very, very clearly. And as we speak today, we have seen very recently that the bookings which we do for our fabric business has shown a growth, anything between 1214% compared to the last year, and that clearly reflects that the inventory pipeline has dried or has reduced. And now people are restocking, and I think that is a very good sign whenever it sees happens that the booking increases.

You know that the pipeline is empty, decent level of stocks. People want to come back, and they are anticipating a decent demand. And, as you rightly said, the one lakh crore is not actually the one lakh crore. It gives you a trigger to go to a supermarket, to a store to buy, and if you have made one lakh of rupee saving. You are not going to spend and spend only one lakh. You may spend 1.2 lakhs also and I think it is a trigger required for the individual to go for the consumption, and I think these are some of the big factors, plus.

We believe there is a cycle of Capex which is going to come back from the private side.

The Government Capex, as to which was supposed to done 11 lakh crores has not happened, so I think those things will trigger more and more consumption.

**Participant:** Thank you

**Jatin Khanna:** Any other questions. I'm sorry. Good evening. Very nice presentation by you all. My question is for Gautam sir.

**Participant:** Sir, you have identified defence aerospace as couple of new exciting products where you will foray. So, my question is, you already have 20 complex machines already bought. So do you see any more, Capex, in terms of executing those new capabilities

**Gautam Maini:** with respect to the order, flow in next 5 to 10 years. So let me correct you. The 20 capex that we have is only for new product development. So, you saw the number. We have 1,500 machines in aerospace alone. We have more than 180 machines. Our machines, can, you know, take a wide spectrum, whether it's milling, turning, grinding, broaching all the different processes, right? So, having kept that in mind now, as we go up the value chain, the Capex also gets more expensive, and that's where you'll see at a certain point in time where the ratios start to get tight. And that's what we're keeping close watch on. So, your aspiration is to make the most complex part, but you must find how you can do it with the right Roce, and that's the challenge that we are trying to look at.

Question ultimately comes down to how much engineering knowledge you can put in with a combination of your fixtures, tools, etc. In the end it's going to be down to cycle time.

Everything in our business converts to ours right standard hours. So, if you have a machine and you can make a product in 20 min versus your competition in 30 min that you make money, and that is core engineering, of how you make the part, how you make the tool. How you select the machine. What's the capex of that machine? I can make the same part in a Capex which is worth one crore, or in a capex which is worth 5 crore.

Right key is, how do you select that machine? Now? This is where I said. The automotive advantage comes into play, right? Because in aerospace people have 5,100 200 machines in automotive, you have 1,000 machines we have. I would say there's a very few brands. We haven't tried out Japan, Korea, Taiwan.

Europe. We've tried out brands, we have excel files to tell us what kind of product will fit best. What is the costing, and I can tell you the costing can be twice as expensive as you choose the wrong machines. So that is the edge we have with our automotive experience, how to choose the machine, how to choose the method, how to choose the tools, how to optimize that whole process. And that's the key.

**Participant:** Am I audible? Yes, yes, so I have 2 questions. 1st is in terms with growth. We have 3 divisions; one is many and aerospace. Second is ring plus aqua, and 3rd is the file. You have talked about 15% growth in the top line and 20% growth in EBITDA for next 5 years. where the growth will become among the 3 segments where the actual growth will come. Second question is for Amit sir. Now we have long term contracts. And obviously we'll be exporting something to us also, especially, and on the long-term contract side, even if the 10% tariff duties are there right now are the clients who is paying those duties? I want to understand? And are the clients slowing down, or just wait and watch both the question, and if you can clarify it, thank you very much.

**Gautam Maini:** Good. So yeah. So, I would say, we have more or less 4 different businesses if you have to say right? Even though we have 2 companies, we have the whole tool and hardware Bu, we have the traditional bus where we have product driven bus like the sinner Bu, which is making ring the ring plus aqua. It's a very differently structured BU, because there you have high volume, few products. Right then you have the MPP Auto BU which does horizontal. So, you have many products and different volumes and different complexities, and then you have the aerospace business. So, from my



perspective, the aerospace business in the defence business will grow the fastest, but it also has the smallest base. So, therefore, in order for it to be at an average, you have to produce a lot more there. So, there will be more growth. Typically, in the aerospace, in the automotive and the other sides. We have fixed some very tight conditions to get new business, because now we have an option that I could invest in aerospace, or I could invest in any of this business. So, we are raising the bar that unless we get certain EBITDAs and certain Roc returns will not do the business. I'd rather invest in aerospace, so we'll follow where it makes the company much stronger, and where the investment can get me the best return. So overall, aerospace and defence will grow faster and will compensate a little bit, but this will also help margins grow, because we will only take the cream rather than try and take everything in the automotive side. The markets are also very huge there, so it'll bring a great balance between top line and margins all to grow together. So that's the strategy.

**Participant:** Okay, I think it's a very simple answer. US has to face inflation.

**Amit Agarwal:** Nobody. No vendor is going to absorb anything of this nature and say, I will bear, because if you do a b 2 b business in general like an automotive, or I'm not talking aerospace where you get very high margin or a garment. You don't make this kind of a margin so that you can say I will pass on, or I'll share the cost. I think this tariffs, in my opinion, is a way to get people on board for discussion. I'm sure you have seen as late as yesterday. 145% has come down for a 90-day period to 30%. So, if somebody can negotiate so quick in 2 days, 145 to 30%. I think the future of tariffs. You and me all know what is going to happen so effectively. I will give you very simple in the us for the automotive companies. What they have done is if you are importing up to 15% of your component where the duty could be anything, the government has gone out and given a 3.7 5% incentive for the year, one going to 2 and a half percent in year 2. So, they also understand that this cannot be passed on to the customers, and if it cannot be passed on to the customers, either the Us. Company absorbs it because vendors hardly any possibility for them to absorb.

**Jatin Khanna:** So, I'll tell you a very interesting example. Sorry just to supplement Amit.

I was talking to one of our customers about 3 weeks ago. So, he said, a very interesting thing. He said that you know when we source garments from India we pay \$10 for labor, he said. No way under the earth it can be manufactured in us, because it's the same cost is \$125.

So where is the question of, you know, tariffs and stuff like that, and moving business back to us ain't going to happen.

**Participant:** Thank you very much, sir. I was talking to one of the garmenting companies, and they said, some of the customers have slowed down their procurement. Are we facing the same kind of

**Amit Agarwal:** yeah. So, in any kind of this turmoil which happens, you will always see people become apprehensive. However, the big point is that till 9th of July night you can ship all your goods at a 10% reciprocity. So therefore, what is happening is, people are interested, and you would be amazed to hear, because we talk to many customers.

I don't want to name these 2 large retailers in that country have told China you ship out the goods. We will keep it at the ports in the Us. Will not custom clear it, because most likely it will take by 9th or 10th of July, whatever that it should come down, and if they order at that point of time the supply chain will be lost, because today some of the large retailers in the US an offline, largest retailer and an online largest retailer depend on the supplies from China to such an extent that they will go practically shelves will be empty. So therefore, what they are doing is, they are saying, bring the goods into U.S.A. Keep it at the port, and we believe there will be some kind of a supplement. So, I think you will see

some bit. We have seen also 2 of our customers did differ but again, they also know, you know countries like us, and all have a very clear season by which the garments will go on for sale, and at that point of time it is just not possible to bring it all everything together. So therefore, they keep this. They get the inventory will keep it and find a way. And I'm telling you will see if these continues inflation will grow in the US. And people are very scared of that.

**Participant:** Thank you very much, sir. Thank you.

**Participant:** Hello, thank you for the opportunity. So, I just have 2 questions on the aerospace business. So currently that you make you said you make close to 350 parts for the leap engines correct. So, what would be the wallet? Share in terms of those 350 parts that you would be having in terms of the number of total parts that goes into that engine, and in terms of the capabilities that you have. how big can this wallet share can become going forward in the future. And my second question is regarding the leap engines only is that you are currently supplying. Are you currently only supplying to the leap engines? Or are there any other engines where you supply to? And going forward, what engines you will be adding up there?

**Amit Agarwal:** Okay, we. After this, we'll take one more question because we have got another meeting tied up today with 2 other people. So, we'll be able to take one more question after.

**Gautam Maini:** Yeah. So, on the leap engine, roughly, we have about \$35,000 content, right? So that every engine that's made. We have \$35,000 in it, just to be on an approximate basis. So, it gives you some idea of what we have in the last, let's say, 2 years ago, our market share on about 95-part numbers went up from 35% to 65%. There's a host of parts of another 17 forged titanium that will go up now that has just gone up from April. We're also getting into other contracts where volumes are going up. So, on one side we make more parts on the other side, we get more market share. So these are the 2 ways in which it can go up, and 3rd is to go up the value chain which we are continuously working on. Now, what is the scope? I think the scope is how much we can chew, how much we can look at, but definitely a very large scope. Now, whatever we make for the Leap engine, we can horizontally deploy on every other engine. So today, I think we are on at least 8 or 9 different engine platforms. Leap is the main one. So, I emphasized on it, but we will. The idea for us is to get the volume from leap and then we become very competitive on all the other engines, because the volume is really on leap. So, it's like, you know, in the Indian Automotive context. If you supplied to Maruti, and then you went for the smaller volumes. You already had the technology and the leverage, and then you can accommodate higher pricing across other players. And that's what we're going to do is leap has taught us massively, and we will leverage that across several engine platforms, because, like I said earlier, every engine manufacturer is our customer, so we will grow it and go up the value chain. When we started, we were at 5 or \$10 items. Then we made 500. We've gone up to \$500, then \$5,000. So the whole idea is, how can you make parts that are highly valuable? And that's what's going to get you more and more value as you progress, the more value you get the longer it takes. So, one would ask question, how would you balance this? The balance is you continue to make simpler parts, complex parts, and very complex parts, because all of them have different timelines. So, the idea is, if you want to have a constant growth. You must work on all of the sectors and across the product portfolio.

**Participant:** Just a follow up on that. So, you said, in terms of parts edition. So, like.

**Gautam Maini:** then what would be the number of parts that you developed last year? And what percentage of that would go into commercial production? Or you have received commercial orders for that going forward for this year or another year. So, it's a continuous process, like I said, we made 150 new parts last year. Now we are trying to make one new part every day. So, let's say you make a

part today, and you ship it to the customer depending on. If it's a medium complex or very complex, or needs validation, you could have different timelines. But let's look at a medium part that doesn't need validation. Probably in one month you get a clearance from the customer, saying, start shipping, and then he gives you a shipping schedule. The shipping schedule will be in a way where you slowly ramp up because he has to ramp down the other customer so it could be the other supplier, so it could happen over a 3- 4 month period. But typically, this is something that is happening every day. Every day there's a new part every day. There's a new schedule and strategy of how to ramp up that part, and that's how we are able to calculate capacity well in advance when we know a part is being shipped. We know when the ramp up is. We plan our machines accordingly, like I said, we do a monthly capacity plan. Because of that. That's how we are able to ramp up.

**Participant:** Thank you.

**Participant:** You have the last question. I got them, sir. My question is on the precision side, which is wanted to understand where we stand. With respect to our peers.

**Participant:** Are we in the space of the tier? One player, like, for example, Sona, or on the tier, 2 side like degree, and my second question is, with respect to the margin profiles on the 3 business segments, that is, the tools and hardware, the precision, the auto and the aerospace.

**Gautam Maini:** Sure. So, I like, I explained to you. We are 1.5. We are in between, right? Because we have a large variety of products, right? And to become a tier one. Typically, you have to have massive R&D budgets. If you want to be a real tier one. I mean, look at the real big global tier ones. Right? They're all \$15-20,000,000,000 companies. So even a 1 billion dollars company at a tier. One stage is not really in the big play, and therefore, being a tier 1.5, we're very happy with that position, and we believe that's the right placement for us to answer that question. The second question was on the margin profile. Right?

So, like I said, aerospace is the highest margin profile, which is 25% automotive with a mix of the Arpal strategy and the MPP strategy, we will be in the 17-18%. Mix over a period of time and the tools and hardware, we will be in the 10-11%. But I think Parag out here, and I have plans of seeing how we can improve that. And we gave you a lot of examples about the future. So that's a basic overall margin profile that we are looking at.

**Participant:** So, can we? Can I have a follow up to that? Do we then see margin improvements for the coming year on the overall business? If we take the tools business absolutely. We'll see margin improvements in across all the businesses. Yes, thank you.

**Jatin Khanna:** That's where the 20% compounding will come from, because the revenue will compound at 15%. So, you know, you have to have continuous margin improvement on that note, you know.

Thank you so much for your time. I mean very engaging discussions. Some of us are here, so if you have any more questions, you know you can ask over dinner. We have cocktails and dinner. Following these conversations, so please join us for that. Thank you so much, and really look forward to a spectacular listing tomorrow.