CIN : L24105TN2023PLC161105
GSTIN : 33AAKCT1984F1Z7

THAAI CASTING LIMITED

Manufacturing of Aluminium Pressure Die Casting Dies, Components, Machined Parts, Induction Hardening and Nitriding

To,

Date: June 07, 2025

The Manager-Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', Bandra-Kurla Complex
Bandra (East), Mumbai 400051

Scrip Symbol: TCL

Subject: Submission of Transcript of Earnings Conference call held on Wednesday, June 04, 2025 at 02:00 PM.

Dear Sir / Madam,

In continuation of our earlier letter dated June 05, 2025 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Wednesday, June 04, 2025 at 02:00 P.M. to discussed the Audited Standalone Financial Results of the Company for the Half Year and Year ended March 31, 2025. Kindly acknowledge and take the same on records

Thanking You,
For Thaai Casting Limited

ANANDAN SHEVAANI Digitally signed by ANANDAN SHEVAANI
Date: 2025.06.07 15:34:46 +05'30'

Anandan Shevaani
Whole Time Director
DIN: 10061358

“Thaai Casting Limited H2 & FY '25 Earnings Conference Call”

June 04, 2025

MANAGEMENT: **MR. S. ANANDAN – CHAIRMAN AND MANAGING DIRECTOR, THAAI CASTING LIMITED**
MS. SHEVAANI ANANDAN – WHOLE-TIME DIRECTOR, THAAI CASTING LIMITED
MR. RAMAKRISHNAN SR – WHOLE-TIME DIRECTOR, THAAI CASTING LIMITED
MODERATOR: **MS. SHREYA GIRISH – AKMIL STRATEGIC ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Thaai Casting Limited H2 & FY '25 Earnings Conference Call, hosted by AKMIL Strategic Advisors.

As a reminder, all participants' lines should 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 in the conference call, please signal and operator by pressing "*", then "0you're your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shreya Girish from AKMIL Strategic Advisors. Thank you. And over to you, miss.

Shreya Girish: Krish, good afternoon. And thank you. On behalf of AKMIL Strategic Advisors, I welcome you over to the conference call of Thaai Casting Limited. From the Management side we have with us Mr. Anandan – Chairman and Managing Director; Ms. Sheevani – Whole-Time Director; and Mr. Ramakrishnan – Whole-Time Director.

Sheevani, ma'am, I hand over the call to you now.

Shevaani Anandan: Hi, everyone. Good afternoon and thank you all for joining us today. I am really pleased to walk you through the latest update from Thaai Casting Limited, including an overview of our company, some recent milestones, and the financial performance for H2 FY '25 and FY '25. We will start with briefly introducing who we are and what we stand for as the company.

So, let me brief about the company:

Thaai Casting Limited established in 2011, specializes in high pressure die casting, precision machining for ferrous and non-ferrous materials. Backed up by over 30 years of industry experience, our company supplies critical components such as engine mounting brackets, transmission mounts and steering parts to the automotive players. Our company also offers advanced surface treatment like induction hardening and gas nitriding to enhance durability for demanding applications such as windmill gearboxes.

Committed to quality, innovation and operational efficiency, our company is expanding its infrastructure to drive growth and product diversification. As of 31st September, 2024, our company bolstered a robust order book of Rs. 386.83 crores with an execution timeline ranging from 60 to 80 months. Recently, we secured two significant orders, one was Rs. 126.53 cores for the supply of various automotive and non-automotive products, and another valued at approximately Rs. 12.43 crores for building and construction partners.

Our end customer includes leading global brands such as Hyundai, Kia, Maruti Suzuki, PSA Group, Ashok Leyland, Tata Motors, Mahindra, Toyota, GEV Wind Power, Adani Wind, and JCB, etc.

So, our financing snapshot. In H2 FY ’25, our company reported consolidated revenue of Rs. 68.75 crores with an EBITDA of Rs. 16.08 crores, and the net profit stood at Rs. 5.68 crores. In FY ’25, our company reported consolidated revenue of Rs. 122.21 crores with an EBITDA of Rs. 30.5 crores and a net profit of Rs. 11.05 crores.

So, on concluding this, we stand as a trusted and innovative player in the precision casting and machining industry, backed by decades of experience and a strong customer base. With a growing order book, robust financial experience, and ongoing infrastructure expansion, we are well positioned for sustained growth and diversification across sectors.

We thank you for your continued trust and support. I now welcome any questions you may have.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Arun Arora with NB Investments. Please go ahead.

Arun Arora: Good afternoon. Thanks for the opportunity. Sir, I have a few questions. One is, since our business is heavily dependent on the performance of the automotive sector in India, particularly the four-wheeler segment. So, now we are entering the wind sector and also, we are planning to enter **[inaudible 0:04:09]**, as you had mentioned in the earlier call. So, I just wanted to know, going ahead maybe three to four years down the line, still 50% to 60% of the revenues will be contributed from the automotive industry only?

S. Anandan: Yes, a minimum 50% will be from the automotive industry.

Arun Arora: Okay, fair enough. Sir, second is, the aluminum die castings, they are used in making the bigger heavyweight products also. I think maybe due to our capacity constraints, we were making lighter components and with the installation of the new machines now we can go for the heavyweight up to 10 kg or something to that also?

S. Anandan: Now we have been ready already, we can go up to 10 kg even right now onwards, everything installation is completed. We have made some sampling also, submitted some of the samples, something in the validation process.

Arun Arora: Okay, fair enough. Sir, my next question is, the future growth potential for aluminum die casting majorly is expected to come from different sector. So, I remember you had mentioned the machines that you are getting it for the wind vertical, you had mentioned in the earlier call that they can also be used for aerospace parts also. So, just wanted to know whether you would be interested in getting into the defense segment or not?

S. Anandan: Sir, we are already registered with the defense manufacturing parts, but I cannot name the customer. But within six months’ time we were able to register our company as a vendor. Now the procedures are going on, we are making some of the samples for defense also. The party

name and customer name cannot be discussed. Already we have, but we are targeting this coming year only, but with the opportunities we already entered.

Arun Arora: Okay, that is good to know, sir. Sir, small clarification on this order book, a lot of questions have been asked in the earlier calls. Based on that what I have understood is these orders that we have on hand, around Rs. 380 crores or Rs. 389 crores, so these would be executable over a period of four to five years where part of the execution is already started, some of them may be started in maybe let's say next year or so. But all the trials, die development, etc., that initial approval, everything is over. Only thing is, based on the schedule from the customers, these parts or the purchase orders will be executed, is that understanding is correct?

S. Anandan: Your understanding is very correct, sir. Up to '25 dispatches, even up to '26 middle dispatches all the parts validation, sample submissions, pilot batch submissions, everything is over, sir. Now we are working on 2027 launching model's development.

Arun Arora: Okay, okay, got it. Sir, my last question is, it's regarding the capacity of our die casting. See, earlier you had this 350 tons one where you could go to 1 kg with components. Now with the installation of this new 1,300 tons, where you can go up to 9 kg to 10 kg components, is it possible to give us what is the total metric tonne that we can produce in a year?

S. Anandan: The new the new machine which we have installed this year, this past month, this can go up to annual consumption of a minimum of 2,000 metric tons in addition.

Arun Arora: Okay. What was the earlier one could produce?

S. Anandan: Earlier my capacity was around 2,500 tons. It may vary, because I may produce --

Arun Arora: No, no, I got your point. Because it depends on the weight of the components, the casing, so many things. So, what I can take it as around 4,500 metric tons is the --

S. Anandan: Yes, yes. Correct.

Arun Arora: Okay. Sir, the reason why I am asking this is, these capacities that you have, how much revenue it can generate? I also know you had mentioned as you go for a higher weight components you have to go for different machining machines and all that, I understand. But only from this die casting machine, how much revenue we can generate in a year?

S. Anandan: Around Rs. 210 crores to Rs. 210 crores as the present capacity can go.

Arun Arora: So, if let us say FY '27 you have the target to reach that, or no, sorry, you have the target to reach Rs. 190 crores during the current year, so that means you may have to go for increase in the die casting capacity also next year?

S. Anandan: Sir, die casting may not be, it is included in the other nitriding and the gear shaping process. For two, three months we had gear shaping process. Gear shaping and nitriding, all inclusive.

Arun Arora: No, sir. Sir, what I was asking is, not how much you are expected to do in the current year, no, I am not asking for the revenue guidance. I am saying, with these 4,500 metric tons per annum capacity of die casting, how much revenue can we generate?

S. Anandan: This year or for entire 4,500 metric tons?

Arun Arora: No, no, maximum possible. I do not know, it may take one year or it may take three years, that is different. How much capacity --

S. Anandan: Yes. Present capacity and additionally recently something can be added, maximum Rs. 240 crores can go.

Arun Arora: How much?

S. Anandan: Rs. 240 crores.

Arun Arora: Okay. Sir, the land where we have all these facilities, what is the size of this land? Is it owned by the company? And how much it has been utilized, sir?

S. Anandan: The present facility which you are setting is 2.24 acres, constructed around 70,000 square feet. It is owned land of by Thaai Casting.

Arun Arora: And do you have any more space there?

S. Anandan: No, this capacity is almost full, sir, no space available. We have purchased one more acre nearby, that's purchased in the name of Induction & Nitriding.

Arun Arora: How big is that, sir?

S. Anandan: That is 1 acre. The nitriding process in some portions we have constructed, nitriding process is going on, and we have purchased another 3 acres also, all near within 1 kilometer circle. Three acre, there only the construction is happening now for gear shaping process.

Arun Arora: Gear shaping and the other thing.

S. Anandan: The transmission, yes, the construction is going on, that is in the name of Thaai Casting.

Arun Arora: Okay, the parent company. Sir, can I ask some more questions or is anybody else in the line? Operator?

Moderator: Yes, we have people in the line.

Arun Arora: So, you want me to continue or come back in the queue?

Moderator: Mr. Arora, if you want, you can fall back in the queue by time I will just promote the next in line.

Arun Arora: No problem. Thank you very much, sir. I will come back in the queue.

Moderator: Thank you. Next question comes from the line of Chirag with Scoop Investment. Please go ahead.

Chirag: Yes. Thanks for the opportunity. Sir, I had a couple of questions. Sir, continuing from the previous one, does the Rs. 240 crores peak revenue include nitriding or excluding it?

S. Anandan: No, sir, it is excluded nitriding. Only casting alone capacity which we already created and recently we created.

Chirag: Okay, understood. And we stand by our guidance of Rs. 195 crores revenue guidance and 27% margin for FY '26?

S. Anandan: Yes. Rs. 170 crores to Rs. 180 crores.

Chirag: Okay, Rs. 170 crores to Rs. 180 crores, understood. Okay. Sir, the next question was on the funding part, so what is the status of the fund raise that we were looking for?

S. Anandan: So, far all the machine has been given advances with internal accruals only. Because one machine which is already under sailing, which is from Austria, that machine we have taken from the supplier side. So, all other things almost finalized with the bankers and owners to NBFCs, not concluded yet, because we are negotiating on the interest terms. We have another left out of another 20, 25 days only the final. So, we will be concluding the Institution soon. Mostly all the advances were given with internal accurals.

Chirag: So, are you still looking to raise funds or it is out of the picture currently?

S. Anandan: You know that this is the right time to raise the funds. Originally, to raise the funds only I started this project, but unfortunately that time the prices were not favorable, so I have not raised the funds. We are doing now.

Chirag: Sir, the next one was, have we started our auto plant which was scheduled to start around March, April 2025?

Sheevani Anandan: Come again, sir, auto plant?

Chirag: Yes, which was scheduled for March, April 2025?

S. Anandan: Auto plant, what is that?

Chirag: Yes, there was some plant which you were going to schedule in March or April 2025.

S. Anandan: You mean the new plant?

Chirag: Yes.

S. Anandan: The new plant started sir, in the new plant one is nitriding started already; another plant is under construction. Apart from existing, apart from existing land, additional 1 acre land businesses started that is only gas nitriding. So, apart from this, one more 3 acres construction is undergoing for gear shaping.

Chirag: So, what is the current utilization of that plant currently?

S. Anandan: Currently we are constructing for 30%, 35% utilization. Balance will be available for future expansion. We are thinking to go in the same segment of wind for balance land also.

Chirag: So, I was asking that we are at 40% to 45% utilization of the current capacity, so are we looking to ramp up it to full utilization by the end of March 2026?

S. Anandan: The land or the machinery?

Chirag: The machinery.

S. Anandan: By 2026 we will be utilizing almost 100%.

Chirag: We are at currently 40% to 45%. Am I right?

S. Anandan: We have increased lately, not 40% to 45%, we are almost around 50%, 55%.

Chirag: Also sir, on the wind facility part, which is scheduled to start from Jan 2026 onwards, so is that on track or are there any delays on that part?

S. Anandan: No, that is on track. All the machines from Europe all are on track.

Chirag: Okay, so all the payment part has been cleared.

S. Anandan: No, no, advance has been paid, before shipping we need to pay some LCs and all the things, that's what earlier I have answered, it is under final negotiation with the financial institution.

Chirag: So, if you do not mind, could you share what is the cost remaining to be paid?

S. Anandan: So, most of the machines have been paid 25% to 30%.

Chirag: Okay. Any absolute amount?

S. Anandan: One machine is 100% paid, it sailing. Another machine is going in another 20 days' time, that has to be fully paid. The rest of the machines takes another two and half months sir, so that time it will be paid before shipping.

Chirag: Sir, it would be much helpful if you could provide absolute amount and numbers like Rs. 20 crores, Rs. 30 crores remaining to be paid, so that would be much helpful.

S. Anandan: WFL, which is from Austria, is almost paid around Rs. 21 crores to Rs. 22 crores, because euro different we have paid, the different euro prices. Around Rs. 4 crores to Rs. 4.5 crores another German gear shaping mission. Another around Rs. 2 cores for another machines. Another Rs. 1 crores for machining. These are the amounts of far. All are euro funds, so I am paying from past one year from Rs. 90 to Rs. 98 fluctuation I am paying. I am telling approximately.

Chirag: So, we have remaining Rs. 30 crores, Rs. 35 crores yet to be paid?

S. Anandan: No, no, more than that. Including construction its is reaching around Rs. 100 crores.

Chirag: Okay, understood. And last sir, what is your latest order book, sir?

S. Anandan: Around Rs. 520 crores.

Chirag: Understood. Thank you. I will get back in the queue, sir.

Moderator: Thank you. Next question comes from the line of Prabal Jain with SM Holdings. Please go ahead.

Prabal Jain: Yes. Good afternoon, sir. Sir, this order book that you have of Rs. 380 crores, I wanted to understand an approximate blended margin profile of the orders that you are doing and your new CAPEX also just went live and one more plant will go live in like I think January, February wind products, right. So, like what kind of steady operating margins or margins we can expect for your company as a whole catalog of all the products you have?

S. Anandan: EBITDA, I can commit that exactly around Rs. 22 crores, Rs. 23 crores minimum can be made in there. Margin is again depreciation, because lot of CAPEX is happening every year, and this year also lot of CAPEX we are bringing in for the new project, it is the same company name. So, we need to work out exactly what will be the PAT.

Prabal Jain: Okay. And sir, one more question. Sir, you said that some of the payments for the machines are still left, I mean, would you be taking on further debt to fund it or you want to do fund raise? I think you mentioned to some participants about the fund raise, but I was not able to get you.

S. Anandan: No, sir. Some of the investors are discussing here. But so far not decide has taken any decision on the fundraising. That's why we are going for a debt.

Prabal Jain: Okay, got it. Thank you. Yes.

Moderator: Thank you. Next question comes from the line of Hardik Gandhi with HP MG Shares & Securities Private Limited. Please go ahead.

Hardik Gandhi: Hi, sir. So, I just saw that we have significantly increased our debt already from long term and short term to like approximately Rs. 80 crores to Rs. 90 crores, right. And further we are looking to have a CAPEX of Rs. 100 crores which will require significant debt. Do you think with the revenue profile and the margins we have, it will be sustainable on a long term basis? Because we are taking on a lot of debt, we are expanding fast, but the order book is not moving in the similar trajectory. So, just wanted your thoughts on that, are we doing any risk analysis on the same?

S. Anandan: Yes, sir, we have made an external risk analysis also, and we have a consultant he is also in the line. So, we have analyzed, because earlier we thought of going for a fundraising, after all this analysis only we thought of going forward for a debt. Because revenue cannot be lucrative because it is all service industry, the parts will be supplied by the customer, we only process labor service. Otherwise, our revenue can be this year alone we can go up to Rs. 400 crores, Rs. 500 crores. We do not want to catch on the inventory side. So, we initially want to start only on the service, they supply the material, and we do the machining.

Hardik Gandhi: Okay, okay. So, what will be the cost of debt right now as a percentage interest cost? What is the interest cost on debt?

S. Anandan: So, currently on average it's around 10%.

Hardik Gandhi: And after the new debt, will it still be at approx. 10% or we are taking a higher cost?

Ramakrishnan SR: Yes. We are trying to retain 10% to keep the average at 10% because we are getting cheaper, better rates also through supplier credits. So, max it will be 10%.

Hardik Gandhi: Okay. And till what time are we planning to raise debt and what will be the ideal debt on our books going forward, like since Rs. 80 crores is already there, and other than that we will have a CAPEX of Rs. 100 crores, plus we might require some for the working capital. So, on an overall basis, do you think we will be carrying a debt of Rs. 200 crores to Rs. 250 crores?

S. Anandan: No, maximum we would be reaching around Rs. 120 crores to Rs. 130 crores debt. Some we are already repaying. So, considering all those things, the maximum would be at Rs. 120 crores to Rs. 130 crores debt.

Chirag: But I mean, we already have Rs. 80 crores and we require more Rs. 100 crores, plus there will be a working capital requirement. So, given that you want to put a max debt of Rs. 120 crores, I mean, you will be falling short of Rs. 60 crores to Rs. 70 crores with that calculation.

Ramakrishnan SR: No, we have internal accruals. So, two things, one, we have internal accruals, we are at Rs. 120 crores of turnover, next year around Rs. 170 crores turnover even if we take 20% margin. So, Rs. 30 crores, Rs. 35 crores we can generate internally itself. So, we are funding from internal accruals, so rest of the things we are going for debt.

S. Anandan: No, no, is it 170?

Hardik Gandhi: Rs. 170 crores sales side.

S. Anandan: I think you said Rs. 130 crores.

Hardik Gandhi: No, no, no, Rs. 130 crores we would be very short, sir. No, but on the on the payment side, like what is the schedule payment for the CAPEX? Like Rs. 100 crores is pending from our side, so will we be paying this throughout the year, and by the next year end we won't have any further CAPEX? Or it is distributed between this year and the next year?

S. Anandan: The entire CAPEX will be done by this year.

Hardik Gandhi: Entire CAPEX of Rs. 100 crores will be done this year, okay. So, we will be having like a very high depreciation going forward in the near future, like since our revenue is at a smaller base and although our EBITDA margins are quite good, but given our revenues at a smaller base, we will have a very high depreciation as well as interest cost in the going future. So, do not you think it will be very heavy on our PAT margins?

Sheevani Anandan: Yes, generally this is an capital intensive industry, as you know, this automotive industry. So, initially in this kind of industry, initial first five years to five to seven years there will be a huge depreciation cost. But post that, once the asset is completely depreciated, post that then our profit margin will improve. Okay, yes, you know that this is only a non cash item, so better to --

Hardik Gandhi: Yes, yes, that's fine. But still, as an investor usually people tend to neglect, yes.

S. Anandan: Yes, I do understand your concern.

Hardik Gandhi: And we have a WDV also basis.

Shevaani Anandan: yes, sir.

Hardik Gandhi: Okay, WDV method Okay, understood. So, like there will be very heavy depreciation at least for the upcoming years then?

Ramakrishnan SR: Initially, yes.

Hardik Gandhi: Initially, okay. And second thing, I misheard the order book, right now we posted a Rs. 380 something odd crores order book, and sir just mentioned that our overall order book is approximately Rs. 500 and something crores. Did I mishear something?

S. Anandan: Already Rs. 386 crores, and Rs. 126 crores added now, and this is Rs. 520 crores.

Ramakrishnan SR: Last week we got a confirmation, so last week we had a press release, Rs. 120 crores, yes.

Hardik Gandhi: Okay. So, total Rs. 520 crores order we have out of which we will be executing Rs. 190 crores, Rs. 170 crores on the safer side this year?

S. Anandan: Yes.

Hardik Gandhi: And just wanting to know, this excludes our nitriding process and everything, right?

S. Anandan: All inclusive.

Hardik Gandhi: All inclusive. Okay. So, if you can just break down the revenue, like peak revenue which we can have from our nitriding process, because we were I think planning to put three nitriding machines, out of which two are already put in, right, is that correct?

S. Anandan: One already continuously running, second furnace, all the validation process is over, first trial batch is going on this week. So, also install is completed. Now the validation process is going on in third also.

Hardik Gandhi: So, from nitriding, what kind of revenue can we expect on an annual basis?

S. Anandan: With these three machines around Rs. 12 crores.

Ramakrishnan SR: Rs. 35 lakhs per furnace per month.

Hardik Gandhi: Okay. And the gas lighting which we are putting up a new 3 acre plant, from that what kind of revenue are we expecting?

S. Anandan: That is only gear shaping, that 40% land utilization only we are doing, that is around Rs. 40 crores to Rs. 45 crores initially, only service.

Hardik Gandhi: Okay, Rs. 40 crores to Rs. 45 crores only service industry.

S. Anandan: Yes.

Hardik Gandhi: Okay. And our peak revenue from just the casting is Rs. 220 crores as per now, correct?

S. Anandan: Yes, the percent capacity which we have already invested.

Hardik Gandhi: Okay. And given that further CAPEX is of Rs. 100 crores and everything, so like of the Rs. 100 crores how much we are putting in the casting segment?

S. Anandan: 100% we are putting only for the wind segment, sir, that is only gear shaping, no casting. And we just made agreement with the customer, for five years volume committed. And any volume reduction also they will be compensating on the price amount. And also exclusiveness we have given, w\e cannot use this facility for others. This one advantage is, all this set up in one roof, in pan-India level Thaai Casting will be the first company creating all these facilities in one roof.

Hardik Gandhi: Yes. So, just to be more clear, we will be getting Rs. 40 crores to Rs. 45 crores from the gas lighting business, approximately Rs. 12 crores from the nitriding business. And the remaining part will be contributed by the casting business, but we are not expanding on the casting side, it is maximum peak revenue of Rs. 220 crores and that will remain as it is for the near future?

S. Anandan: Without any additional CAPEX.

Hardik Gandhi: Yes, yes, and we are not expanding there, correct?

S. Anandan: No, sir. Existing customers, they keep giving some more opportunities. So, there will be expansion come, sir. We cannot stop that. New customer will try to avoid with giving a higher price like that. And existing customer, any request or demand coming here, we will be adding later.

Hardik Gandhi: And when can we expect our gas nitriding to be commercial to start?

S. Anandan: One furnace already commercial business is happening for six months.

Hardik Gandhi: No, the gas lighting one, not the nitriding process.

S. Anandan: Gear shaping?.

Hardik Gandhi: Yes, yes.

S. Anandan: Gear shaping will be from January ‘26. Nitriding also for wind only, additional information for the gas nitriding, the last visit German they have requested for additional three furnaces, we have also agreed for that. That is also separate agreement that has been made. 2026 January we need to reduce the additional three furnaces for gas nitriding.

Hardik Gandhi: Okay, so additional Rs. 12 crores per year, so total it will be six furnaces.

S. Anandan: Yes, it will be six furnaces. We have committed them from January additional three furnaces will be ready; construction and design activities are going on so that will start now. Like this the commitments will be given.

Hardik Gandhi: And is the CAPEX for that already included in the Rs. 100 crores number?

S. Anandan: No, no, that is recent development. We made an agreement also.

Hardik Gandhi: Yes. And what will be the CAPEX for that roughly the three furnaces?

S. Anandan: Without building, furnace alone will come around Rs. 12 crores. The building needs to be added, we have space for that in the same place. The place already purchased 1 acre for nitriding. So, we are looking and doing. The German is coming to inaugurate the groundbreaking.

Hardik Gandhi: And just a feedback from stakeholder, two things to be very careful for is, given that we are consuming very high debt and we are going in that trajectory, although our margins are good, but I would sincerely request the management to be more cautious of the debt. On the quality side I am damn sure that we are at a very high quality, all the products are at the top level. But at the same time, from financial risk management perspective, I would sincerely request the management to do their debt analysis very thoroughly. Because the company of our size, Rs. 220 crores market cap, Rs. 80 crores debt and we are further planning it to increase, so just on those terms.

S. Anandan: Thanks, sir. We will analyze the same. But already we are doing that because existing customer that is this Splendor, you know this they are more than 30% stake in the global, so they are very stable customer. So, when the opportunity is coming to our doorstep, we are working hard towards completing the project itself, completing very difficult timeline everything we are working hard. Financially, anyway, initially we thought of raising some funds, we are going for debts, that also we analyzed. Because everything is not new. If it is a new project, new development, definitely I would not have taken this. It is already existing supplier to substitute, import substitute we are doing, whenever we are ready for production, the business can be happen immediately, that is one additional advantage. This would have been a development process, definitely I would not touch. This is the only replacement from China and German, so we are taking this with all the investment and support.

Hardik Gandhi: Yes. Just one last question, and I will just then go back in the queue. What is our revenue guidance for the next two to three years? Like I know a lot of things are getting into place this year and the next year, so just a conservative number from your end would really help on the top line.

S. Anandan: 40% we will keep, sir, the year-on-year growth, because many things we are working on, because two and half years I am working with the Bosch, Siemens, so I thought of it. This would have been started the business from last maybe eight months before, the German approvals, the Indian

approvals, small, small development activities. So, now recently we got approval. So, this another three to four months development will be completed then supply will get started. Like that another three things are pending. So, all the big customer base, everything everybody is big customer. We are working closely with everything and this minimum we can do this, but we are trying to work hard to bring maximum, up to 50% also we are trying to achieve.

Hardik Gandhi: And when can we expect our PAT margins to improve going forward? Because I know the PAT margins will be under a lot of pressure for the next two to three years given high CAPEX, high depreciation, high interest cost and everything.

S. Anandan: I think I just discussed this case with the seller side also, but worked on the depreciation, without that how it can be increased. Definitely it will be increased, 23 to 23 EBITDA we can commit, but the interest you know very well that we are going for interest cost will be there, depreciation will be there.

Hardik Gandhi: Okay, no worries. Thank you so much. I will just get back in the queue. All the best.

S. Anandan: Thank you.

Moderator: Thank you. Next question comes from the line of Arun Arora with NB Investments. Please go ahead.

Arun Arora: Sir, thank you for the opportunity. Sorry for the harping back on the CAPEX, small clarification so that we are clear on that. One is, the IPO money was used to increase the die casting capacity, then machining capacity at the parent company, plus whatever the land you have taken, 3 acres, is that understanding correct?

S. Anandan: Correct.

Arun Arora: Okay. Then you said this gas nitriding, so that whatever Rs. 12 crores were required to commission these three furnaces, that was done through internal accruals.

S. Anandan: No, no, internal occur only first furnace and then building land purchase, the balance everything we have borrowed from bank.

Arun Arora: So, whatever the additional three you are going to do, which again will cost you Rs. 12 crores again from building, so that again you have to go for debt, correct?

S. Anandan: Yes, yes, that also is debt.

Arun Arora: Now the third thing is this gear shaping, you said including the building construction total CAPEX is Rs. 100 crores.

S. Anandan: This Rs. 100 crores is including building construction, except the land already we purchased.

Arun Arora: Excluding the land cost.

S. Anandan: Because it is air-conditioned building, sir, because all the machines require air conditioning.

Arun Arora: Correct. So, out of this Rs. 100 crores, you have already paid around Rs. 30 crores to Rs. 35 crores as an advance, right?

S. Anandan: Yes.

Arun Arora: So, that means you would refer only additional Rs. 60 crores or Rs. 65 crores plus working capital anyways you do not require because they will be providing the parts. So, only you would require Rs. 60 crores to Rs. 65 crores additional funding, is that understanding correctly?

S. Anandan: Yes, understanding is correct, working out also we will be requiring because a lot of consumables are there.

Arun Arora: Correct, correct. So, that means, the working capital requirement plus another Rs. 12 crores for the gas nitriding, plus the building cost for that, plus another Rs. 60 crores. So, these are the total debt requirements for you?

S. Anandan: Correct. One small correction, gas nitriding is not Rs. 1 crore, it will come more than Rs. 12 crores, all three furnaces.

Arun Arora: Building cost also you said muted, right, building cost?

S. Anandan: Yes.

Arun Arora: Sir, there a small clarification, you said in gas nitriding you have done on 1 acre of land and it is completely utilized. So, you have to pay an additional 1 acre land to put up these additional things?

S. Anandan: No, no, no, gas nitriding is 1 acre land, we have utilized only less than 30%, balance only we are going to continue.

Arun Arora: Okay, that is clear.

S. Anandan: But the entire is for electric. All the power connection, everything taken for six furnaces, it is available for six furnaces.

Arun Arora: Okay, okay. But this 6th furnace you have committed to the customer that you would be able to do by January ’26, correct?

S. Anandan: Correct, additional three furnaces.

Arun Arora: So, that means from FY '27 we can expect around Rs. 24 crores of revenues from these six furnaces, correct?

S. Anandan: Correct, Rs. 24 crores, correct.

Arun Arora: Okay, that is clear. So, now whatever we initiate this total CAPEX, all these would be completed by the end of this current financial year?

S. Anandan: This CAPEX, yes, will be completed.

Arun Arora: Yes. All these CAPEX is so whatever other than the internal accruals you would be going further debt just to tide over whatever is the deficit in the funds, correct?

S. Anandan: Correct.

Arun Arora: Okay. Sir, my next question is regarding the orders you have received, not for this, one is the subsidiary, another is for the gear shaping. You said this furnace you have received order from the German customer where you would be exclusively doing it for the entire six furnaces. Is that understanding correct?

S. Anandan: Correct.

Arun Arora: And similarly for gear shaping also you said by investing Rs. 100 crores we can do Rs. 40 crores of turnover, and again that is also completely committed?

S. Anandan: Correct.

Arun Arora: Okay. So, there out of the 3 acres you are doing, you will have some more space left to expand in future for either gear shaping or maybe for the die casting requirement, correct?

S. Anandan: Exactly.

Arun Arora: Okay. Fair enough. Sir, my next question is regarding the cash flow, I know, see, '23 and '24 we were cash negative and only during the current year we could able to generate some positive cash flow. I think you said for Rs. 170 crores turnover so you are expecting around Rs. 30 crores to Rs. 35 crores of cash flow. So, is it fair to say that we would be cash flow positive every year from now onwards?

Ramakrishnan SR: Yes, sir. So, we will be cash flow positive.

Arun Arora: You mean every year we would be having this cash flow positive?

Ramakrishnan SR: Yes, sir. Yes.

Arun Arora: Sir my next question is, I believe promoters have given some loans to the company. Is it possible to share what is the interest rate that we would be paying them?

S. Anandan: To the bank?

Arun Arora: Not bank, sir. I believe as a promoter he has given some loans to the company.

S. Anandan: Can I check and come back through mail or something?

Arun Arora: Yes, no problem.

S. Anandan: Sri Sir, do you have any?

S. Anandan: No, sir. Currently I do not have any numbers. Maybe we can check and come back to him, sir.

Arun Arora: No problem, sir. Next question is regarding your power requirement. I know once you have furnace and all, there will be huge consumption of electricity. I think in the DRHP you had mentioned that we are going for 3 megawatts solar energy, any development on that sir?

S. Anandan: We almost finalized and ready everything, at present we need to pay around 20%, 25% margin on the 3 megawatts projects. So, all this coming in recent developments, so we just complete all the machine side then we will be going definitely for that. Because of this only all the land I am purchasing on my own as a company name, because rental shed we are having around 2,500 kilowatts entire power facility. The new facility, 1 acre purchase initially itself I created the 2.5 megawatts facility I created in that land, 3 acres also I am creating all 2.5 megawatts. Once everything is finished, then I may be going for maybe 3 megawatts, we will be increasing also once I understand better. So, with that we can save a lot of money in that. And also one of the key objective for cash flow, because whatever I am paying electricity bill that my EMI will be very lesser than my electricity bill.

Arun Arora: Correct, sir. You are right. Sir, just for idea, how much this 3 megawatts solar energy would cost us, sir?

S. Anandan: Approx I am telling, whatever I negotiated, it will come nearly Rs. 15 crores. It depends what panel and what generator you are using. Chinese means you can reduce another Rs. 1 crores.

Arun Arora: Okay. So, Rs. 15 crores I think it should be able to get the return within three to four years only?

S. Anandan: Maximum depreciation if you calculate, definitely that, but I do not want to calculate, four and half to five years I am calculating. By paying the electricity bill with the lesser amount, I am considering EMI of solar.

Arun Arora: Okay, fair enough. Sir my last question is regarding our raw material where you procure different grades of aluminum ingots. So, possible to know who is our supplier? Is he the Indian company?

S. Anandan: All are Indian companies.

Arun Arora: So, there will be lot of fluctuations, so are we also paying to them on a monthly basis or a quarterly basis?

S. Anandan: Price fluctuation or? My purchase of raw material is every monthly basis, price fluctuation sir. For the customer, new customer monthly basis, maximum customers are three months. All Hyundai related customers.

Arun Arora: Okay. Sir, another important thing I have noted is that majority of your customers are based out of Tamil Nadu. I think more than 90% you get the sales from there, because lot of OEMs are there in that Sriperumbudur belt. So, maybe you are getting majority of your revenues from that area itself. But just to derisk yourself, I know you are getting into wind and now this gear machining and all, just wanted to know would there be any problem in approaching west and north automotive belt?

S. Anandan: Sir, already I am supplying to Pune. Initially we started very small, I am doing good numbers now. And Gurgaon also I started. Northeast segment I entered sir. First two years before, three years I am doing, slowly my volumes with north segment also increasing, and I started entering into Northeast also we started supplying. We thought of putting a plant in Pune also ideally, but at present you know my investment levels, but we have that much of business Sriperumbudur side and then Pune side we have, we have vision for long term. That much business will be coming from that area. Repeat orders I am getting Nashik, Pune and Gurgaon I am getting a repeat orders. 13th also I am going for a vendor meet in Delhi, I am getting repeat orders there too.

Arun Arora: Okay, so whatever these orders you are posting, let's say Rs. 520 crores that you have, 90% of this is repeat orders only?

S. Anandan: So, 90% of the existing customers, yes, repeat orders.

Arun Arora: You said Rs. 520 crores.

S. Anandan: Yes, yes, maximum 80% to 90% of the existing customers with new business.

Arun Arora: Okay. Fair enough. Thank you very much and wish you all the best, sir.

S. Anandan: Thank you, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Sudharsan Nachimuthu with Prosperity Wealth management. Please go ahead.

Sudharsan N.: Yes. So, my question is on the gear shaping part of the business actually. So, when we mentioned Rs. 45 crores of revenue, our business would come from Rs. 100 cores debt. So, we will take at least Rs. 10 crores in interest cost and at least Rs. 10 crores in depreciation. So, I am just thinking about probably the margin profile of this, so will it be north of 50% because at least at that rate we can service the debt and interest.

S. Anandan: As I said earlier it is only service industry, no raw material involved in that turnover. If I involve that raw material, the revenue of that portion alone will cost more than Rs. 300 crores, Rs. 350 crores. Unnecessary inventory carrying, anything I do not want to touch that. So, I will get steady with the labor charges.

Sudharsan N.: Yes, that part we understand actually. So, my query is on the margin profile of the business.

S. Anandan: Margin, you can have a general discussion because it's a very precise customer and then part, it's very, very unique component. We have worked very hard to get better margins, still we will keep on working what is the cutting board and even today morning also four, five hours we held meeting how to reduce the cycle time, so easily cannot be, I am sorry.

Sudharsan N.: Understood, sir. And on the new casting business, does it have adequate machining capacity to accommodate the 2,000 metric tons?

S. Anandan: Yes, yes. Present machining facility we have created well ahead, because any samples or validation process for them validation is very important, because the validation process has to be done on the same machine. So, we are having enough capacity for whatever we committed, over and above we may require and here and there we may require another six, seven machines.

Sudharsan N.: Right, I understood. That's it from my end. Thank you.

Moderator: Thank you. Next question comes from the line of Kairav Sundar with Spark Capital. Please go ahead.

Kairav Sundar: Hi sir, I think my questions were answered in the line. Thanks.

S. Anandan: Thank you.

Moderator: Thank you. Next question comes from the line of Bhagwat with Prosperity Wealth Management Private Limited. Please go ahead.

Bhagwat: Thanks for the opportunity. Could you please update on the details of the new order win, are these from the existing customer or new customer?

S. Anandan: Maximum is present existing customers. We have added new customers around seven to eight new customers we have added, very good customers.

Bhagwat: Okay. So, it's Rs. 120 crores orders considering the existing customers?

S. Anandan: New customer also is, existing customers major, we have new customer also.

Bhagwat: Okay. And what is the expected EBITDA margin from this order?

S. Anandan: For the testing same level of EBITDA margin for the new customer also.

Bhagwat: Okay, so this Rs. 120 crores is considering this same EBITDA margin what you have?

S. Anandan: Yes.

Bhagwat: So, this Rs. 100 crores CAPEX that we are considering now, what is the revenue potential?

S. Anandan: Which CAPEX, sir?

Bhagwat: The Rs. 100 crores CAPEX that we are doing.

S. Anandan: Yes, it's around Rs. 40 crores to Rs. 45 crores revenue potential.

Bhagwat: Considering all the raw materials, the different parts?

S. Anandan: Yes, only service.

Bhagwat: And same, when will it start contributing to the earnings?

S. Anandan: Next year.

Bhagwat: So, considering this CAPEX, so what's the expected revenue and EBITDA margin on consolidated basis for FY '27?

S. Anandan: Come again, sir. Sorry.

Bhagwat: FY '27, what's the expected revenue and EBITDA margin?

S. Anandan: EBITDA margin will be same sir, because equally automobile business also is getting increased.

Bhagwat: Okay, and the revenue for FY '27?

S. Anandan: Next to next year will around 40% will be the increase.

Bhagwat: I didn't catch your number. Could you please repeat?

S. Anandan: Around 40% will get increased in that. Because we are clearly working on that new project as a target completion time and SOP terms.

Bhagwat: Okay, 40% you are saying on FY '26 numbers?

S. Anandan: Yes correct.

Bhagwat: Okay. So, that would be roughly around Rs. 270 crores, Rs. 280 crores?

S. Anandan: Yes.

Bhagwat: Okay. Thank you, sir

Moderator: Thank you. Next question comes from the line of Sahil Raj with Sundari Capital Ventures. Please go ahead.

Sahil Raj: Yes, sir. Most of the questions are answered, just one small request. Are we planning to release the quarterly updates going into FY '26?

S. Anandan: No sir, only H1, because still we have a tight schedule on the financial side also because lot of expansion going on. Sri sir, is it possible?

Sahil Raj: No, I am not asking about complete results, but just one page summary of what all the company did and what all the CAPEX and everything is going on track or not, just one page summary.

S. Anandan: Maybe after this H1 we can give a third and fourth if can be possible. I do not know, Sri sir, a lot of banking was happening now.

Ramakrishnan SR: Yes, sir. So, initially it will be difficult. Maybe we will see in Q3 whether we can start quarterly summary, one page summary.

Sahil Raj: Because sir, most of the other companies that are willing to actually work and with good promoter pedigree are voluntarily decreasing, I mean, voluntarily they are releasing quarterly updates, just not results, just one page summary of what the company did in those three months and that's all. So, a small request if you can consider it, that's all.

S. Anandan: Yes, sure. Sri sir, try to.

Ramakrishnan SR: Yes, sir. Yes.

Sahil Raj: And sir, on the windmill thing, the wind projects that we are targeting, no revenue is expected in FY '26, is that correct?

S. Anandan: No, no. This year slightly will be there because very minimal, because SOP only on January '26, only two months will be there for the initial pilot bases will not be like affected.

Sahil Raj: So, from Q1 FY '27 we can see some traction in that regard?

S. Anandan: Yes, yes, yes.

Sahil Raj: Okay, sir. And what is the expected annual turnover that we are seeing in FY '27 for the wind project, I mean, any estimates?

S. Anandan: Around Rs. 40 crores to Rs. 45 crores.

Sahil Raj: Rs. 45 crores, that's right.

S. Anandan: Yes, yes, sir.

Sahil Raj: All right, sir. Those were my questions. Thank you.

Moderator: Thank you. Next question comes from the line of Chirag with Scoop investment. Please go ahead.

Chirag: Yes. Hi, sir. Thanks for the follow-up. I had just the last question on number part for FY '27. So, the number guidance we have in place was Rs. 270 crores to Rs. 280 crores, and the EBITDA number seems to be around 34% if we calculate around like similar margin for auto and high margin for service business, so that would be around 34% on a combined basis for FY '27, am I right?

S. Anandan: 34% EBITDA, so sir.

Ramakrishnan SR: Sir, it would be between 23%, 25% sir, so same level EBITDA we are expecting in future also. But on the revenue guidance Rs. 270 crores seem to be too aggressive. So, Rs. 170 crores when we close next year, so 40%, whatever Mr. Anandan committed, it will be around Rs. 230 crores, Rs. 240 crores, it will not be Rs. 270 crores.

Chirag: Okay. So, I was expecting like previously we have like provide that service businesses higher margin compared to the normal one. So, how much margin are we expecting from the service business?

Ramakrishnan SR: Yes. Comparably it will be better than the current die casting business. But right now still we are working on the numbers. So, we are not able to commit anything on the margin side at this point of time.

S. Anandan: This is a very special project, as I told before also.

Chirag: Understood. Thank you. Thanks and all the best for the future. Thank you.

S. Anandan: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to Ms. Shreya Girish for closing comments.

Shreya Girish: Thank you, everyone, for joining the conference call of Thaai Casting Limited. If you have any queries, please get in touch with info@akmiladvisors.com. Once again, thank you all for joining the call.

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