June 06, 2025

To,
Department of Corporate Services/ Listing,
BSE LIMITED
25th Floor, P J Towers
Dalal Street Mumbai-400001

Subject: **Submission of Transcripts of Earning Conference Call held on Tuesday, June 03, 2025 at 01:00 P.M.**

Scrip Code: 543874

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earning Conference Call held on Tueday, June 03, 2025 at 01:00 P.M. to discuss FY 24-25 earnings with Investors and Analysts.

Submitted for your kind information and necessary records.

Thanking you,

For and on behalf of
Maiden Forgings Limited

Monika Negi
Digitally signed by Monika Negi
Date: 2025.06.06 20:13:08 +05'30'

Monika Negi
(Company Secretary and Compliance Officer)

"Maiden Forgings Limited H2 FY '25 and FY '25 Results Conference Call"

June 03, 2025

MANAGEMENT: **MR. NISHANT GARG – MANAGING DIRECTOR, MAIDEN FORGINGS LIMITED**

MODERATOR: **MR. HARSHIL GHANSHYANI – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Maiden Forgings Limited H2 FY '25 and FY '25 Results Conference Call, hosted by Kirin Advisors.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touchtone phone.

I now hand the conference over to Mr. Harshil Ghanshyani from Kirin Advisors. Thank you, and over to you, sir.

Harshil Ghanshyani: Yes. Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Maiden Forgings Limited. From the management, we have Mr. Nishant Garg, Managing Director.

With that, I will now hand over the call to Mr. Nishant. Over to you, sir. Thank you.

Nishant Garg: Good afternoon, ladies and gentlemen. I am delighted to welcome you to Maiden Forgings Limited's earnings conference call for the second half and full year of Financial Year '25. Thank you for joining us and for your continued interest in our journey.

From our origin, as a proprietorship, in 1988, to becoming a publicly listed company in 2023, Maiden Forgings has evolved into a trusted manufacturer of steel bright bars, wires and pneumatic nails. With over 35 years of experience, we are proud to serve critical sectors, including automotive, engineering, infrastructure; and increasingly defense and consumer markets.

Our operations are spread across three advanced manufacturing units in Ghaziabad with a combined installed capacity of 53,000 metric tons per annum, backed by complete in-house capabilities such as annealing, cold drawing, peeling, grinding and testing we ensure product consistency and speed, making us a reliable partner to over 500 customers, including exports to the U.S. and Europe.

A key milestone during the year was the acquisition of a 4-acre industrial plot in Modinagar located about 25 kilometers from our current facilities. This facility will allow us to consolidate two of our existing plants into a modern integrated unit, unlocking operational synergies, enabling higher output and enhancing workflow efficiency. Once complete, this move is expected to result in annual cost savings of around Rs. 2.5 crores.

In line with our ESG focus, we are also planning a solar installation added facility, which will lead up to 50% of its energy requirements. This shall also enable us to plan our future expansion for the next five years without any further land acquisition in the same city, thus making the process faster.

We also marked our entry into the B2G segment during Financial Year '25, becoming a registered supplier to the Ordinance Factory Board, Kolkata, and successfully executing our first order in September 2024. This has paved the way for further supplier relationships with HAL, NTPC and BHEL aligning us with India's growing defense and public infrastructure ecosystem.

In parallel, we continue diversifying our product portfolio with high-margin offerings such as stainless-steel bright bars and coil nails. Our B2C initiative gain traction with coil nails now listed on Amazon India, and we are gearing up to launch on Amazon U.S. and U.K. as well. To support our export strategy, we are also exploring overseas warehousing which will help reduce shipping costs and improve delivery timeline.

India's steel industry continues to show strong long-term potential even as global markets face challenges due to subdued demand and pricing volatility. India is now the second largest crude steel producer in the world and domestic demand is expected to rise significantly supported by the government's focus on infrastructure development, affordable housing and urbanization.

Sectors such as defense, railways and construction are leading this demand, offering sustained opportunities for value-added steel manufacturers. Initiatives such as National Steel Policy; the Production Linked Incentive, PLI, scheme for specialty fleet, and the Vehicle Scrappage Policy are further catalyzing investment and modernization across the sector. Import substitution and indigenization, particularly in defense and engineering, aligns perfectly with our focus on precision engineered specialized products.

These trends are creating a favorable environment for companies like ours; committed to quality, innovation and sustainability. These industry tailwinds are well aligned with Maiden Forgings' strategic direction. As India's infrastructure, automotive and defense sectors expand under strong policy support, the demand for value-added and specialty steel products is expected to surge creating a favorable environment for our precision engineered offering. The government's focus on indigenization and import substitution, especially under the PLI scheme for specialty steel, opens new opportunities.

Moreover, our investment in a solar powered consolidated facility positions us ahead of the curve on sustainability, in sync with the industry's shift towards low carbon manufacturing. Collectively, these trends reinforce our ability to capture market share, expand into high-growth sectors and build a future-ready resilient business model.

Let me take you through our financial performance of H2 FY '25:

We remain focused on strengthening our balance sheet. Our target is to reduce debt to below 10% of annual turnover, supported by improved operating cash flows, and monetization of surplus assets, including from the plant consolidation.

In H2 FY '25, despite industry-wide headwinds and pricing volatility, we maintained operational stability and continued our strategic push into high-margin segments. We reported a total income of Rs. 104.37 crores with an EBITDA of Rs. 10.13 crores, reflecting an EBITDA margin 9.71%. Net profit for the period stood at Rs. 2 crores. These numbers reflect the strength of our product mix and the resilience of our business model amid a dynamic market environment.

For the Full Year FY '25, we achieved a total income of Rs. 213.57 crores with EBITDA at Rs. 19.91 crores and an EBITDA margin of 9.32%. Our net profit for the year was Rs. 6.05 crores. This performance underlines our focus on efficiency, premium product offering and disciplined cost management. As we look ahead, we remain committed to strengthening our financial foundation by reducing debt, optimizing working capital, and reinvesting strategically to support long-term growth and value creation. These results underscore our ability to sustain steady operations while navigating market fluctuations and focusing on long-term value creation.

Our entry into the B2G segment through our maiden order from the Hindustan Aeronautics Limited positions us to capitalize on the immense potential in defense and infrastructure, driven by the government indigenization initiatives. We have successfully expanded into the B2B market through the sale of coil nails on Amazon India, and now planning to broaden our reach by launching on Amazon U.S. and U.K.

We are actively diversifying our product portfolio by entering high demand, high margin categories such as GI wires and stainless-steel screws. These additions strengthen our presence in premium segments and align with our broader strategy to enhance profitability through value-added offerings.

Looking ahead, our long-term aspiration is to establish Maiden Forgings Limited as a premier innovation-driven brand that is trusted across B2B, B2C and B2G markets in both domestic and international arenas. Financial Year '25 has been a period of meaningful progress despite a challenging backdrop, and we believe our strong foundation, focused execution, and evolving capabilities have set the stage for the next phase of sustainable growth.

I now invite you to ask questions regarding our financial performance, operational strategy and growth initiatives. And I, once again, thank you for your time and continued confidence in Maiden Forgings Limited.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Ishita from Unity Finance. Please go ahead.

Ishita: Hello. Hi, good afternoon. Sir my question is, with significant groundwork laid in H2 Financial Year '25, what are your key strategic priorities for H1 Financial Year '26?

Nishant Garg: Good afternoon, Ishita. I would like a bit clarity on your question in terms, are you talking simply performance wise or what further groundwork we would be doing in H1 Financial Year '26?

Ishita: I wanted to know what groundwork you will be doing.

Nishant Garg: Okay. See, first and foremost, the priority is that already since we have started supplies to HAL, NTPC and currently we have also delivered an order to BHEL, and again we have repeat orders from HAL. So, first and foremost, would be to capitalize on this particular segment that is B2G. These three are already onboarded, and we are getting repeat orders now as well. And the basic concept would be that we maximize them and further associate with other B2G segment companies which are there, for example, we are trying for some defense companies and for Northern Railways as well. So, that would be the first and foremost focus area, that is B2G segment, to penetrate that market in a better manner.

Though it's a long-term process like it will take another one year or so, but whatever maximization we can do within H1 '25, we would be more focused towards that, especially considering the current boost that the Indian Government is giving to infrastructure and defense segment particularly. So, first and foremost is that.

And secondly, it would be more towards, like I mentioned in my opening remarks as well that we are focusing on creating little infrastructure. I would not say full-fledged facility, but a part or segment of infrastructure in U.S. and Gulf markets. Because I have never ever before this call mentioned anywhere that we would be doing something in Gulf market, but during the last six months we have found certain opportunities. And even like the pneumatic nails product, which we planned for U.S. majorly, U.S. market, though last year was a bit tricky in terms of all the geopolitical scenarios. But finally, the clouds have scattered and now we have a little bit clarity.

Thus, the weak point that we were facing, we recognized that very well, why we were not able to boost sales of that particular product in the U.S. market. And that was the reason that we required a tie-up with the importer over there who can do all the import formalities and we can go deliver the products to the customers. So, that infrastructure we have already created in over last one month. And that is why now currently, we have like five containers for that particular product in the pipeline for this month.

So, that is one key factor like establishing a part of infrastructure in the U.S. and Gulf so that we can immediately capitalize on the opportunities that exist, and the opportunities are quite huge in terms of sizing. So, these two would be the major focus areas for H1 Financial Year '26.

Ishita: Okay, thank you so much for the details. I also wanted to know do you foresee any headwinds, raw material costs, logistics or customer demand that could impact near-term growth.

Nishant Garg: Sorry, I did not get your question. Can you repeat that?

Ishita: Do you foresee any headwinds, raw material cost or customer demand that could impact near-term goals?

Nishant Garg: See, currently, the macro factors are very volatile, right? But looking at the trend over the last one year or say 18 months, as such, there is no threat that I foresee in the near future. So, maybe there might be opportunities because recently, like last month, Indian government has posed some antidumping duties against China, especially in the steel sector. So, that is giving slight advantage in the present time. So, maybe there are more such actions which might give us an advantage.

Ishita: Okay. And I wanted to know what is the status of your entry into Amazon's international marketplaces and the B2B digital platforms you mentioned, are they expected to be revenue contributions in Financial Year '26?

Nishant Garg: I would say, this is particularly first and foremost, these are more towards branding exercises rather than just revenue because that will establish us as a brand like already, we are there on Amazon India and we are generating very tight revenue. But due to that branding what is happening is, the bigger players who are buying coil nails, they are reaching to us more and that visibility is creating further a snowball effect in the business. So, that is the primary purpose of getting listed over there that we create a visibility due to which more number of queries come to us and a bigger chunk of business gets diverted towards us due to that visibility.

Yes, we are very much focused, like I already told the two things, one is B2G and second is establishing a small infrastructure, which were bottlenecks for us last year in making our products dispatch more in the export market. So, that visibility is a subpart that we would be focused on this year, and they will ultimately, not directly, but indirectly give us a boost in revenues in this financial year.

Ishita: Okay. Thank you so much for answering my questions. I will get back in the queue if I have any more questions to ask. Thank you.

Nishant Garg: Thank you so much.

Moderator: Thank you. Our next question comes from the line of Bhavesh Chavan, who's an investor. Please go ahead.

Bhavesh Chavan: My question is, what is the kind of volume growth that we are targeting over the next, let's say, two, three years?

Nishant Garg: The volume growth that we are targeting over the next two, three years, at least annually we are targeting around 30% to 35% because already we have lagged last year due to lots many macro factor pressures, we were not able to grow as such. Thus, we did a kind of introspection into our strategy, into our policy. It's required, once you see that growth is not happening as you expected, so you have to introspect many factors, and you have to create an ecosystem or a protective shield against these macro factors and so that you can ensure growth.

And that is why this year we are targeting a 30% to 35% jump from our existing revenues so that we can slightly cover up for the growth that did not happen last year. And definitely, once you reach that level, you would want to continue with that. And in that way, I cannot do as long as to comment on three years growth pattern. But definitely for this year, I would be targeting 30% to 35% kind of the growth in the revenue.

Bhavesh Chavan: And in terms of margin, sir, are we looking at better margins from current year?

Nishant Garg: Bhavesh ji, I have been saying since a long time that margins is my first priority. Last year also we did some errors in the last quarter due to which we were not able to maintain that kind of high margin level. So, this time we will not be repeating that and our primary focus will remain on the margins.

Bhavesh Chavan: All right. And sir, in terms of capital expenditure, what is our plan for this year?

Nishant Garg: We would be doing a CAPEX of at least Rs. 12 crores to Rs. 14 crores this year.

Bhavesh Chavan: And that will be by borrowings?

Nishant Garg: No, no, no. That would be from borrowing. The consolidation plan that we have currently, right, so in that the land sales is also included, the parcels of land sales. So, that would be mostly to self-accrual. Borrowing is nowhere in the horizon for this financial year. In fact, like I said in my opening remarks, debt reduction is a target for this financial year.

Bhavesh Chavan: Okay. And sir, talking more about volume growth, you said that you introspected why we did not have very significant sales growth in this year. So, can you just highlight, I mean, what couldn't go as per our plan earlier?

Nishant Garg: Okay. I will try to cover three, four, five points, whatever I can cover in this span, okay, in a short way. First and foremost was the macro factors. In the beginning of the year we thought the markets are slow and sluggish because of the Indian elections were ahead of us. But unfortunately, post elections also there was no as such boost.

Then since we are relying on the domestic as well as the exports market, our primary target for last year was to enhance the export sales. And one of the major area at that time we were focusing was the U.S. market. Then the U.S. elections were upcoming. Then in between that the budget was there. So, multiple factors and this volatility remained there throughout the year by chance. But like I said that we have learned after the introspection that we can counter those macro factors if we are focused in certain terms, not just on growth, but the expansion part as well. If we broaden the product category, we explore newer markets, then these macro factors can also be countered. So, first and foremost was that.

Secondly, particularly talking about the steel market. So, I will give you just a few figures that I have just jotted it down earlier. So, there was one factor that 2018-'19, the wire rod price that we were buying that is the most basic product that we buy as raw material, the cheapest one, so that was priced at Rs. 44 in 2018-'19. Then in 2020-'21, post-COVID, it reached like a level of Rs. 64. Then in '23-'24, it went back to Rs. 48 which we expected was the worst. But unfortunately, during '24-'25, it further went down to a level of Rs. 43 or Rs. 44. So, the overall pricing structure also hampered.

But again, since we are already focused on selling the products which the selling price are around Rs. 250 or Rs. 300 per kg. So, we immediately changed our strategy back in March that we would be primarily trying to sale, the outgoing sales that we will try to do of the products which are higher value and higher margin proposition. We would not further focus on selling the products which are not that much valuable or that much profit making. So, we have drastically shifted in that over the last three months. So, that would be the second way to counter another macro factor that occurred our way.

And third factor, which was internal majorly, that we planned this consolidation. We purchased the land, the acquisition of the land was completed back in August. Then we also had a deal for the sales of one of the plants through which we planned our construction activities and the expansion activities, the funds that we were about to realize from there, from the proceeds of that sale. But unfortunately, we made a deal back in November, but it got slipped out because of non-payment from the other side.

So, we had to look for another deal, which we again have cracked recently, but still the paperwork has to be done. That's why we are not announcing it. So, that factor also somewhere hampered our internal strategy because the things got delayed and that is why we were neither able to shift and we had to again rework our current facilities a little bit so that we can produce more. So, that was third internal factor that hampered it.

And fourth was that the overall geopolitical factors that were going on, the uncertainty level was very high and due to which decision-making was hampered to an extent. And now since we know where the clause existed, and we have worked them out to the best of our capabilities and the results should be soon out by the results of H1 Financial Year ‘26, I hope. So, that is my hope. And I see that right now we are positioned very rightly with the upcoming things as well as the overall macro factors going on from last one, one and a half months. So, they are slightly skewed in the favor of any Indian steel manufacturer. That is why I see that the future should be very bright.

Bhavesh Chavan: Yes sir, that's helpful. Sir, so are we seeing that kind of a traction we are already two months into first half, so are we seeing that kind of growth?

Nishant Garg: Yes. I mean, the April this year was better than what the April was last year. So, the first month is usually very, very dull because everyone is doing inventorying and etc., etc. So, the first month of financial year is usually dull, but it was better than the last year, I mean, April to April comparison.

Bhavesh Chavan: Right, right. And similarly, in the export market, are we seeing better traction?

Nishant Garg: Yes. Like we have already exported four containers by now, sorry, five containers maybe, usually it was one or two containers earlier.

Bhavesh Chavan: This month or these two months you are saying?

Nishant Garg: These two months. And right now we have in pipeline around five, six containers. Like I said, the nail container is also there which was not there earlier last year first quarter. So, in stainless-steel products as well as in the nail product now we have order booking in both from the export market.

Bhavesh Chavan: Okay. And sir, the CAPEX that we are doing this year, what is that for?

Nishant Garg: That would be primarily for consolidation and few additions for GI Wire, like I said in my opening remarks, that is galvanized wire, okay? So, that is you can say, supplementary products to our existing product lines. So, for that GI wire in the new facility as well as the galvanized wire, and further like for some stainless-steel finished kind of product.

Bhavesh Chavan: Okay, sir. Thank you for answering all the questions in detail. And all the best.

Nishant Garg: Thank you, Bhavesh ji. Thank you for the question.

Moderator: Our next question comes from the line of Siddhi Joshi, who is an investor.

Siddhi Joshi: Hi. Have you introduced any new product variants or grades in H2 FY '25? And how are your customers responding to these additions?

Nishant Garg: Siddhi ji, good afternoon. Thank you for your question. See, if we talk in terms of grades and everything, we know that we are into an industrial product line kind of a thing already. We have eight product lines in total, but the number of SKUs is huge. I think if we go on counting, it would be 3,000-plus. The SKUs are more than that. And we keep on developing newer things like on the top of my mind that the things that I have like in last six months whatever developments we have done, so we have added on to few profile segments, special profile, it cannot be shared like coil, hexa or round, it is a different profile, some round corners, like that. So, we did that, it has profitability of around approximately Rs. 20 lakhs to Rs. 25 lakhs per month.

And it is, in fact, a low value but high-margin product. In terms of margin, it will exceed 20%, 25% kind of gross margin in this. And the costing is not much higher, so the overall net margin will also be higher in this product. So, one of the products is that, that has been developed for one or two of the particular customers who are regularly buying from us, so that means the response is good. Other than that, we keep on experimenting with newer grades and everything. As far as the new product line is concerned, that would be done in H1 and H2 of Financial Year '26.

Last year, we did not started with the production of any newer products because the already existing products that we added to our product line back in '23, '24, those were still under the process of market development. So, we did not add any new product line. But as far as the SKUs or newer grades are concerned, that is a constant process that we keep on doing for improvement in the margins as well as for getting a loyal and long-term market base for ourselves, a customer base for ourselves.

Siddhi Joshi: Okay. Also, I wanted to know how has the company performed in terms of repeat orders or increased order size from existing customers in H2?

Nishant Garg: Siddhi ji, the way our retention rate has been, that would be higher than 90%, it was earlier also and right now also we have retained customers as long as who have been associated with us for last 35 years. This again I have reiterated in my previous meetings and calls, so retention rate remains the same. If we talk about why the revenue fell last year, so that was the overall market scenario. I had interacted with at least 10 of our customers, and what I realized was their demand was overall 70% to 75% of what it used to be in the previous year. So, that was the main reason. But otherwise, we have retained the customers as well as gained a good number of new customers. And that's what has contributed to our current revenues.

Siddhi Joshi: Okay. Thank you for answering my questions. That's all from my side. Thank you.

Nishant Garg: Thank you, Siddhi.

Moderator: Thank you. The next question comes from the line of Rajesh Jain from NB Investments. Please go ahead.

Rajesh Jain: Sir, my first question is regarding the consolidation of the two plants. So, you have already given an announcement that you have acquired four acres of land. So, what is the timeline? How you are planning to shifting both whatever the machineries are there in the two plants to the new one? And when are you planning to sell the existing one of the plants? So, if you could share some time schedule?

Nishant Garg: See, as per the original planning, we should have completed it in another two, three months, maximum. But unfortunately, like I told Bhavesh ji also who was asking me questions earlier, so I told him that we did a deal for selling of one of the lands, but somehow it got canceled on the way due to non-payment from the other side. Thus, we had to extend the timeline. But definitely, for sure, within this financial year, all the things should be completed with our shifting done successfully without hampering any kind of production or revenues, first and foremost.

And we would be there in the new facility within this financial year working at the best of the capacity. As well as the land deals, since two of the land deals have to be done, one of them would be completed within this financial year for sure. And if I have to give a ballpark, the second land sales should also have been done by the end of the financial year, I can say, up to 80% chances that it should also be completed by the end of this financial year. So, that would be the timeline that within this financial year all these things of consolidation and land sales should be completed.

Rajesh Jain: So, you have plans to sell both the existing plants within this financial year, that is the plan, is that understanding correct?

Nishant Garg: Understanding is correct, only one minor modification that we currently have three facilities, right? The two of them would be sold, one would remain intact and operational additive. And the newer ones would be there in operation. So, there would be two facilities remaining.

Rajesh Jain: Okay. Sir, in spite of your effort, in case whatever the planned spending does not happen of the existing plant one and one, will it still hamper you were shifting to the new plant and consolidating there?

Nishant Garg: In that case, we would be requiring some amount of external funding in that case.

Rajesh Jain: Correct.

Nishant Garg: I mean, this year's goal does not include like failing on the part where we would not be able to shift, because definitely we would be doing the shifting process and everything within this year. Maybe the land sale part gets plus/minus five to six months kind of thing. But this time, to ensure that we have shifted to the new facility because there the cost savings and the synergy levels are very high. So, we had to definitely complete it within this year. That is why in case by, say, July or August, which we are very hopeful and we are able to foresee somewhere that the deal should get done, again, within this month itself, last by July. But in case something goes up or down, then we would be planning external funding. But anyhow, we have to shift within this year.

Rajesh Jain: Okay. But the construction work, they are ordering for the new machineries, and everything has been completed and it is as per the target so that you could do for this financial year?

Nishant Garg: Yes. That part is already logged and done, only the final instructions are pending. And for that, we were waiting that some kind of land proceeds from land sales should come to us.

Rajesh Jain: But the new land is already registered in the company's name and everything, the formalities are all over.

Nishant Garg: It is already registered. CLU is done. It is ready to go. The boundary work has been completed back in January. The land filling work is also completed by now. So, everything is in place, only the part of hardcore construction is pending, and the installation of machinery is pending.

Rajesh Jain: Okay. But approval from the concerned authorities are already in place or we are yet to receive?

Nishant Garg: Already in place. Since we were getting delayed, we completed that part basically.

Rajesh Jain: Okay. Fair enough. Sir, the second thing you said, you are trying to do some CAPEX work, so would that be in the new plant or in any of the existing plants?

Nishant Garg: New plant.

Rajesh Jain: It is for the new plant, okay. That is clear. And sir the second question is, see, all these orders that you have got from Ordinance Factory or HAL, so from next year onwards since you would be supplying them from the new plant, do you have to undergo this approval process once again?

Nishant Garg: No, not at all.

Rajesh Jain: It's not required?

Nishant Garg: These are product approvals, not the plant approval.

Rajesh Jain: Okay, that is fair. Sir, my next question is regarding the drop in margins. You have already given the reasons for why the top line could not grow. But regarding the bottom line, again, compared to last year we are down by 1% as far as the EBITDA margins are concerned.

Nishant Garg: Yes, correct.

Rajesh Jain: So, my two questions there is, one, what are the reasons for this drop? And second, what is that you are targeting to achieve in the current financial year?

Nishant Garg: So, there are two parts to your question. First and foremost, the reasons that were applicable for the drop in the top line are also the reasons for drop in the bottom line because there was a kind of selling pressure that the top line requirements are not meeting out. The customer demand was already on the low side. So, by November, December, when the festive season was also gone, the Diwali season, which is usually the peak time for us, the maximum sales go in the third quarter usually, right?

When that was not happening, to push the customer to buy more, we had to give certain kind of discounts or some kind of offer so that at least they are buying a little more than what they require, right? So, ultimately, those factors which affected the top line were also somewhere responsible for affecting the bottom line, which was a very unique kind of situation in our industry because I also have been into business for now almost 14 years, this was the first time we had to see such a situation. So, this was somewhere a rare case.

Rajesh Jain: Okay. Regarding how much you are targeting to maintain this year?

Nishant Garg: This year, we would bounce back with similar kind of margins that we had earlier. And plus, the strategy that we adopted from March onwards that we would be primarily focusing on the sales of just the high-margin, high-value products, like if we have 10 people, for example, if we have 10 people in our sales team, seven to eight out of the 10, I can say 70% of the sales force or marketing force is working on the sales of high-value, high-margin products or even low-value, high-margin products.

So, we have entirely incentivized them for the sales of those products rather than increasing or boosting the sales of products which do not have that kind of margin. So, if this strategy works well and which we should know by the next quarter. So, in that case, I think the margins can even be better than what it was in, margin percentage should be better than what it was in Financial Year ’23-'24.

Rajesh Jain: Okay. Very clear, sir. Sir, my next question is you have also shared that this year, you are targeting for 30% to 35% of growth in the top line. So, I do not know whether steel prices have moved up from whatever Rs. 43, Rs. 44.

Nishant Garg: No.

Rajesh Jain: So, then all these 30% to 35% has --

Moderator: Sorry to interrupt. Sir, may we request that you join the question queue, sir, there are several participants waiting for their turn, sir.

Rajesh Jain: No problem. Can I complete this question at least?

Moderator: Yes sir, please.

Rajesh Jain: Okay, thank you. Sir, this 30% to 35% growth, from where you are expecting, what gives you so much confidence to have that target?

Nishant Garg: First, like I said even in the previous answer that we have directed our sales team and the entire marketing efforts for the sales of higher value and higher margin products. First and foremost is that. Secondly, like during one of the answers I gave to the first person who questioned me that we had a few bottlenecks related to the export sales of high-value, high-margin products, which we have cracked down in last one or two months, right? So, once we have cracked down and we are already in the execution process, and that's why currently we have five, six containers in the pipeline for the first time in the history of company. So, with those bottlenecks gone, I think the sales within next three to six months or maybe seven months maximum, the sales should multiply in the exports market for those high-value items.

That is why one more thing I said earlier that upon introspection, we came to know that due to the small size of our company, these macro factors can also be countered by developing and creating newer markets and entirely new segment for ourselves, and which we have realized and we are already in the execution process. Thus, within next three to four months, the sales should jump from those products which are already priced, say, Rs. 200 per kg, Rs. 250 per kg or Rs. 300 per kg rather than Rs. 44 per kg.

Rajesh Jain: Thank you.

Moderator: Thank you, sir. Our next question comes from the line of Nalin Singh from Finvest. Please go ahead. The participant has left the queue, I request you move to the next one. The next question comes from the line of Ashwani, who is an investor. Please go ahead.

Ashwani: Yes. Sir, I just wanted to know, after we sell both our land and we invest whatever is needed for the capital expenditure, what is the ballpark figure we think we will have in excess which then we may use to repay our loans or we may use for any other purposes, if you can give ballpark number for that?

Nishant Garg: Ballpark would be Rs. 15 crores to Rs. 20 crores.

Ashwani: Rs. 15 crores to Rs. 20 crores will be left with us after all the capital expenditure?

Nishant Garg: Yes.

Ashwani: And with this capital expenditure, we are only doing the building and shifting our machineries or will be having some new machinery? And if so, then how much capacity will be increased?

Nishant Garg: The ballpark should be around 3,000 tons to 6,000 tons. I can just give you the ballpark right now, okay, the increase in the capacity I am talking about. And it would include the newer product that is GI wires, as well as some stainless-steel products may be component screws, etc.

Ashwani: Okay. Thank you.

Nishant Garg: It is not just about consolidation investment, it is also about the expansion into new products as well as an increase in the capacity, the CAPEX that I am talking about.

Ashwani: Okay, got it. Thank you.

Moderator: Thank you. Our next question comes from the line of Nalin Singh with Finvest. Please go ahead.

Nalin Singh: Hello, sir. Sir, you have mentioned that you have got officially registered as a supplier to the Ordinance Factory Board. And in the opening remarks you mentioned that you are getting some defense orders from HAL as well. So, if you can just guide us what are the implication of getting supplier to the Ordinance Factory Board and what kind of revenue traction we are seeing from this development in a couple of years?

Nishant Garg: What was the first part of your question, sorry?

Nalin Singh: First part was that we have been registered a supplier to the Ordinance Factory Board.

Nishant Garg: We are supplying to HAL, BHEL and NTPC right now, and we have repeated orders from HAL, that I said. You asked me, second part is clear that what kind of volumes or revenues we are looking from this segment. First part was?

Nalin Singh: Yes. I think this was a gist of that question, so you can answer.

Nishant Garg: Okay. See, definitely, if we see the government policies, initiatives and the kind of boost that is there, and I have seen like when we are bidding for the tenders and everything, the process has got far more easier and transparent majorly, that if you are able to crack the pricing and the quality requirements and everything, you definitely get the orders. And whatever product mix that we currently have, and as per our analysis, the revenues from this segment with the kind of focus that we have in the coming years should be quite huge. The potential is very huge, and we should be able to tap that potential over the coming years. Definitely, it would be slightly gradual process. But in the long term, it should give us a very good percentage of revenue out of the total revenue, that is my estimate.

Nalin Singh: Okay. Sir, just following-up on this. So, how many registered suppliers are there in the categories in which we are supplying? Like what kind of competition we could face in that and what kind of win ratio we can see from the defense products?

Nishant Garg: Nalin ji, see, I cannot estimate this, because our products lines are quite huge, we have eight product lines, right, and we fill in the tenders for most of our products. So, in each line there's a different supplier. In fact, that is the problem that we often face when we have to give a peer review comparison in the listed space also, right? Because apple-to-apple comparison cannot be made. Like for example, we fill in tenders for pneumatic nails, right, so there the L2, L3 or L1, in case we are not the L1, in that category we find a different supplier. When we fill in the tender for alloy steel or carbon steel, then in that category we get completely different names. Got it? Getting my point? In the stainless steel there will be a different competitor because not everyone is making a mix of all these products, right. So, in every category we find different competitors, first and foremost. So, how many competitors we have, that is very hard to analyze, particularly for Maiden Forgings Limited, right? First and foremost is that.

And secondly, if we combine all these products, in fact, the GI wire name that I am taking again and again, in fact, we have already tried a little bit part of that in our existing facilities because we cracked some kind of facility to develop that. So, we already started doing that because that has a very, very huge scope over there. Because GI wire is getting used in all the barb wire across the border, you know, the barb wire that is used on the fence across the border, it has a huge application of GI wire. So, that will have a super huge requirement. Already our alloy steel bright bars has huge requirements exists in NTPC, which we already have supplied, BHEL. They have a huge requirement for our alloy steel bright bars and stainless-steel bright bars. So, the potential is huge like I said, and we are trying to get the best out of that.

Moderator: Thank you. Our next question comes from the line of Rajesh Jain from NB Investments. Please go ahead.

Rajesh Jain: Thanks for the opportunity again. Sir, I just wanted a few clarifications. I think for the earlier questioner you were saying that when we consolidate and shape, the capacity would be up by 5,000 to 7,000 metric tons. Is that understanding correct?

Nishant Garg: Right.

Rajesh Jain: So, with the existing facilities, how much revenue we can generate?

Nishant Garg: See, because we have many product lines, stainless-steel, alloy steel, carbon steel, we make bright bars in these three categories, right. Now what happens is that carbon steel bar has a selling price of around Rs. 55 to Rs. 60, alloy steel sells for around Rs. 80 to Rs. 90, and stainless-steel sells at around Rs. 190 to Rs. 330, got it? And to produce all these three products the same machine is used. Stainless-steel has a ballpark that if we produce stainless-steel on that machine instead of carbon steel, then the capacity of that machine will reduce to 70% if you were producing 100% stainless-steel on that machine. But in terms of revenue at even 70% capacity, the revenue will turn now to be 4x of what it is existing. So, if I am doing Rs. 200 crores, then if I make only stainless-steel bright bar, I mean, if I get this much market demand and everything is favorable in favor of stainless-steel, then the sales can go from the same existing facility, I am not even talking about new facility, then it can go as high as Rs. 600 crores or Rs. 700 crores.

Moderator: Thank you. Ladies and gentlemen, due to paucity of time, that was the last question for the day. I now hand the conference over to Mr. Harshil Ghanshyani from Kirin Advisors for closing comments.

Harshil Ghanshyani: Yes. Thank you, everyone, for joining the conference call of Maiden Forgings Limited. If you have any queries, you can write us at research@kirinadvisors.com and info@maidenforgings.in. Once again, thank you for joining for everyone.

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