

13th May, 2026

To

The Manager - Listing,
BSE Limited,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543276

The Manager - Listing,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex ,
Bandra (East),
Mumbai - 400 051
Stock Code: CRAFTSMAN

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call on the Audited Financial Results (Standalone & Consolidated) for the quarter and financial year ended 31st March, 2026:

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and our intimation and outcome letter dated 27th April, 2026 and 8th May, 2026 respectively, we are enclosing herewith the transcript of the earnings conference call organized on Friday, the 8th May, 2026 at 4.00 P.M. (IST) on the Audited Financial Results (Standalone & Consolidated) for the quarter and financial year ended 31st March, 2026.

The transcript of the earnings conference call will be uploaded on the website of the Company at www.craftsmanautomation.com.

We request you to kindly take the aforesaid information on record and disseminate the same on your respective websites.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

Shainshad Aduvanni
Company Secretary and Compliance Officer

Encl: As above

CRAFTSMAN AUTOMATION LIMITED

**Transcript of the Earnings Conference Call held on 8th May, 2026
for the quarter and year ended 31st March, 2026**

This document might contain forward-looking statements that involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward-looking statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

Moderator: Ladies and gentlemen, good day, and welcome to the Earnings Conference Call of Craftsman Automation Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star followed by zero on your touchtone telephone.

I now hand the conference over to Mr. Srinivasan Ravi, Chairman and Managing Director of Craftsman Automation Limited. Thank you, and over to you, Mr. Ravi.

Srinivasan Ravi: Thank you. Good afternoon, everybody, and thanks for joining the earnings call. We have uploaded the presentation. I hope all of you had a chance to have a look at it. So straight away, we can start with the Q&A.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Please note that some of the statements made during this earnings conference call may constitute forward-looking statements, which are subject to risks and uncertainties and are not guarantees of future performance.

We encourage you to refer to the disclaimer section in the company's investor presentation. Further, the management will not be addressing any customer-specific queries due to confidentiality obligations. Participants are requested to avoid mentioning customer names while asking questions.

We have a question from the line of Pritesh Chheda from Lucky.

Pritesh Chheda: Yes, sir. Can you talk about a little bit on the alloy wheel project on the expansion side that we had?

Srinivasan Ravi: The exit rate of the alloy wheel, approximately it is around volume-wise annualized when you look at it on the March. It is equal to around 3 million alloy wheels is the exit rate for the month of March. We have been ramping up in steps at Bhiwadi as well as in Shoolagiri. We have done at a volume which is at a run rate equal to close to 3 million wheels for the month of March for the annualized time, say.

Pritesh Chheda: The project would have started in quarter 4, right?

Srinivasan Ravi: Quarter 4 or quarter 3 for Shoolagiri. But Bhiwadi is in operational, the phase 1 is operational for the full year.

- Pritesh Chheda:** Okay. And how about the Hosur one?
- Srinivasan Ravi:** Hosur one we started in Q3, and we are still ramping up. Yeah, both plants we are still ramping up. The exit run rate has been to the tune of annualized March number when we annualize, it is equal to around 3 million (nos).
- Pritesh Chheda:** Okay. In the aluminium die casting side of the business, the acquisition of Sunbeam, where are we in terms of the capturing of margins via the shift and what is the progress there?
- Srinivasan Ravi:** We are just lacking behind on the margin-wise with a single, still at single-digit for various reasons. We are on the right track that we are exiting customers where it's not profitable, exiting subsegments of the business with same customers where it's not profitable totally or even selling one portion of the low-value business which is around INR30 crore per year. We have sold that line of equipment and business which we had disclosed to the stock exchange. The customers who are exiting also need some time to find other suppliers. These are non-profitable businesses and unviable going forward. The restructuring is on, so we are on the right track. From Q2 onwards on the current year, we will see some traction. The reduction of manpower, the reduction of products, reduction of customers and revisiting everything and also resetting the prices which are legacy prices, legacy products.
- And also, on the aluminum price reset or the aluminum price pass-through, we have been very clear with the customers. Where aluminum price pass-through is not there, then we are declining to supply. All these are in action as far as Sunbeam is concerned. Not only in Sunbeam, across the other aluminum plants also, which is, it is slightly common. We will see the results coming into Q2 from Sunbeam.
- Pritesh Chheda:** Okay. My last question is on the growth rate overall. How should we see FY '27 to be looking like on the revenue growth side?
- Srinivasan Ravi:** As I mentioned last time itself, we for the first time we had given some guidance because of so many changes in the business, so many plants coming in and also subsidiaries. I will just give you a rough indication. It is truly double digit, most probably, in the mid-teens, I would say. That is what is the expectation for the growth. When we say mid-teens, we also have to assume that the aluminum prices are around the level what it's currently.
- If there's any change in aluminum prices, there can be some commodity price impact which will either inflate or deflate the top line. I say that we are still on the growth path. That is very clear. New projects are kicking in across all the divisions, I would say, whether it's powertrain or aluminum or, I mean, also industrial engineering segment. The momentum of growth is reasonably, we are well-placed, I would say.
- Moderator:** The next question is from the line of Vignesh from Ksema Wealth.
- Vignesh:** Sir, I just want to understand, are you having any plans to scale up any particular segment over a medium term for the next 3 to 4 years apart from the powertrain segment?

Srinivasan Ravi:

Powertrain is scaling up. Also, the stationary engine side is the order book is for the first \$100 million is finalized and is with us. So as slated earlier -- as stated earlier, I would say, we will be able to reach that \$100 million sort of revenue in '29, '30. So, it is on track. The second phase, the order intake of the inquiry momentum is pretty strong. So, we may go for Phase 2 expansion there also further beyond that \$100 million revenue.

You are aware that the data center market or AI is booming all over the world. And post the Iran crisis, there is more focus on the Pacific region for installing data centers. This is giving some more advantage to manufacturing in India in some sense for them. Capacity-wise, almost everybody is full. That is the another positive point.

Coming to the general powertrain, the other projects of multinational companies setting up plants here and ramping up, that is also work in progress. We are seeing that. The domestic business farm sector has been doing better. Truck segment is somewhat muted, I would say, in general.

So, the other business about the export of some truck engine blocks to outside India, which we said will be discontinued, but that is going to continue. That is the good news. On the powertrain, we are stable, and we are growing. I think we can expect a double-digit growth.

On the aluminum side, we are present from 2-wheeler to 4-wheeler to also industrial aluminum, some portion is there. Frankly speaking, we are focusing on value-added products like casting and machining. We are not interested really to do only the casting portion. Wherever we are doing a little, I think, we are in negotiation with customer.

Either we convert it to with machining or we have to find new customers with higher value addition because aluminum per se, the commodity prices are going up, energy prices are going up, labor cost is going up, and also all consumables are going up. The margins on basic raw casting is not going to be viable.

At Craftsman, we don't have that business model. 95% is machined. In DR Axion, it is critical casting, so it is still okay for some basic machining. For Sunbeam, it is not okay because it is not so complicated parts, but at the same time, most cases machining is not there. Not most cases, at least the domestic portion machining is not there. There will be some tough decisions to take in the coming quarters on the improvement in value addition.

To answer your question, we don't really worry about which is the customer. We are getting inquiries for 4-wheelers for export market. Both Europe and North America, we are increasing, and there is more increasing inquiry trend, at least. This means, the potential for growth in the export segment is quite high. We are picky in choosing the business which is viable and sustainable over a longer period of time.

Our stated ambition on the aluminium business, in the last year, I think I had mentioned a couple of times at least during the earnings call, that the first leg or first phase will be to touch \$1 billion on the aluminium business. For that, we are also increasing the focus by merging the entities of the business model, which we have also put-up disclosures in the stock exchange. The aluminium business is on a growth track.

On the industrial engineering, yes, it is a smaller portion of the business, but that is also the backbone for our powertrain and aluminium business. There also we see good traction going forward.

Vignesh: That was helpful, sir. Thanks for detailed answer. Just one question, sir. On the second phase of the powertrain segment. When are we planning to start and commission and the revenues we can see here for the second phase?

Srinivasan Ravi: I think we should take a decision by September based on the order input. Now the orders what we have already agreed to take or taken or order received, I would say, is completing the capacity for Phase 1, both at the foundry site as well as at the machining site. At the foundry site, it is modular and it is only incremental investments required to go to the next phase. On the machining side, it might not be just incremental, it's slightly more than incremental. We are preparing for that today.

The lead times are quite high. One good thing is we had our investment done at starting from 2021 onwards itself in small steps. In 2023, 2024, we had made disclosures, in 2024 even a public disclosure regarding this business. I think this gestation period is quite long. That is the reason our foundation in this business is pretty strong, and we are able to capture the orders or the growth which is coming in a hurry now.

Even the next set of orders, we'll be able to have a step up incremental investment where all the building blocks are there to go up. But all the decisions will be taken on basically after reconsidering or looking at the order position in September.

Moderator: The next question is from the line of Senthilkumar from Joindre Capital. Please go ahead.

Senthilkumar: Thanks for the opportunity. I just want to know if there are any new business opening for our industrial engineering racks in data center business?

Srinivasan Ravi: Data center per se, yes, there is a possibility, but it'll be more going into aluminum side for certain reasons. I understand that requirement is also using some extrusions and things like that. So far, we have given racks for the manufacturing sector, where for the automotive, where they are storing the batteries because it has to be very safe for fireproof and things like that. We have made supplied ASRS systems and vertical lift modules for these divisions.

The scale which our Asian neighbouring country has done, I think there they're using a lot of storage. There is a lot of discussion happening for 2 of the

projects coming in for battery manufacturing. Yes, something may come up. It may be awarded to multinationals, but I think there is an opportunity, but it not be in the scale of what has happened in our neighboring country, China.

Moderator: The next question is from the line of Joseph George from IIFL.

Joseph George: I have two questions, sir. One is in relation to the powertrain segment margins. We saw a good spike this quarter. Is it attributable to scale benefits, and will it sustain? One. In relation to that, you mentioned that, you know, overheads, labor, etcetera, are going up. This question pertains to, you know, all the segments. How easy will it be to pass on all these overheads, you know, energy costs, maybe labor, etcetera, to the customers in the given context?

Srinivasan Ravi: On the powertrain segment, I think we have grown only a small portion last year. It's not the scale benefit which has really played out in the last year. I would say that the repair and maintenance which went on for almost 4, 5 quarters, which was depressing the EBIT margins, was the main -- EBITDA margins were the main reason for that change.

Whatever the -- some of the manpower reduction, by some automation or better methods, that has also paid off in general. I would say the new products, which at the newer prices, which some of them have come into production, has helped also the -- to average the legacy prices. That is --, the scale has still not built up in the powertrain as we expected. It is likely to have a meaningful advantage in the coming years, I would say.

I would draw one attention here. The amount of capex which has gone into powertrain and subsequently also in aluminum, the capex powertrain is very difficult to replicate because of the today's cost scenario. You had mentioned the operating cost. I will now talk about capital costs.

Capital cost, some of it is real estate like land and building, which everybody knows how much it has gone up. But I also say the equipment which was costing, say, \$100,000 may have gone up to \$110,000 or \$115,000 over the period last 20 years with better features.

Maybe the better features or better productivity might have improved, offset the increased cost of the -- in dollar terms, maybe from \$100,000 to maybe \$110,000 or \$120,000. What is the most challenging is the dollar when we look at a period of almost 15, 20 years, it is almost doubled. In 20 years, it's almost doubled, right, totally on this.

The capex cost for anybody entering this business is very, very, very large, totally. Here we are using a mixture of our own equipment manufacturing for the special purpose machines, and very, very prudently we are adjusting the requirements to still be competitive and get more orders.

The new orders are coming at new prices. There are legacy issues which we need to address on all the consumables, like power, the cutting oil, which is petroleum-based, the tools which are carbide based, which is imported from China, which has increased multiple-fold in the last time. Of course, the labor, which is -- labor cost is the beginning of the journey, I would say.

We are less than \$1 on the contract labor. Of course, we don't employ a lot of contract labor, but it is less than \$1 per hour. This is going to significantly improve to double or triple in the coming years. What we have done is in the last many years, we have never cut back on capex.

That is shown in our depreciation being very, very high. That is helping us to mitigate some of the labor cost increases, and the Labor Code really is not affecting us in a meaningful way in total. More so, whatever equipment we have invested in the last few years require less and less labor going forward. We can afford to retain the quality labor, I would say, in some sense.

Coming to the aluminum commodity price for the aluminum business, and also across all plants regarding the power and fuel, mainly power and fuel is more specific for the aluminum business. The legacy products from at least the one of the acquisitions we made in the last, is suffering very badly because of the 15-year-old, 10-year-old legacy products and some of the minuscule customers.

The minuscule customers we are exiting. The legacy products, we are resetting the prices or we are exiting or we are relocating that capacity to other profitable customers. That is on already. That is the way we need to look at it because what costed something 10 years ago, the component price on the gross margin cannot remain the same today, in today's context of prices. Yes, there should be not a price increase, but a reset of the prices, I would say, because price increase means it is a small percentage, but now on, I mean, value addition portion, it has to be a reset.

Joseph George: Understood, sir. Sir, the second aspect I wanted to discuss was on cash flows. When I look at your cash flow statement, in FY 2025 there was a negative working capital impact of about INR400 crores, and FY 2026 there's another INR600 crores. I want to understand how to think about this. Is it because of, you know, one-time reduction in payables which will reverse in coming years? Or is this the level at which the working capital days will, you know, stay from here on?

Srinivasan Ravi: I think the plants which are suppose the aluminum business was ramping up in the last few years. Earlier it was mainly powertrain driven, so that means suddenly there was a spike in the working capital requirement and now rationalization has happened. I think the payment cycles are also set in. I think it is the same way going forward. I don't think there is any big change.

Joseph George: Okay. Sir, last thing was on capex. What is your expectation of capex for, say, FY 2027, 2028? As a result, how will, you know, the debt reduction, etcetera, move?

Srinivasan Ravi: On FY 2027 itself, we are not very clear about the capex as today because we have taken some interim requirements. But September we have to decide on the capex even for FY 2027. FY 2028 depends on the performance of FY 2027. We are continuously monitoring the net debt to EBITDA as the monitor to bring it down.

That is how we look at it. Today, we are more concerned about the absolute payout on the cash flow for the manpower related costs. It may be workers, it may be staff, it may be anything related to services outside also. This is the inflationary manner. We don't mind some investment to offset that increased cost.

Joseph George: Okay. Should we think of, you know, capex similar to, say, last year, INR1,000 crore-INR1,100 crore for this year? I know you mentioned that you have to reset it in September. But as of now, is that a good number to work with?

Srinivasan Ravi: See, when we speak, the dollar has become 95. We do not know whether the dollar is going to go somewhere else. We do not know whether we are going to get medium gestation projects or quick product projects, I would say. When there is a quick project, then the capex hits us immediately. Otherwise, it may be postponed by a year or two. We will take it in steps going forward.

As I mentioned that, net debt to EBITDA will continuously start falling down because the heavyweight lifting has been done. To proportionate to the gross block today, if you look at it, and the gross block is also a little deceptive because the bulk of the investment has been done many years ago, and that was done at a lower capex cost.

Today, when DR Axion wanted to go for another plant, just for the greenfield, land acquisition itself on public disclosure, you know, it is in the region of around, INR150 crores. Around INR150 crores, just the land which is adjacent to the SIPCOT area. We paid less than the SIPCOT area, it is -- the capex which is required. At the current civil construction, when you are looking at it, it's high.

So, the cost of doing business or cost of expansion is disproportionately high on this matter. In spite of that, our ROCE on a consolidated basis has been 16%. We can track net debt to EBITDA and ROCE more rather than the debt portion. As Craftsman, we look at more the outflow towards manpower costs, which is I think the for us which is causing sleepless nights, not the debt portion.

Moderator: The next question is from the line of Vinay Nadkarni from Hathway Investments. Please go ahead.

Vinay Nadkarni: Just wanted to know a couple of things. One is on the capacity utilization. If you can just throw some light on powertrain and then aluminum, all the three different units. At what capacity are they being utilized?

Srinivasan Ravi: Powertrain, we are still at around 65%, 70% because there are some pockets and segments where the customers are not doing well. But I think 85% will be the upper limit. That means, we have around 20%, 25% headroom if the market does well. There also we are slightly adding capacity on the conventional powertrain. On the new powertrain business of the large engines, it is still not seeing any revenue.

Only samples are going and some pilot lots are getting invoiced, but it is not even 0.5% of our powertrain revenue as of now. Even in the current year, we don't expect that we'll be anywhere a meaningful single-digit. It'll be a very low single-digit number.

Next year it may be reaching a high single-digit number, I think a part of the powertrain of the large engine projects. '29, FY 2029, FY 2030 will be seeing good traction on that segment. There the capacity utilization is practically in 10% level because still all the lines and samples and prototypes are going on. There is no revenue per se. Overall, if you take that new powertrain business also into consideration, our capacity utilization is around 60%.

Vinay Nadkarni: On aluminum?

Srinivasan Ravi: Aluminum, on the alloy wheel, I think I had just mentioned that our exit rate is around close to 3 million (nos) on the annualized basis as of March, and our capacity is around 5.5 million (nos). I think we should touch around close to 4 million (nos) in the next year. That means around 70%, 80% capacity utilization within the plants.

The next level of expansion there, which we had said phase 2, we are not really pushed hard on that. We want to wait and watch on this matter. We are looking at the commodity prices pass through on the aluminum pricing. It has to happen. That we need lot of cooperation, support from the customer to do that. There should not be lead lag there, which will hurt us badly.

Second thing is, imports of this alloy wheel. What is the way going forward? Is there going to be some competition coming there again back after the BIS norms has been more or less settled down now? We have to wait and watch. The current capacity is more or less sold. We don't have any major issue on that matter. To expand further, which will give better operating leverage is a matter of question. We'll take a decision after this financial year. I don't think we'll take a decision in this financial year to further stretch the alloy wheel capacity.

Vinay Nadkarni: What about Sunbeam and DR Axion? Are they included in this?

Srinivasan Ravi: No. Sunbeam and DR Axion does not do alloy wheel.

Vinay Nadkarni: What are their capacities?

Srinivasan Ravi: The Sunbeam is a new acquisition where we are downsizing the capacity, downsizing the customer base, downsizing the product lines. I think that was my first statement, that we are exiting customers. We are selling the -- some of the lines which has there been a public disclosure. Even with the same customers, some products we are exiting. Capacity utilization, which is around 70%, will come down to around 45%, 50% in the near for the Sunbeam because some of them are legacy products unviable to continue manufacturing.

That is one thing, and subsequently also the cost will come down. The operating cost will come down and no impact on -- actually margins will improve when we do that activity. That capacity will be utilized for new customers and new products in that way. That is a new acquisition which is work in progress.

On DR Axion, I think, we are operating at a reasonable capacity, which is beyond this capacity we cannot really extend ourselves because we are a very critical component supplier to the 4-wheeler manufacturing customers of ours. We have received more orders with the same customer base and also more Indian OEMs also have given orders to us recently. We are expanding that capacity. Their capacity utilization is the tune of around 80%, 85%, I would say. Beyond that, it's again seasonal, so we cannot go beyond that. There will -- there is investments going on in DR.

Craftsman side also the capacity utilization is a reasonable 70%, 80% level, but our incremental orders are quite strong, so we are increasing capacity. Sunbeam, as I mentioned, we are decreasing capacity. The capacity will be reallocated among that. That is one of the reasons for our restructuring, if you have seen, so that we can, with one vendor code or with the same customer base, we can operate the capacities.

Vinay Nadkarni: The other thing which I wanted to check out was what is this deal that you have done with Suprash Developers and Srikara Technologies for your Sriperumbudur project?

Srinivasan Ravi: That is DR Axion, we couldn't get the land on time from SIPCOT, which is equivalent to MIDC in Maharashtra. The land parcel what we wanted is 50 acres, we couldn't get that. We got bits and pieces of 8, 10 acres and new sites which were still not allocated. There should have been a delay of 2 years in the project.

The customer was giving an order, a time-bound order. Adjacent to the SIPCOT land at a lower price, which I had mentioned now in the same earnings call, we had taken a 15%, 20% lesser land parcel, which has been accumulated by some property developers by buying maybe from 150 individual land users. We have taken over their -- as a vehicle, the investment in those 2 companies. We have taken around 50 acres of land at around INR150 crore cost, but we have taken over those companies. Those are the subsidiaries.

Vinay Nadkarni: Okay. This will be developed, by when would that be commissioned? Because it's a greenfield project, right?

Srinivasan Ravi: The greenfield project is already on. The civil construction is on, and the plant will be commissioned by December. So next year it will be in operation. All this will get merged when we are doing the scheme of things, whatever we have filed. There will be no subsidiary once that is. . .

Vinay Nadkarni: Yeah. One last question, if you don't mind. Any development on the Sunbeam land sale?

Srinivasan Ravi: We have put it up for sale. Now the prices have gone up. The government has taken some action for widening the road, and we are road facing. We have seen that the property prices are shooting up. But still, I think the sale is little elusive because whoever is looking for buying it is asking a discount from the current market price.

Current market price has got reset by at least 15% in the last one year on the matter. It should get sold. It's only a matter of time. Initial price, whatever you wanted to sell, at that price there are too many buyers, I would say, but we are not willing to sell at that price.

Moderator: The next question is from the line of Vignesh from Ksema Wealth. Please go ahead.

Vignesh: Thanks for the opportunity. Sir, just want to check on this manpower thing which we are focusing on rationalization or cutting costs. Could you throw some light on it, how are we planning to do it?

Srinivasan Ravi: This is by better operations in general. Better operations means also better equipment, better layouts, better processes, and some amount of ergonomics in the handling of the production. On top of it, some semi-automation and some automation where there is some volumes. This means that we're reinventing the production to a very high manpower productivity.

Vignesh: Any approximate cost or like benefits we would be estimating from this move, sir?

Srinivasan Ravi: I am sure that still it will be inflationary even after doing all that. When inflation of manpower cost is going to go up by 20% year-on-year instead of the 5%, 10%, that will be good enough to have a manpower savings or without additional manpower growing. We'll mostly be able to offset the incremental manpower cost, but surely there will be incremental manpower cost.

If not, otherwise, we will see huge amount of incremental cost, which will not be for Craftsman or Craftsman Group alone, it's across the industry. You can see that happening all over the place. Now everybody is talking about labor shortage. It's not really labor shortage, it is the cost of labor going up and labor not willing to work at that particular prices. We have seen protests in the NCR region, overall across three states, various reasons.

I don't want to comment on that because it's very sensitive. I would say that there is going to be a reset in the labor cost, all the governments are working towards also increasing the minimum wages, which has been done on some states very recently in the last few months. Now the new labor code also is coming to picture, and this minimum wages will be getting reset. This is on the bottom of the pyramid.

We don't employ too many people at the bottom of the pyramid except for the acquired company like Sunbeam. Otherwise, also the cost of manpower is going to go up in general. This is more than, as I mentioned, what is worrying us more is not the debt, as I mentioned. What is worrying us the inflationary manpower cost, which is very difficult to pass on to customer. This is where we are working on.

Vignesh: Okay. Thanks for your perspective. Any timeline for the aluminum segment of reaching \$1 billion, sir?

Srinivasan Ravi: I think it will be 2 to 3 years' time. It is also a little sensitive towards aluminum prices, but I would say that at the current aluminum prices, I think 2 to 3 years we should be there.

Moderator: The next question is from the line of Ram Seshan from Avendus Spark. Please go ahead.

Ram Seshan: My question is primarily on the decision to consolidate the aluminum entities, Sunbeam, DR Axion. Could you walk us through, you know, your strategy behind this? You know, what are the steps that you'll practically be taking to extract more value from this consolidated entity? That's what I wanted to know.

Srinivasan Ravi: We look at our public disclosure, we also mentioned that not only Sunbeam and DR, we also looked at our aluminum business of Craftsman also. How we can have better leverage or better synergy between all the aluminum businesses. That is our target. The easy one was how to do it with the DR and Sunbeam. It's also related to Craftsman aluminum business.

The way to look at is so that, for example, we'll be around INR6,500 crore in the aluminum business in the FY 2027 or so. Just an approximation. I don't want to give any guidance. Please, negate that if it is taken as a guidance. What I'm trying to say is that some equipment, some people, some processes may be redundant here. We may have customer base. It's difficult to do marketing with these small subsegments in the business.

Our competitors across the world are \$3 billion to \$6 billion in revenue. These are the customers. Some of them are already present in India wanting to expand their footprint. When we go with each of the businesses at \$200 million, \$100 million revenue or \$300 million revenue and try to take an order for \$100 million, \$200 million, it is to share the resources and to grow the business, it is becoming unwieldy. It is very expensive. That is the reason for rationalizing the -- I mean, sorry, looking at the synergy and trying to merge these companies, businesses.

Ram Seshan: Understood. So this will not just put us in good state to win more businesses, but will also make the operations more efficient, so it'll be a benefit on both ends.

Srinivasan Ravi: Yes. see, Craftsman doesn't have a plant in Chennai for the aluminum business, but all our peers from the north and west have aluminum component manufacturing like Craftsman. There are quite a few. Some of them are also listed. All of them have got a presence in the Chennai region. But Craftsman per se doesn't have a presence in the Chennai region. We are in Coimbatore, and we are in Bangalore and Hosur as of now.

We want to create a separate campus for that and add aluminum business of Craftsman, which is high pressure die casting mainly. Then DR's plant is full, we have to expand DR Axion. When we going to put a plant there for the DR Axion, then again, one more plant for Craftsman doesn't make sense. It is better if you look at it in the future to share. That is the idea behind it. But the first step is about very clear carrying the Craftsman -- sorry, DR and Sunbeam subsidiaries.

Moderator: The next question is from the line of Karthi from Suyash Advisors. Please go ahead.

Karthi: Sir, just on the leverage point, I understand philosophically you're thinking about leverage, but just from the outside, INR3,300 crore seems a bit on the higher side. Two questions. One is, are you looking at the consolidation of the aluminum business as a way to deleveraging, or do you believe that there are other ways to reduce debt? Some concrete guidance on that would be helpful.

Srinivasan Ravi: It will be more to fund our future investments maybe, but I think this debt portion of it, debt to EBITDA-wise, if you look at it, the forward-looking EBITDA, I think we are already at 2.43 net debt to EBITDA. We are looking at, going forward, it'll be less than 2, I would say, in the coming, the current year itself, totally. And then it'll go down further to 1.5. That is a natural progression of the debt to EBITDA.

The way to look at is, if you don't grow the business at the current level and -- the level, I think, the debt may be lower, but I think the EBITDA margins will start looking downward, I would say, with the new -- without the new products. The land sale of Gurgaon, if you take away the land sale of Gurgaon, then look at the debt, we should look at the debt at, say, INR2,700 on the consolidated basis, not at INR3,100.

Moderator: We have a question from Shubham Batra from Ambit AMC. Please go ahead.

Shubham Batra: Hi, sir. Thanks for taking my question. Sorry if it is a repetitive question. Could you broadly tell me what margins will you be clocking DR Axion and Sunbeam in FY 2026 for the whole year?

Srinivasan Ravi: I think that will come in the segment-wise results. I think we independently, I think, we are around the same range, I would say. It is a slightly different business. On the aluminum side, we have given the segment-wise results. There is absolutely no profitability at -- if you look at it at EBITDA level, it may be there at Sunbeam, but profitability is not there. You can just look at that number between DR and -- bulk of the EBITDAs come from these two companies, Craftsman and DR.

- Shubham Batra:** Got it, sir. Secondly, sir, how is our alloy wheel business ramping up? What kind of revenues are we clocking there?
- Srinivasan Ravi:** Sir, I answered that already, I think, on the alloy wheel, because the current run rate is around 3 million (nos) exiting out of that. The revenue-wise, if you look at it, last year it's not that much. Around INR240 crores, I think so. Or INR280 crores, is it? Around INR280 crores is the revenue in the last financial year for the alloy wheel.
- Shubham Batra:** Got it, sir. And margins would be somewhere in the low single digit EBIT margins?
- Srinivasan Ravi:** For the Bhiwadi plant, it will be at the highest single digit or maybe even double digit, but at the Hosur plant it will be single digit because still it's ramping up. The plant utilization level is not high. That's the reason.
- Moderator:** We have a follow-up from the line of Vinay Nadkarni from Hathway Investments. Please go ahead.
- Vinay Nadkarni:** Yeah, thanks for the opportunity again. If I look at the aluminum business EBIT level, we are at around 10.3%, which was same as last year. This year with the correction that you are trying to make in consolidation, etcetera, would you look at, at least a couple of percentage points growth there?
- Srinivasan Ravi:** The aluminum business significant capex has been done last year. If we had stopped capex in the second half of the year, I think the margins would have improved. Those capex has not been put to use at all. What is restarting the margin expansion is the new capex which is work in progress, it is under commissioning or just started production, which has not yielded to the full quarter revenue but surely not the full year revenue on the matter. When the base becomes higher on the installed capacity and then marginal investments are being made, that might not affect the depression in margins. But I think that is one of the reasons you see that it is not an apple-to-apple comparison.
- Vinay Nadkarni:** Yeah, but could you look at -- I mean, should we look at around 100, 200 bps increase in the next year on this margin?
- Srinivasan Ravi:** If you're going at this rate, no. Because the future capex in this year will again spoil the margins. Whatever gains we are making on the installed capacity.
- Vinay Nadkarni:** Maybe another two, three years down the line, it could be much better. . .
- Srinivasan Ravi:** Yeah. If our base is 100 and we are expanding by 5%, then the margins will improve. But if our base is 100 and we are expanding at 30, and the result is shown as 110 on the practical results because still other things are not utilized. It's something like 20% the growth in capacity but a 5% growth in the revenue, so it is not -- it is disproportionate.
- Vinay Nadkarni:** Understood. So, the coming years will be much better?
- Srinivasan Ravi:** I think when we reach across \$1 billion and then we slow down the capex and then it is an smaller portion of the installed capacity, then the margin should improve, provided we get the right products at the right prices, yes.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference back to Mr. Srinivasan Ravi for closing comments.

Srinivasan Ravi: Thank you for all joining, and thank you for the confidence of the investments done. I think investments done a little earlier and the borrowing done earlier is a better choice because in the coming few years the capex, the same capex which has been done in this financial year, it will be 1.5x more because of the capex cost increase. This is one of the factors which we have taken into account that to put up capex a little earlier so that we'll become more competitive in the future. Thank you very much, and we'll sign off.

Moderator: Thank you. On behalf of Craftsman Automation Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.

(This document has been edited for readability purposes)