



13th November, 2025

To National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai –400051 NSE Scrip Symbol: RATNAVEER Kind Attn.: Listing Department.	To BSE Limited Phiroze Jeejeebhoy Towers, 21 st Floor, Dalal Street, Mumbai – 400001 BSE Scrip Code: 543978 Kind Attn.: Corporate Relationship Department.
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Sub: **Transcript of Earning Call for the Half Year and Second Quarter ended on September 30, 2025**

Dear Sir/Madam,

We wish to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earnings call with analysts and investors held on November 10, 2025 with respect to the financial results of the Company for the Half Year and Second Quarter ended on September 30, 2025, has been made available on the website of the Company at the link:

<https://ratnaveer.com/documents/audiorecording/2526/TRANSCRIPT10112023.pdf>

A copy of the transcript is annexed herewith.

This is for your information and appropriate dissemination.

Thanking you,

For Ratnaveer Precision Engineering Limited

Vijay Sanghavi
Managing Director
DIN: 00495922



RATNAVEER PRECISION ENGINEERING LIMITED

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“Ratnaveer Precision Engineering Limited Q2 FY'26 Earnings Conference Call”

November 10, 2025



MANAGEMENT: **MR. VIJAY SANGHVI - MANAGING DIRECTOR,
RATNAVEER PRECISION ENGINEERING LIMITED
MR. AJAY PANCHAL - GM FINANCE, RATNAVEER
PRECISION ENGINEERING LIMITED
Ms. CA SWATI JAGTAP - FINANCIAL ANALYST,
RATNAVEER PRECISION ENGINEERING LIMITED**

MODERATOR: **Ms. MOKSHA LODHA - SYSTEMATIX GROUP**

Moderator: Ladies and gentlemen, good day, and welcome to the Ratnaveer Precision Engineering Limited Q2 FY'26 Earnings Conference Call Hosted By Systematix Shares & Stocks Limited.

As a reminder, all participant lines will remain in 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. Please note that this conference is being recorded.

I now hand the conference over to Ms. Moksha Lodha from Systematix Group. Thank you and over to you, ma'am.

Moksha Lodha: Thank you. On behalf of Systematix Group, we welcome you all to the Q2 FY'26 conference call of Ratnaveer Precision Limited. From the management side, we have Mr. Vijay Sanghavi, Managing Director; Mr. Ajay Panchal, GM Finance; Ms. CA Swati Jagtap, Financial Analyst. I will now hand over the call to Mr. Vijay for the opening remarks followed by the Q&A session. Thank you and over to you, sir.

Vijay Sanghavi: Thank you so much, Moksha. I myself, Vijay Sanghavi, Managing Director of Ratnaveer Precision Engineering Limited. I am grateful and thankful to the Systematix Group and Lodha and the team to connect the call to all investors together on a one platform to present Q2 financial highlights and the results. So, thank you so much for this. I'm very much grateful and thankful and good afternoon, everyone, who join us for investor call for the financial Q2 earnings and the revenues. I'm very much grateful that all have a time and join us together for this kind of the call.

Before the opening remark, I can just tell you to present the numbers and the data for the Q2 of the Ratnaveer Precision Engineering Limited. So, Q2 result would be a revenue that can be Rs. 287 crores and the EBITDA, the Company has been achieved, that is Rs. 30.26 crores and the PAT, the Company has been achieved Rs. 15.35 crores. So, it would be a very historical and the highest numbers which companies are achieving till now from the quarter-to-quarter. The growth for the revenue for the year-on-year, that would be almost 25% plus. So, in a couple of years, when the two years have been completed by the Company on the main board IPO, Company has been significantly achieved the great numbers and the results in front of the investors in the benefit of the Company investors and the trust and faith on the Company's management to in front of you. So, I would be very much grateful and thankful to present you and over to you, madam, for the next Q&A questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from line of Deepak Purswani from Svan Investments. Please go ahead.

Deepak Purswani: Good evening, Vijay bhai.

Vijay Sanghavi: Good evening, Deepak bhai. How are you, sir?

Deepak Purswani: Good and how are you?

Vijay Sanghavi: Good and great. Thank you.

Deepak Purswani: Vijay bhai, just wanted to check it out. If we look into the first half balance sheet, I mean, first of all, congratulations for a good set of numbers. We just wanted to check it out on the balance sheet side. This time, receivable has increased a bit on the first half. So, just wanted to check it out. Is there any specific reason or how should we look into it going ahead?

Vijay Sanghavi: No, Deepak. We have completed the CAPEX of Rs. 48 crores in February itself. The new revenue has been start up. The new products has been in place and the receivables and the revenues would be starting up from the first quarter itself. So, the receivable levels would be quite comfortable because we have been given them a room to introduce the product, to execute the product and taste and try the product. So, some numbers from the end of the customers can be receivable, can be improved. It could not be a regular pattern, but yes, it could be a new SKUs and the new products are in place. Significantly for the first quarter and second quarter it can be remain but it can be maintained.

Deepak Purswani: Okay. And sir in the first half what is the component of the value added product in the overall revenues?

Vijay Sanghavi: Yes, so in first half there would be a first quarter and second quarter can be adding up. There would be a product wise segmental revenues are being prescribed and we have been already prepared that our revenue for the Q2 would be for the value added products would be adding up the circlips, nut and bolts and the tubes of electropolished tubes as well as to the some other of the sheet metal components. So, it could be additional revenue from this. It can be 8% of the contributions right now for the first half. But significantly this can be improving quarter-on-quarter and year two. So, it can be helpful to boost our bottomline itself.

Deepak Purswani: And secondly, sir, if you can give the broader share your thought process, firstly on the CAPEX plan, what are our overall CAPEX plan from the next two year perspective? And secondly, oh mean, just continuing on it, what are our plans to fund it out and what would be the optimum level of debt equity we are looking at?

Vijay Sanghavi: Okay, that's a good question and we could be ready for this. Number one, the capital expenditure, which can be announced two years before. Out of this, the Rs. 48 crores can be completed and done and successfully executed. Number two, the Rs. 68 crore of the CAPEX, which we have been planning out by the November end and the December first week. So, this can be starting up for the tubes, circlips, fasteners, and to make up of the solar plants that can be a plan and it can be starting up by the first week of December itself and target to complete by July '26. Number

two, we have been also looking forward for the copper-cladded laminates project, which also can be start up by the mid of December and targeted to complete it by July '26. So, these are the two major CAPEX is planned by our Company in the next two years and Company can be look forward to the numbers in the next two years that can be a Rs. 1,500 crore as a topline, 8.5 % as a PAT and the 13.5% as an habitat that can be a projected numbers. Once upon a time, the second CAPEX can be completed and we can be very much clearly a roadmap for this kind of the plan. Number two, the funding over. The Company has been looking forward for the QIP funding over which the shareholders and the board approvals can be done. And we have been trying up by December and the QIP can be successfully completed. We have been trying our level best to make the commitments over there and we can move ahead. So, last year the topline would be Rs. 880 crores and we have a target to complete of Rs. 1,500 crores in two years of this span. And in a three years of the span Company can be looking forward for the 1,800 crore as a topline. So, the working capital can be required and the QIP funds can be helped to this working capital gap can be fulfilled. And we don't have any other fund plan right now. About the equity ratios right now, it would be at nearby to the 0.5-0.6 and it can be a year-on-year, it can be improved. And in a couple of years, the looking to the internal accruals and the CAPEX. Once upon a time it can be completed. So, this debt equity issues can be also improved significantly in coming years. Thank you.

Deepak Purswani: Okay. And so just final on that part, what is a fund requirement to reach at the Rs. 1,500 crore topline? And what are the plan in terms of the funding it out? What is the amount we are looking out to raise through the QIP and what would be the debt level which we will be looking at?

Vijay Sanghavi: Yes so we have been looking forward for the Rs. 150 crore as a working capital for Rs. 880 crores to Rs. 1,500 crores of the journey. And we have been looking for we have taken the approval for Rs. 211 crores up to the QIP plan. And once upon a time, if and if we whatever the shortfall tie up can be there, then we can make the date fund otherwise it could not be required.

Deepak Purswani: That's it from my end. Thank you Vijay bhai and wish you all the best.

Vijay Sanghavi: Thank you, Deepak bhai. Thank you to connect us, please.

Moderator: Thank you. Our next question comes from line of Sahil Patani from Strokes Capital. Please go ahead.

Sahil Patani: Hi. Thanks for the opportunity. Thanks for doing this call. I actually sent a few emails to your investor relations as well to host the call. So, I'm glad that you're doing it. So, thank you for that. I wanted to understand really broadly on the business level, like what makes Ratnaveer Precision different to some of your competitors, right? Because you operate in kind of niche categories of stainless steel washers, fasteners, and other valued products. So, what more does our Company have? What is different that Ratnaveer has? Is it technology? Is it distribution? So, if you could just broadly throw some light on that?

Vijay Sanghavi:

Great. Very nice questions and I love it such kind of the questions always. Very important that Ratnaveer would be having three different kind of the products and the three different kind of the industries under the one roof. So, you can say that as a fastener industry which covers nut, bolt and the washers and clips is a precision component product can be covered under the one roof which is a very rarely shown. Number two, the second industry that is tubes and pipes and the special products of electropolished tubes and pipes would be under the one roof. The sheet metal component and automobile and the aviation and the marine industry railways, what the components of the product for the solar renewables, these are under the one roof. And the fourth would be the, we are the largest producer for the washers in a country. This could be different from the others. So, you can see that the three industries are the different, which can be growing in a scale of Rs. 5,000 crores-Rs. 10,000 crores very normally. And under the one roof, there is a three industries are there. And we are not dependent on the only one industry, which can be performed good or bad. But there is a three kind of the different products and the baskets and the categories what we have. We have a number of SKUs in a hand of more than 10,000 plus. That would be a great strength than the other competitors. We are the preferential buyer because of the under the one roof they can get the large bolt, washers, clips all together in a one family also there is a finishing line sheets there is a tubes and pipes and there is a house of the stainless steel would be there. So, other competitors have tubes than only tubes fasteners than only fasteners, sheets, and sheet metal components and only the sheet metal finishing line and the sheet metal components but here you can see under the one roof all these categories of the stainless steel products are available. We have not been depending on to the one industry or the second industry itself only. There's a variety kind of the industries we have been serving. That's why we could be very different from the others. There is a precision components, there is a volumetric products, there is a product which can be added a lot many engineering and the value additions. These are the different from the others. We are the green power company. So, utilizing the all 100 % green power to the Company. So, that can be help us. So, it would be a backward and forward integrated, fully integrated company. So, from scrap to raw material and raw material to finished product, we can be doing. So, there is a number of things are here where we have been very different than the other peers. And we could be very confident. It could be a 25 years old company. 1,200 people are working over there. And 25 plus CAGR growth we have been doing constantly and we try to remain the maintain for the future also. So, this is the largest growth points where we can be a differ than others. Thank you.

Sahil Patani:

Okay. Thank you. Thank you for that explanation. So, in that case, can you tell me like, you know, is this like a sticky business in the sense that we have long term contact contracts with clients or how does that work? Like, can it be like clients are taking this area using or taking our products for a few years But then they move on to some other company like you know, how are these contracts really working? No, it could be not a contract base. It can be a plant approval base So, our plant has been approved by them number one, number two looking to the deliveries looking to the product quality of the product and the services it can be a depending that customers can be retained to us or not number three. There is a order-to-order contract would be there. We don't have any long term contracts, but yes, it could be a pricing, price fixation of the product

wise and we have been working. So, we have customers to whom we are working with the 20 years plus. We have customers to whom we are working with the 15 years plus. So, that was the preferential of the customers and all is depending upon your services delivery. And the important is quality of the product is very important into the our kind of the products.

Sahil Patani: Okay. And since we also like have like a significant amount in, you we do exports as well, export business. So, does our export business have a higher margin than our internal India only business? And are we looking to increase our percentage of share outside of India in the export segment?

Vijay Sanghavi: No, there is not much variation over there. In our washers product and the fasteners contribution, that will get 20% for the exports in a overall consolidated balance sheet is concerned, but remaining will be for the domestic. But in for the washers, yes, we have been doing a maximum for the exports. It's a labor-oriented product, and the labor would be very expensive into the overseas of the countries like European countries and all the European countries over there. So, that's why it could be a marginally yes, the margin is better than domestic, but in domestic India, nowadays, it could be a very popular demands are there. For the railways, for the marine, for the automobiles, for the aerospace, as well as to the defense industry. There is a big present over there, and a lot of margins are there. So, importantly, it's not only the much gap of the margin, but yes, locally present as well as the local presence would make a difference. So, wherever the best margins are there, we have been looking forward over there. And we get the business and the contracts over there. And number two, the volumes is also very important. So, we're looking to the volume of the business together because somehow the margins are high, but volumes are very, very low, which also not can be a survive. So, we can maintain both the things, volume as well as the margins together. And cost efficient and the delivery and the quality would be a first priority on our side.

Sahil Patani: And you just mentioned that we'll be doing 1,500 crores in two years. So, is that for FY'27 or FY28?

Vijay Sanghavi: FY'27 is 1,500. FY28 is 1,800 crores.

Sahil Patani: Okay. That sounds very good.

Vijay Sanghavi: And you said our numbers, you see our numbers, what we delivered two years before when we do the IPO and what we committed over that and what we delivered, it is one year far ahead. Our projections can be completed. We could be very conservative into giving the numbers. So, our roadmap and the **17:51 PF path** would be there. So, we could be very much confident on our numbers to achieve it and deliver it whatever we committed. We want to be delivered ahead of it.

Sahil Patani: Yes, I think that's very commendable, sir. Thank you for that. And I'm hoping you will continue doing the concalls in the future quarters as well. And like this is just the beginning. So, you continue the trend of hosting con calls. Honestly, that's we have not done much more concalls in the past. In part of the many of the investors are being in the dialogues that you must have to be do the concalls and investor calls after the results that can be a fruitful and we acknowledge this part and we also learn out from this journey of over two years and we started the calls now and we definitely want that we can be a continue this practice.

Sahil Patani: Okay. Thank you so much sir. I think that's all I have.

Moderator: Thank you. Our next question comes from the line of Bhavesh Patel from Patel Investments. Please go ahead.

Bhavesh Patel: Thank you for the opportunity and congratulations on a wonderful set of numbers. Our Company continues to grow and achieve higher numbers. I appreciate everything you, Vijay bhai, management team as well as our employees are doing to make this happen. And in fact, as the prior person mentioned, I'm also very happy that having this first ever investor call is absolutely a step in the right direction. I have following questions for you to help explain. And the first question is, in the recent quarter, we saw some volatility in the EBITDA margin. Can you elaborate on the proportion of revenue coming from higher value product, like finished washers versus commodity grade SS products? And what mix are you targeting for next four to six quarters to structurally lift the profitability. Question number two, you are undergoing capacity expansion and you touched upon that in terms of one we completed and other which will be funded by the QIP. Can you please share the current utilization that we have across our existing plants and how quickly you expect the new capacity to ramp up? And once we do that, how much time it takes to get to breakeven? And will the CAPEX continue to help achieve the 25% plus growth that you have given? And on this, you already mentioned probably yes. question number three, given growth, and exports expansion, how is the company balancing working capital intensity? Should we expect inventory and receivable base to stabilize or increase in FY'26 for the remaining two quarters? And number four, I understand that the QIP is delayed. Will it impact our growth and CAPEX plans? And can you update us on the latest on the subject? So, once again, thank you for the opportunity and look forward to getting your answers.

Vijay Sanghavi: Thank you so much for your kind words and I definitely accept the things. I would be step by step answering your question about the EBITDA. Yes, the EBITDA margins were fantastically moving, number one. So, EBITDA margins were increased from 10.34 in Quarter 1 to 10.51 in Quarter 2. It could be a minor increasing margin, but yes, it can be maintained and it can be increasing. So, in the two years past, it can be a nearby to the 7% and in two years we can increase the margin gradually and step by step with the 10.5 % and it can be improving into the next two years. We have a target to reach to 13.5 % of the EBITDA. So, that can be a very much focused point by our management and our side that our EBITDA margin can be increasing fantastically. Number two, the new capacities, okay, so about the new capacities which is coming

up, right now this capacity of the, a part of this 48 crore of the CapEx that can be utilizing almost nearby to the 80% to 90 % of utilization. So, we are at the peak level of this as the engineering industry is concerned. Number two, about the new capacities, this year we targeted for the 50% to 60% of utilization that we are in line to utilize it. And remaining capacities can be coming up and the first year and second year can be established time in a normal engineering industries that we have been looking forward to. So, with this new capacities, the Company's growth plan of 25% plus that can be maintained. And about this, we have been targeting that how faster we can be growing. And we could be very confident that we could be achieving these numbers, what we have been expected over there. Parallely, the capital expenditures can be planned out and it can be overall managed and second CAPEX would be started by end of November, 1st week of December and July '26 would be commissioning date. So, we targeted that we can be complete our CAPEX in time and within budget and the quality of the equipment and the modern technology can be established in a Company to get the best output of the quality. So, number three. About the QIP, yes, we are in process. Once upon a time, we can get through this. We definitely updated the intimations to the exchanges and the information passing automatically. So, this could be in process and it can help us the company to growing in a better shape and give us the better shape and the numbers to the Company in coming time. And the numbers to maintain the 25% above growth cannot be a easy target. But yes, we have been able to succeed with the entire team with the blessings of the parents, God and the entire team supports and help. We can be sustained and maintain it. And in future also, we can get the team support and the blessings from the investors to all of the outsourced. And we try to definitely come out to maintain this kind of numbers as well in the future.

Bhavesh Patel:

Sure Vijay bhai, thank you for the explanation but can you expand on the inventory days? Do you expect it to remain the same? It's usually higher compared to and yes please. Yes, yes, yes. So, I'm sure that I missed this point about the inventory numbers and the working capital days, your point. But the inventories normally for the days, it can be 120 days, 230 days can be maintained. Last year we can reach to the 114 days. And but in normal industries when we are doing the CAPEX constantly the inventories for the one time can be definitely increasing the days. Yes, that is sure. But in coming years it can be maintained in between of 110 to 120 days. 120 days this could be a significant target for the company. So, first we can be maintained and achieve this target and then we look forward to better improvement into this field as well. And the working cycle has also been improved a lot and we try ourselves to give up the best results in front of this. This could be a topmost criteria into our focus in our eyes to look forward it and improve it because it can be definitely improve our direct profitability to the Company. So, we definitely concerned about it.

Bhavesh Patel:

Sure. And one suggestion is I think going forward, don't dilute the equity further because you have been diluting the equity so even though the numbers are going up, maybe EPS is not going up in the same ratio. If you want, there are other fundraising methods, probably lesser expenses from a shareholder perspective. That's a suggestion. But once again, thank you for everything you have done and all the very best. Thank you.

- Vijay Sanghavi:** Yes, I understand your point, understand the method of understanding, but yes, we could look forward to QIP and then we can be top for to diluting, that is what our target, but yes in QIP it can be somewhere, it can be hit, but EPS for the time being it can be heated, once upon a time the gross block, net block and the revenues of the internal accruals can be generated and automatically the cash flows and the EPS can be improved a lot.
- Bhavesh Patel:** Sure, thank you.
- Vijay Sanghavi:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Pranav from Prudent Equity. Please go ahead.
- Pranav:** Hello. First question was like regarding your plant and machinery. So, in March FY'25, that figure went increased by Rs. 129 crores from Rs. 95 crores to Rs. 224 crores, plant and machinery figure went from Rs. 95 crores to Rs. 224 crores. So, that's an increase of Rs. 129 crores, right? So, I'm assuming out of that Rs. 46 crore was the phase one figures. And you said that Rs. 40 crores were the R&D expenses. So, my question was, what is the balance 43 crore figure? does that account for? Okay,
- Vijay Sanghavi:** Pranav, this would be a very nice questions and we have our justifications over there also. The total of the last three years and the four years, whatever we have been done, the capital expenditure provides the product, the product development as well as the backward integration, forward integration, plus finishing line and the other project also. So, that can be accumulated. Accumulated capital expenditure can be done in a one spot of time. Number two, there's a 48 crores of the project, which can be a part of the project of around Rs. 60 crores. And the remaining part, which can be for the solar and the R&D and the dies and developments, work rules, roles development, machines and a number of SKUs we have been adding up for the fasteners nut and bolt and the clips that all can be together because without this we have a 2,500 type of the SKUs and right now we can be reached to the 8,000 plus SKUs and 10,000 SKUs so without the bolt nuts and the multiple of the bolt and nuts this cannot be a possible so it can be a done it. So, once upon a time this life can be a longer, so it can be accumulated for the product range for the once upon a time and the routine R&Ds and the routine developments can be going on. So, this could be a very clear identification over that. The remaining gap which can be a planning out, which can be done from the internal accruals itself.
- Pranav:** So, that balance 43 crore you're saying is accumulated CAPEX the past few years?
- Vijay Sanghavi:** Exactly sir, exactly.

- Pranav:** And additionally, you said that R & D you spend Rs. 40 crores on R&D. So, that's almost 20% of your whole plant and machinery figure. So, for a steel company to do 40 crores of R&D, what exactly is being done?
- Vijay Sanghavi:** No, R&D is a part of the development of the product, the speed of the product, the speed of the increase of the technology of the product. cost of the product development, cost of dyes and tools, cost for speed increase, the cost for making different SKUs, that is not of one year, but accumulated for 1-2-3 years combined.
- Pranav:** Your tax rate, why is that volatile over the past few quarters?
- Vijay Sanghavi:** Volatile means?
- Pranav:** Like sometimes you're giving like 9 % tax rate, 17% like that.
- Vijay Sanghavi:** We have been done into the solar energies, there is a sometimes the depreciation could be coming up higher percentage, so tax percentage can be go down, okay. And sometimes it can be a cost of the project and the taxation part, depreciation and there is a 3% to 5 % of the tax reduction also there into the last 3 years of the time. The 30% tax was like 25%. So, that effect will remain.
- Pranav:** Okay, one more question like Q4 FY'25, why was there no finance cost being paid?, Q4, last year your finance cost is very low relatively, why is that so?
- Vijay Sanghavi:** Sorry, I didn't understand.
- Pranav:** Your Q4 FY'25, your finance cost was lower compared to all the other quarters. So, why is that so?
- Vijay Sanghavi:** At this moment, don't have a number in my hand right now, but I can just explain you in just a minute. It could be increased than '24. In '25 is more because in overall the finance cost for '23-'24 whole year is at 12.8 crores and in '24-'25 it is a 16.67 crores, so overall it can be increased with around 35% of the cost. But Q4 has only 32 lakhs. Honestly, exact number is not with me right now. So, I cannot answer you right now. But year-on-year, if we see for full year, then which number I have in my hand right now. So, I can just tell you that the year, the '23-'24 is 12 crores and on the entire year, 16 crores. Need to check for particular quarters.
- Pranav:** Okay. And lastly, the QIP planning the Rs. 211 crores. So, I heard the majority of that amount will be used for working capital and additionally you are doing a CAPEX.
- Vijay Sanghavi:** Yes. So, it is that CAPEX plan is done using internal accrual and funding arrangement plan. That can be a tie up. The growth after the CAPEX, of Rs. 800 crores, need to take it to 1,200 crores-1,600 crores. So, working capital requirement will be there. Working capital incentive

industries is there. For that, we will take it from QIP raised. That can be used for the growth of Company.

Pranav: All right. Thank you for your time. Thank you.

Vijay Sanghavi: Thank you.

Moderator: Our next question comes from line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much for this opportunity. So, first up, just a few clarification. Now, tax rate you mentioned, it varies because of your investment in solar and all depreciation. So, going forward, what sort of effective taxes one should consider? Tax rate would be a normal. But sometimes the percentage depreciation, last year we invested for the solar energy for the 2 megawatts and the annual tax rate was, we did so the depreciation advantage 20%. This year it can be 40 % of depreciation, to the impact remains. And normally the plant and machinery has the depreciation. Plus there is a tax slabs, in that significant changes have been made 2 years back, so if you compare it will change minorly. Otherwise it can be the same.

Deepak Poddar: 25 % would be a standard tax rate for us.

Vijay Sanghavi: 22 plus something.

Deepak Poddar: Okay. Understood. And in terms of margins, you said next year 13.5% EBITDA margin. So, this year, what sort of margin we are targeting? FY'26?

Vijay Sanghavi: FY'26, we have been targeting for the 1,050 is a topline with the EBITDA of 10.5% to 10.8% is an EBITDA margin and there is a around 6% plus is a pet margin we have been targeting and at this moment we have been reaching to the 5.5%-5.6% of yearly and the EBITDA with the 10.5% and the topline was in line of Rs. 550 crores. So, it could look that we can be cross this Rs. 1,100 crores as a topline and EBITDA margin whatever we have been projected we definitely reach over that and PAT margin also we are been trying to do better than the projection.

Deepak Poddar: Okay, so Rs. 1,100 crores plus revenue and 6% plus PAT margin.

Vijay Sanghavi: Exactly.

Deepak Poddar: Okay, understood. Sir, from this year FY'26, of 10.5% to 10.8% EBITDA margin, you were talking about 13.5% kind of a margin next year, FY'27. So, this improvement, what will drive this improvement? What are the margin drivers we are looking at?

Vijay Sanghavi: Correct. We have been installing four megawatts of the solar plants, which can be helpers in the next two years of the span. This can be help us to improve the EBITDA margin as well as to the PAT margin itself because the power cost which can be going to 90% would be cut off after the

two years. That can be help us, number one. Number two, the value-added products which we have been introducing right now in our last CAPEX as well as to this CAPEX, which can be converted into the revenue and the profitability in coming quarters and the coming years together. That is a high-value product which have been introduced by a company which can be changing over the drive for the company's EBITDA as well as the PAT margin. Equally, is a tube product and the circlips and the sheet metal component which are also adding up the value-added products in a line together which can be helpful to improve our EBITDA as well as to the PAT margin. And parallelly, there is a depreciation part can be getting out and the EBITDA margin can be improving significantly. So, the roadmap would be very clear to reach to the 13-13.5 and this can be achievable and you see that where the company can be at the 6%-7 % that can be goes to the 10-10.5 and now next target would be in the next couple of years plus in the very next year, it can be reached to the 13%-13.5%. That is what the plan is.

Deepak Poddar: Correct. And what would be the, I mean currently you mentioned 8% value added mix, revenue mix. So, in two years, where you see yourself, value added product mix can go from 8?

Vijay Sanghavi: That can be a consolidated, that value added products which we have been introducing is the circlips and the fasteners as well as to the electropolished pipes and tubes and sheet metal components. In 1,500 crores as a topline, we targeted that 200 crores of the business from the value-added products which can be helpful to that product margin line would be at 15% to 20 % of the PAT. So, it can be help us to improving the significant margin from 6% to 8% or 8.5% very comfortably.

Deepak Poddar: So, out of 1,500 crores, around 200 crores would be value-added revenue mix?

Vijay Sanghavi: Exactly. And year-on-year, the total capacity what we are going to utilize is 400 crores. But at this moment for two years we have been targeting for 200 crores for the value added products revenue and in years-on-years it can be improving up to the 400 crores. So, this can be significantly you can see the transformation from EBITDA and the PAT to the company is a very significantly improved.

Deepak Poddar: Okay, so over the years evaluated revenue can be Rs. 400 crores also.

Vijay Sanghavi: Exactly.

Deepak Poddar: Can you throw some more light on your acquisition strategy? So, how are we heading there?

Vijay Sanghavi: Exactly. Company has been at this moment, we have been into the organic growth and have been doing greenfield projects. And this last greenfield project we have been living under process. Equally, company will be very focused to see the inorganic growth as well. Where we can find the company, where we get the customer acquisitions where the topmost clientele base can be, we can get it, the very smooth entry over there. Number two, the industry specific, we could be

look forward for the aviation and automobile entry point over there. So, we're looking forward for this also. And equally the company is looking forward to the topline of Rs. 600 crores-Rs. 800 crores and a good gross margin company can be earning out and the profit-making companies can be there so oversee the acquisition. We could be in the last year, we can be finding out one or two companies where this kind of the similarities have been there. The working capital is not been required. Only the equity to buy the company to add the more customer acquisition, customer relationship, healthy technological advantages, know-how and the technocrats and the talent managements, we can be higher up. So, we can be one of the aviation industry we have seen, also seen for automobiles, where there are air bus, air military, helicopters as well as in automobiles, Opel, Volkswagen, Mitsubishi, Sharp, these kind of companies we are serving. So, our plan is to acquire similar companies. We have been in dialogues with some. But still it is under the progress of the discussion. Nothing will be coming out very right now. There some developments going and very soon if we can get something positive news to that we definitely come across with all the investors and we are very keen about the acquisition strategy over there that we get a good inorganic growth from where talent, technology, skill and the strength if we get then we can and similar kind of the product what we have been doing right now, we will get entry to that and also get through the acquisition. So, this is what looking forward to, we find out the companies, we are into the dialogues and very soon or very soonest you can get the some news out of this also. I feel it is too early to discuss about this.

Deepak Poddar:

Okay, and what can be the quantum size of this acquisition?

Vijay Sanghavi:

Size of this acquisition would be at a nearby to the 150 crores and their topline would be at 600 crores-700 crores and the good profit margin making company.

Deepak Poddar:

600-700. and how will we fund this 150 crores through QIP? I mean is that the plan?

Vijay Sanghavi:

Yes. There is also a discussion right now in a one shot there is no discussion over there to be outflow of the entire amount. There is only the 51% acquisition done by right now and the remaining would be from the earning out model. So, whatever the company can be earned, and out of this we have to be paying out in the next five years. So, only the Rs. 75 crore would be outflow and we have our internal accruals to the plan to meet out the requirements.

Deepak Poddar:

Understood. And just one last small thing, what would be our current order book size?

Vijay Sanghavi:

Yes, so we have almost in the different kind of the range. We have a 3 to 4 months order books always in our hand and right now also we are being booked with the 3 to 4 months of the orders. So, we have been very much clear visualization of the Quarter 3. Quarter 3 already cleared, visualized there and 3 to 4 months order books will be with us.

Deepak Poddar:

Okay. That's very helpful, sir. I would like to wish you all the very best. Thank you so much.

Vijay Sanghavi: Thank you so much.

Moderator: Thank you. Our next question comes from line of Tanay Udeshi, who is an investor. Please go ahead.

Tanay Udeshi: Hello. Thank you so much for taking this question. And congratulations on a good set of numbers. I had a couple of questions. The first one is that you told that your sales projections are Rs. 1,500 crores to Rs. 1,800 crores, right? So, what would be the share of products which would be leading to such high sales? That is the first one. Next one is that our export turnover has been significantly reduced in 2024 and 2025 from 2023. So, what has been the impact of tariffs and what is the outlook going forward? The third question would be what is the share of raw materials scrap and acquisition of raw material? So, these are the three questions I had.

Vijay Sanghavi: Okay, great. So, first of all, the Rs. 1,500 crores in two years and three years of the span is Rs. 1,800 crores topline growth. That we have been doing the continuously the CAPEX, which can be help us to grow in this line. This year we targeted to cross to the Rs. 1,100 crores, nearby to Rs. 1,100 crores or Rs. 1,050 plus – Rs. 1100 crores in between of this we have been projected and we have been ahead on this line. The first half already completed 550, so half of the journey can be done. So, this visualization will be very clear. About the next growth of 1,100 to 1,500 crores, that could be a very, because of the CAPEX are being going on, so this and the capacities can be adding up. This can be help us to reach to this level. So, with this significant run rates we have been moving ahead on this line. Number two, for the exports in '23-'24, the exports can be reduced because of the domestic demand has been improving. Our washers have been mainly into the exports but our quantum of the production, quantum of the volume and quantum of the production will not be going any down. But here in domestic in India, the demand was fantastically improving. There is a lot of sectors have been opened up for us. There is also the new market for us. So, there is no any change over it in any kind of the product, just the market can be changed, otherwise nothing. And you can see the outlook into the next 2 or 3 years. Again, the exports are improving and the domestic market also can be improving. So, we have capacity also increasing. So, we can be substitutely equally sharing our products to both the categories over that. Number three, about the raw material acquisition of the scrap that can be a 50% from the domestic and almost the remaining 50% imports can be there. There is a huge, huge, huge quantities are being available for the scrap. So, for the raw material acquisition is not been a challenging of at all. This could be a hardly 0.01% we can be buy it out whatever the capacities are being available. So, it could not be any kind of the any challenges looking forward for the raw material sourcing or the scrap sourcing. Thank you.

Tanay Udeshi: Thank you so much. Just one follow up question. The first question I asked from the growth to about Rs. 1,500 crores. So, what category would be leading it?

Vijay Sanghavi: So, there is clips, fasteners, tubes, and the sheet metal components which can be going up the increasing the capacities. What the CAPEX we have been going to execute right now, that sales

can be converted into these numbers. Finishing line, we have a 10% of the capacity available to utilize it. So, we can utilize these numbers. But the majority would be coming from the fasteners, tubes and the sheet metal component and clips.

Tanay Udeshi: Thank you so much for taking these questions and thank you so much for hosting this concall. We would be grateful if you could do an investor presentation also along with the numbers if possible from the next quarter.

Vijay Sanghavi: Sure, we can incorporate the investor presentations. It is in to our mind and from the quarter onwards, we can be definitely look forward this.

Tanay Udeshi: Thank you so much, sir.

Moderator: Thank you. Our next question comes from the line of Bharat Aggarwal, who is an investor. Please go ahead.

Bharat Aggarwal: Good afternoon, sir. Sir, I two questions. First is, around the Phase 1 CAPEX, what is, like you mentioned that you will be running the Phase 1 CAPEX at 60 % capacity in FY'26. Is this understanding correct?

Vijay Sanghavi: Yes. So, any of the CAPEX for the first year, it can be projected for 50% of utilization. We targeted to 50% and end of the year 50%-55% can be utilized and very next year it can be reached to 80%-85% that can be in engineering would be 100%.

Bharat Aggarwal: And 80%-85% capacity, what will be the revenue expectation from this phase 1 CAPEX of around 45 crores?

Vijay Sanghavi: Yes, that can be expected of with the capacity of 80%-85 % they have been expecting Rs. 180 crores to Rs. 200 crores of the revenue would be expected from Rs. 40 crores - Rs. 45 crores of the CAPEX.

Bharat Aggarwal: Understood. And you mentioned that this will have a PAT margin of around 15%. So, it is a PAT margin of 15% or EBITDA margin of 15% is Phase 1 CAPEX?

Vijay Sanghavi: No, the phase one cap is not 51%. I just tell that 15% to 20 % of value added products that we have that is the clips, which can be generated 20%-25 % of the business margin, PAT margin over there. Our fasteners which can be 15% to 18 % of the margins, electropolished tubes and the semi-polished tubes which can be generated 12% to 15% of margins. So, average out would be 15% to 20% of the product, valued products can be introduced in this CAPEX as well as the Phase 2 CAPEX in coming years. Total revenue of both the CAPEX should be Rs. 400 crores, from which 200 crores revenue will give a topline of 1,500 crores. With this the profit margins of 6.5 % which can be come to the 8.5 % margin.

- Bharat Aggarwal:** Okay, understood sir. Thank you. That's all from my side.
- Vijay Sanghavi:** Thank you.
- Moderator:** Thank you. Our next question comes from line of Harsheel Mehta from Mehta Vakil & Company. Please go ahead.
- Harsheel Mehta:** Good evening, sir. Thank you for taking my question. Sir, you spoke about the copper clad laminates CAPEX. Can you share some more details about that? What the market scenarios like what our right to win is, who our competitors are etc.?
- Vijay Sanghavi:** Sure. So, it would be a very much noticed point by you and I would be appreciate that. Should we take up this note very precisely, number one. Number two the copper clad laminates are very energetic process and the first mover advantage to the Ratnaveer. At this moment, the copper cladded laminates is a 100% imports doing and we are the first company who are going to set up the plant in India as well. So, this could be a basic raw material for any kind of the PCB company. So, who are making the circuit board, they required the raw material as a copper cladded laminates. So, for all kinds of the AI automobiles, mobiles, as well as the chips, semi cons, wherever the PCB can be used, wherever the circuit board can be used for any kind of the devices of the electronics, electricals, wherever so the copper trade can be required. This is in the peak and the very large number of the market over there. We have been working with sincerely on the two years on this project and we come to the conclusion on to this plan 1.5 months ago. And two months before only there is 1 or 2 or 3 people have been announced, announcement which can be look forward. Wipro is coming, Syrma is also coming or Amber Enterprise also been coming up. So, we are also one of them to set up these facilities. And the numbers from the first CAPEX will be at 45 crores. And the numbers of 108 crores is revenue. 20% is EBITDA and 12% is the PAT. This could be expected numbers from this line. And it can be a changing curve to the company and to the part of the futuristic and very aggressive and the bullish market over there and the huge demand over there. In India and in Gujarat, there is 10% to 12 % of the PCB manufacture are there. And we are just producing for the 1% of the total capacity of the Indian consumption. So, this is what the starting of this first line. And we have a plan for five lines to install in the next three years. So, one by one, can be established this project and we have been moving ahead to this line. So, in the next two years, you can see the significant step ahead and the move ahead and very strategically we have been moving with this line. Thank you.
- Harsheel Mehta:** Thank you so much. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Ankur Aggarwal from RC Business House Private Limited. Please go ahead.

- Ankur Aggarwal:** The confidence in your company that is shown now, so after QIP, you are at 50% holding as promoter, so will promoter stake increase or decrease?
- Vijay Sanghavi:** We have already issued warrant for promoters which is due by March '26. So, adding that our stake will be 54%-55%. And after QIP we will infuse one more warrants from the side of promoter so that our equity will not get diluted too much and our stake will be intact.
- Ankur Aggarwal:** Somewhere in 50%?
- Vijay Sanghavi:** Yes,
- Ankur Aggarwal:** How much is the QIP amount, that we want from market?
- Vijay Sanghavi:** Up to 200 crores.
- Ankur Aggarwal:** 800 crores is total capitalization, which is 25% of today's market capitalization.
- Vijay Sanghavi:** Right.
- Ankur Aggarwal:** Thank you. That's all from my side.
- Moderator:** Thank you. Our next question comes from line of Rajneesh Behl from Sparsha Financial Advisors. Please go ahead.
- Rajneesh Behl:** Hello. The question is that what is our recycling capacity and are we able to meet all of our raw material requirement from our in-house recycling capacity or do we need to buy it from the market?
- Vijay Sanghavi:** What?
- Rajneesh Behl:** Recycling capacity sir. The recycling from scraps, to make steel, does it fulfill our capacity or we have to buy it from outside?
- Vijay Sanghavi:** Number one. Number two?
- Rajneesh Behl:** Number two sir, there are some export incentives lying in our balance sheet. In '24, it was around 142 million and this year it's around 166 million. Why is there delay in receiving export incentives?
- Vijay Sanghavi:** Okay.
- Rajneesh Behl:** Number three, sir, when I see your gross block is something around Rs. 200 crores now and your asset turnover ratio turns out to be around 4x to 5x, like you are doing a turnover of Rs. 1,000

crores. And now you are just doing a CAPEX of say 100 crores now, and looking at your commentary I can see that you are doing the asset turnover of 2x only. So, how can you achieve the target of 1,800 crores in coming 2 years?

Vijay Sanghavi:

Okay, so first of all, your question is about the recycling. So, recycling, we the capacity to recycle need the washers manufacturing, the parts needed is used through recycling. And after recycling, the basic raw material is converted into coils and made to a product. And partially, we purchase the raw material that we need extra cannot be made through backward integration, we buy it from outside. That is the first point. Number two, about the export incentives, there is a lot of many kind of the incentives are there for the GST refund and all of things which can be into the process to get it back from the government side which was getting delayed earlier, we need to buy it by reducing the duty compensation. That takes time. So, it one by one. That could be a procedure. Number three, about the 1,500 crores to 1,800 crores and your saying that asset turnover ratio, after our total CAPEX is now we are at 4x to 5x. After the full CAPEX, the complete utilization will be there. Then our topline will be 1,800 crores. and to that our gross block will Rs. 350 crores, then also it will be considered in 4x to 5x asset turnover. And the value added products added to that, which is 5%-6% profit of Company, it will be taken to 8%-8.5%. So, automatically the other than the asset turnover ratio the profit and the PAT and the EBITDA can be improved.

Rajneesh Behl:

Okay, sir. Thank you for your answer. Sir. But your Rs. 350 crores, you said that a 60 crores CAPEX there will be a turnover of Rs. 150 crores. That is only 2.5x. So, how will you be able to achieve 1,800 crore topline?

Vijay Sanghavi:

No sir, it is that 150 crore is only value-added products. The value-additions that are extra generated. Total CAPEX is 400 crores plus. Total revenue 400 crores plus. But the margins are different. So, the margin, value-added and value-engineering product where 15%-20 % is 20%-25% product. We were talking about how the profit will increase. That was his question, that how this can be a 6 % to 8.5 %. For that we said that Rs. 150 crores revenue will get added up. But Rs. 150 crores revenue on the 50% of the capacity, but if it is 80%-85%, then it will be around 200 crores-250 crores revenue. If 60 crores CAPEX is done, then 200 crores-250 crores revenue will get added up. So, like that 1,100 crores of topline will reach 1,500 and 1,500 topline will reach 1,800.

Rajneesh Behl:

Okay. And the second thing, sir, that you the QIP of Rs. 200 crore, so ultimately your previous participant's question, ultimately your holding will come below 50%.

Vijay Sanghavi:

Sir, I said that we are equally issuing warrant along with which equal valuation will not be there. And last warrant we issued, the 4 % equity will increase, so now we will 54%. And if new warrant issued after that, it will not go below 50.

- Rajneesh Behl:** Okay. Because your equity increases, the warrant you have issued of 20 lakhs, after that, your 53% will become 54%, but when your 25% below, then your 25% equity will be diluted very much, sir.
- Vijay Sanghavi:** No, that will not be diluted because our 54% if we are doing 200 crore warrant then our 8% will be diluted. So, the promoter is also putting money into it, so that the CAPEX will be there and growth also. And also CCL project is coming.
- Rajneesh Behl:** But if you have money, then why are you are going for QIP, why don't you take it from bank line for working capital? Why you want to go for QIP? Last time also said, and withdrawer it at the end. When you can have the credit lines from the bank, why you want to go for the QIP if you have the funds?
- Vijay Sanghavi:** Sir, it is like that, in capital market a confidence is there, capital market finance cost will also be there. And number two, if we are available in capital market, if others join with us, then our confidence will be high and institution confidence will also be high. Our growth will increase. It is like that if we were to take funds from bank there was no need to come to the capital market itself. So, this is not been an part of the point, but important is company is growing and all are growing together and promoter is also infusing funds and taking the Company forward. So, this is the way how the company can be inorganic and organically growing.
- Rajneesh Behl:** So, best of luck for your future endeavors.
- Vijay Sanghavi:** Thank you, sir.
- Moderator:** Thank you. Our next follow-up question comes from line of Sahil Patani from Strokes Capital. Please go ahead.
- Sahil Patani:** Thank you. Wanted to understand, given the stainless steel price volatility, to what extent are we able to pass on the raw material price changes to our customers?
- Vijay Sanghavi:** We have a fixed price orders. normally, the back-to-back order bookings can be done, for the 80% of the orders are covered up with the back-to-back order positions. So, there is no in case of the price falling down, we not gain the any kind of the extra advantages or the extra disadvantages. Means, there will be profit and there will also be loss, nothing like that. This could be a fixed order for the purchases of the raw material and fixed sale price can be done. So, back to back, this can be covered up with 80%-85% of the orders are being covered with this strategy. So, there is no much more fluctuations of extra advantage or extra disadvantage to the Company.
- Sahil Patani:** Okay. That's my only follow-up question. Thank you.

- Moderator:** Thank you. Our next question comes from line of Saumil Shah from Paras Investments. Please go ahead.
- Saumil Shah:** Yes, sir. Good evening. So, this Rs. 1,500 crore what we are guiding for next year and Rs. 1,800 crores for FY'28, this is organic growth or you are considering even the acquisition?
- Vijay Sanghavi:** No, we have not been considered any kind of acquisition up to the Rs. 1800 crore of the topline. This could be both the Greenfield projects can be covered up and in two years of the span, can be this year we targeted for the Rs. 1,050 crores and Rs. 1100 crores as a revenue. In next year is a Rs. 1,500 and the very next year it can be a Rs. 1,800 crores. So, this can be our greenfield projects which are been planning out for this month itself. So, we will grow from that revenue. There is no any acquisition consolidation would be adding up into the up to the 1,800 crores is the topline.
- Saumil Shah:** Okay, and this Rs. 1,500 crore what we are guiding for next year that is with 13.5% EBITDA margin? Is it correct?
- Vijay Sanghavi:** Exactly, yes.
- Saumil Shah:** Okay. And sir I think to the previous participant, you also said some acquisition 51% will be acquiring Rs. 600 crores-Rs. 700 crores revenue and all that.
- Vijay Sanghavi:** No, the question was whether you are looking at some acquisitions. We are looking at an acquisition, it's too early to discuss and disclose in detail about this right now. Because of this, this is undergoing discussions. So, there is no point of time right now to discuss on the acquisition. But yes, up to the Rs. 1,800 crores, is a topline. Revenues, EBITDA, PAT are being very clear. Journey and path are being very, very confident and clear. And in the next three years of this fund we can achieve this that the roadmap can be clear, product can be clear and market has been available.
- Saumil Shah:** So, basically whatever the acquisition will be that will be over and above this revenue what we are guiding 1,500.
- Vijay Sanghavi:** Exactly sir, you are very correct.
- Saumil Shah:** And do we understand that this acquisition will be post FY'28 or it can be in next one year also?
- Vijay Sanghavi:** Honestly speaking there is a lot of dialogues are going on. But this is moving ahead, moving ahead. But when it can be a closure and in the both of the interests, it could be speaking. It's too early right now. But we're trying our level best to do the best from over end.

- Saumil Shah:** Okay. And just final question. This QIP and private placement, what we are seeing, so that will be also preferential for the existing shareholders or only for promoters and institutional investors?
- Vijay Sanghavi:** No, QIP is for the institution only or for the AIF office only and the warrants are been only for the promoters which can be part of the not equity dilutions and we planning out we planning for the CCL project and everything. So, this can be helping us to growing up on this line.
- Saumil Shah:** Okay, so we are not planning for any preference for shareholders?
- Vijay Sanghavi:** No, not right now.
- Saumil Shah:** Okay. fine. That's it from my side. Thank you and all the best.
- Vijay Sanghavi:** Thank you.
- Moderator:** Thank you. Our next follow-up question comes from the line of Deepak Purswani from Svan Investments. Please go ahead.
- Deepak Purswani:** Thank you for the follow-up opportunity. Vijayji just wanted to confirm, you gave a very encouraging commentary on the guidance side that we are looking out to double up our revenue over the next two years. Can you give a sense of how has been our interaction with the clients? Business development side carries what type of activity which is giving us a confidence that these numbers are achievable, order book side plus what type of dialogues are going on with the clients for the new capacity? At the same time the value added product which you mentioned, can you speak related to that a little, whether it is client clients to whom we are pitching products or that is going to be the complete set of clients and what activities are going on in business development side and what initiatives which is giving us a confidence that this is a journey which we would be looking out over the next 2 years?
- Vijay Sanghavi:** Deepak bhai, number of things are being going on, before any kind of CAPEX is being done by the Company or the numbers can be planned. So, business development is the key activities which Company has been doing regularly and it would be a routine practice over there. Number one, for the fastener business, for washers, clips, bolts, and value added products over there. The Company has been establishing more than 25 years plus. We have been serving for the washers is a major products and for the washer, for the fasteners we are just serving to the 2% or 3% of the market share. So, there is a lot of humans possibilities of the business growing are been there. So, and we have been doing first phase we have been starting up the sales and revenue over there and we can be step by step, step by step the dialogues development of the customers are been in line with our entire team, the exhibitions, road show, magazines and many of them for the branding of the products are being going on the simultaneous activities over there. Number two for the tubes and pipes and the electropolished pipes is a very huge and the big market over there.

So, in that also we have taken entry for 5 years and we are growing slowly. The approvals, registration, certification which can be helping us to add the more value into the product. But now the routine production things are going on. So, about the current business profile, which we are doing and we are going to do, and the journey to reach 1,800 crores topline, there business perspective, demand perspective, customer perspective should be held close and leave no gaps. But as we have do value addition of the product, there will be some challenges for the approvals, the product approvals, for the critical applications, for the quality of the product of the critical applications. That is an ongoing journey where we can start with the simple product to complexity of the product journey will be in between. As we keep building complex products, the value addition increases. That's why this is an ongoing journey over there. Business development activities are very simultaneously on the key ground of these activities with our highest talented team members have been there who are being handling the activities very soundly. We are taking it forward.

Deepak Purswani: And sir, in that our export side of business, what is the contribution and how are you planning it going forward, that how it will shape out? And what are the initiatives that side to increase the export component?

Vijay Sanghavi: So, inside exports, we are seeing it in pipes, fasteners, and clips. And domestic demand has also improved very much. The way bullet trains, high speed trains, technological advantages, number two, about the metro trains and automobiles, the solar utilization all are increasing very much. And domestic demand is that much. And simultaneously export was very big demand over there. So, we are seeing that where highest product margin is available there we will improve significantly. We have a very strong presence in our exports itself for the last 20 years for fasteners. For clips we have been also attending last week the Brazil exhibition for the Tubotech, and this month we have one exhibition in the Europe itself for the Netherlands for the Maastricht. There is a stainless world over there. So, this is the promotion and the exhibitions are helping us to developing the more relationship with the customers. We are taking the business expansion forward. Parallely the export constellation, at least it can be maintained with the 15% to 20 % contribution. That is our estimation.

Deepak Purswani: Okay. Thank you and wish you all the best Vijay bhai.

Moderator: Thank you sir. Our next question comes from the line of Bharat Gupta from Fair Value Capital. Please go ahead.

Bharat Gupta: Hi sir. The first question is, the way you have explained with respect to CCL, so currently we are doing 45 odd crores CAPEX under the phase 1. I think that is with respect to the installation of a single line, right? Or it is a cumulative figure which we have put in for the five lines in totality?

- Vijay Sanghavi:** One line has 45 crores and if 5 lines within 3-4 years, it can be multiplied by, not exactly multiply by 45 but nearby to this figure.
- Bharat Gupta:** In totality, means asset turn somewhat close to 3x. So, going forward when we look at this figure, can be a Rs. 500 crore number going forward in 3 years.
- Vijay Sanghavi:** Very true.
- Bharat Gupta:** And sir with respect to margins, how are we placed in margins for this particular segment?
- Vijay Sanghavi:** For CCL, I just told you about this in a one line. There is a 20% EBITDA, and the 12 % is a PAT margin over there. In spite of this, is a lot of subsidiaries. lot of government incentives are also there, which we have not been counted over there. So, that is why it could be a very aggressive and very, very, very aggressive move by the Company. And it can be changing over in the transformation to the Company's shape and the image over there.
- Bharat Gupta:** And so we'll be starting over the production by when with respect to CCL?
- Vijay Sanghavi:** By September '26.
- Bharat Gupta:** So, BIS implementation is going to happen over there with respect to CCL?
- Vijay Sanghavi:** Yes. We targeted the implementation can be completed by July and trial production for the 60 days. And by September, we can be ready for the sales. This is what the projection estimation right now.
- Bharat Gupta:** Right, sir. And so with respect to demand, you were like you mentioned with respect to really good domestic demand is coming in place for us. So, like X of Railways, X of Solar, is there any other segment where you see a good traction of demand coming in place?
- Vijay Sanghavi:** It could be automobiles, the small transportation from two-wheelers to four-wheelers and the larger vehicles. Number two, the railways. Number three, the marine industry. Number four is aviation. Number four is a defense. Equally, all the engineering, ABC sectors, FMCG, as well as the pharmaceutical plants where the nut, bolt, washers can be used, the fasteners are being applied. Number two, the tubes and pipes can be used, the sugar refineries, the projects and the pharmaceuticals, dairy products all have been there.
- Bharat Gupta:** Correct, So, in your corporate presentation also sir you mentioned that it is likely to change which will be in favor of like from our current contribution of 5% from SS tubes it will be somewhat close to 21% odd right?
- Vijay Sanghavi:** That is right.

- Bharat Gupta:** Correct, so going forward like the way you have mentioned that EBITDA as a percentage will be somewhat close to 13% going forward I think probably next year. With respect to EBITDA per ton, where we stand at somewhere close to 25,000, is it clear that going forward the EBITDA per ton will be somewhat greater than 30,000 odd?
- Vijay Sanghavi:** Not 31,000, but it could be nearby to the 28,000 ton in two years of the span and very next year when the quantities of the value additions products can be increasing in a trend of the fully utilization capacities, it can be definitely crossed to the 30 plus.
- Bharat Gupta:** So, it will take near about two years to reach out to the record.
- Vijay Sanghavi:** Yes.
- Bharat Gupta:** And sir, just lastly with respect to the capital infusion by the promoters, I think going by the way you were explaining, somewhat around 100 crores odd to 120 crores odd capital infusion will be there by the promoters just to maintain on the equity which we currently have over 50%.
- Vijay Sanghavi:** Sorry, can you repeat me please?
- Bharat Gupta:** Yes sir, I was just saying with respect to the capital infusion which would be there by the promoters through warrants, without diluting, think 120 odd crores will be put in by the promoters just to maintain on the equity. Is my assumption clear?
- Vijay Sanghavi:** No. If we can do the QIP, then our equities can be diluted. So, not to dilute this there could be a plan that we can be do the warrants which the funds can be infused in our coming 18 months and immediately upfront we have to be infused at 25% but our equity can be maintained that is what the idea behind into this.
- Bharat Gupta:** Right sir, so just equity percentage that is above 50 now, to maintain that we will raise the equity through warrants, going forward. So, cumulative amount by the promoters would be somewhat close to 100 odd crores-120 odd crores?
- Vijay Sanghavi:** Yes, it is coming little less than 100, because we have done 4% warrant last year. That is to get converted still. So, remaining 4% will be there, so it can be nearby come into 70 crores to 80 crores or nearby to this. Exact figures we need to work out.
- Bharat Gupta:** And that will be just after the QIP itself where we will be infusing?
- Vijay Sanghavi:** Exactly.
- Bharat Gupta:** Right. That's it from my side. Wish you good luck.

Moderator: Thank you. Our next follow-up question comes from line of Tanay Udeshi, who is an investor. Please go ahead.

Tanay Udeshi: Hello sir, just a follow up question. You said that warrants have issued, right? So, how the basic and diluted EPS same? That was one question. And the second was that if our cost of borrowing from banks, annual report say we are getting loans in the range of 8.9% to 9.1% from UCO Bank, HDFC Bank. So, then our cost of equity from market which will be higher, right? So, then why are we borrowing and not taking debt? Which is a similar question.

Vijay Sanghavi: No, it is like that, when we had preference last year, then we had nearly 4% warrant issued, whose due date is March 26 and our 25% amount has come and remaining 75% will come by March 26. So, our 50 plus something, that can be go to the 54 approximately, okay. And if we do new QIP then there will be dilution of 6% to 7%. So, 4% will added, so additionally 2%-3% dilution will be there and this purpose will be resolved, number one. Number two, if we infuse in the future, we have to do CCL project, multiple lines needs to be done and if we infuse new funds then our stack will be intact and the Company will grow and so we can grow very well and move forward. And we can also good investors, good institution to the Company, number 2. Number 3, if we take borrowings from banks, then banking borrowings not only interest rate is there, but there is a mortgage, there is a mortgage facility, 30%-35% of the collateral securities, cost of the stamp duty, costing of the funds also gets infused. So, our purpose is that if we take funds from capital markets, that can be a useful fund for a company to the working capital in the growth. So, in that growth, institutions and long term investors gets involved and in long term, we all get the advantage, which banking won't give. So, that is what the thought process behind this. And that is why we are going to do the QIP.

Tanay Udeshi: Right. Okay. In the first question, in our profit and loss statement, is a basic EPS and diluted EPS. In that all our dilutive securities which we can redeem, that is also included. So, the current basic and diluted is called 9.31, that is my question.

Vijay Sanghavi: Yes, when the warrant is fully subscribed, then only its effect comes. Now the warrant is only 25% and 75 % remaining. So, as we infuse 75% in February-March into Company then EPS will change.

Tanay Udeshi: Thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Vijay Sanghavi for closing comments.

Vijay Sanghavi: Thank you so much, the investors, for the nice and the wonderful and the interaction and the learning questions, suggestions, and the recommendations. I am very much grateful to the Systematix groups, especially to Moksha and the entire team to conduct this call and helping us to interact with the investors. I hear with pleasure and grateful and thankful that we can as a

board of the management at the top management of the Company, we can be intact to the confidence, faith, and the commitment towards the investment as well as to the growth of the company. I hear with from the behalf of the entire team of the Ratnaveer from starting from peon to the top management, we are committed and we are committed towards our growth and our commitments of the growth would be very sincere and very commendable. I see that, we can see that in very shortest time, whatever we speak, whatever we thought, whatever we admire to make the Company we can do very sincerely and which can be converted into numbers. Thank you. Thank you so much for your time. Thank you so much for your wonderful interaction. And thank you so much for support. And thank you so much, Systematix team to be available. Thank you so much.

Moderator:

On behalf of Systematix Group that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.