**04th November, 2026**

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| To<br>National Stock Exchange of India Limited,<br>Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai –400051<br><br>NSE Scrip Symbol: RATNAVEER<br>Kind Attn.: Listing Department. | To<br>BSE Limited<br>Phiroze Jeejeebhoy Towers,21st Floor,<br>Dalal Street, Mumbai – 400001<br><br>BSE Scrip Code: 543978<br>Kind Attn.: Corporate Relationship Department. |

**Sub: Transcript of Earning Call for the Half Financial Year and Second Quarter ended on September 30, 2026**

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 03, 2026 with respect to the financial results of the Company for the Half Financial Year and Second Quarter ended on September 30, 2026, has been made available on the website of the Company at the link:

https://ratnaveer.com/documents/audiorecording/2627/Ratnaveer_Q2H1FY27_Earnings_Call_Transcript.pdf

A copy of the transcript is annexed herewith.

This is for your information and appropriate dissemination.

Thanking you,

**For Ratnaveer Precision Engineering Limited**

UMANG ANILKUMAR LALPURWALA
Digitally signed by UMANG ANILKUMAR LALPURWALA
Date: 2026.11.04 16:55:27 +05'30'

**Umang Lalpurwala**
**Company Secretary & Compliance Officer**

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# RATNAVEER PRECISION ENGINEERING LTD

# Q2 & H1 FY27 EARNINGS CALL

## TRANSCRIPT

3rd November 2026

04:00 PM onwards

SPEAKERS

**Mr. Vijay Sanghavi**
Managing Director

**Mr. Ajay Panchal**
General Manager Finance

**Ms. CA Swati Jagtap**
Finance Analyst

FINPORTAL

RATNAVEER

LET'S CONNECT

ir@finportalin.com

Date: 3rd November, 2026
Time: 4:00 PM

EARNINGS CALL TRANSCRIPT

**Ratnaveer Precision Engineering Ltd**

***Ratnaveer Precision Engineering Ltd - Q2 & H1 FY27 Earnings Call***

Hosted by Finportal

## MANAGEMENT REPRESENTATIVES

- **Mr. Vijay Sanghavi**, Managing Director
- **Mr. Ajay Panchal**, General Manager of Finance
- **Ms. CA Swati Jagtap**, Finance Analyst

## OPENING REMARKS

**Finportal:** Good afternoon, everyone, and welcome to the **Q2 and H1 FY27 earnings call of Ratnaveer Precision Engineering Limited**. We sincerely thank you for joining us today.

During today's call, the management will discuss the company's operational and financial performance for the second quarter of FY27, followed by an update on key business developments, strategic priorities and the outlook ahead. This will be followed by an interactive Q&A session.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. These statements are based on management's current expectations and assumptions and are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied. Participants are advised not to place undue reliance on these forward-looking statements. Please also note that this conference call is being recorded for compliance purposes.

Representing Ratnaveer, we have with us today:

- **Mr. Vijay Sanghavi,** Managing Director
- **Mr. Ajay Panchal,** General Manager of Finance
- **Ms. CA Swati Jagtap,** Finance Analyst

I now invite the management team to deliver their opening remarks. The presentation has been shared on the exchange, which you can refer to later. Following the opening remarks, we will open the floor for the Q&A session. Thank you, and over to you, sir.

**Mr. Vijay Sanghavi:** Thank you so much, Team Finportal, and good afternoon to all. I, Vijay Sanghavi, Managing Director of Ratnaveer Precision Engineering Limited, welcome you all to the virtual conference call for the Quarter 2 earnings call. I would be thankful to everyone who has spared their time to understand the company and to understand Ratnaveer better. The intention of this call is that the management can stay in touch with investors and institutions, understand your views and take your guidance on how the company can move forward. Thank you so much.

Here I present the company, Ratnaveer, at a glance**. Ratnaveer has completed 24 years on its manufacturing journey**; the company was established in 2002, and it is a continuous, ongoing journey. We have five facilities, with a total of 46,668 tons processed, over 800 employees, a **presence in 31 countries, and a base of 219 clients**. Many of our clients are shown on the screen, which you can see clearly in front of you.

This is the journey of our growth, integration and diversification. From 2002 through 2011 and between 2013 and 2019, we set up the backward integration process and completely established our track record. We have

also been recognised as **an EEPC Star Performer for 16 consecutive years**. In 2021, tube manufacturing was started and in 2023 the company completed its mainboard IPO. In 2025, the company also integrated its facilities and completed the preferential issue and the QIP. In 2026, we received the ECMS approval and announced the CCL project. In FY27, we have completed the rights issue, received the in-principle approval, and commenced the project.

Our **product portfolio covers stainless steel fasteners (nuts and bolts), stainless steel clips, stainless steel washers, stainless steel tubes and pipes, the finishing line, and sheet metal components,** which are our key product lines. **About 90% of our power requirement is met through green power**. We are certified with ISO 9001, ISO 14001 and ISO 45001, along with CE and BIS certifications. Our long-term credit rating is A- (Stable), and we are a 100% forward and backward integrated company.

We serve the global market across 31 countries through 89 distribution partners and a base of 219 clients, mainly in European countries, Asia Pacific, the Middle East and the rest of the world. We are located in India and serve nine states of the country.

On the industry overview, with structural tailwinds across all verticals: the industrial fasteners market is expected to grow from about USD 91 billion in 2025 to USD 115.67 billion by 2032. The stainless steel market is expected to move from USD 225 billion to USD 353 billion by 2034. India's installed solar capacity was around 73 GW in 2024 and is expected to scale towards the 500 GW renewable target by 2030. The tubes and pipes market, at USD 37.18 billion, is expected to reach USD 60.14 billion by 2034.

The new line for us, and the first of its kind, is **Copper Clad Laminate**, which is called CCL. It is the mother of all kinds of electronics and the PCB industry, and it is used by all kinds of **PCB manufacturers, for data centres, chips, drones and all electronic appliances.** India's PCB market is expected to reach ₹1,76,790 crores by 2032, and the Indian CCL market is expected to reach nearly ₹30,000 crores by 2031. The **planned investment by Ratnaveer is ₹338 crores over the next two to three years**, approved under the ECMS scheme by the Government of Gujarat as well as the Government of India. **The plan also covers an ₹86 crore investment in a solar plant for captive use.**

On the financial case, a revenue of ₹150 crores is expected from each line, so a total of ₹750 crores from all five lines. The management had already given guidance last quarter that we **expect ₹750 crores of top line from all five lines, with 20% EBITDA and 13% PAT.** However, because of the turn in the market, with **CCL prices having increased by more than 300%**, this could be a changing curve for the company, and a revision of the guidance will be announced very soon and very shortly. Till then, we are keeping the same targets and margins. There is a huge margin gap that can open up, and the bottom line can improve drastically. Very soon we will be present with the new guidance and the revised numbers.

Coming to the Q2 financials and key business updates: **revenue from operations stands at ₹387 crores**, growing at 35.46% year-on-year**. EBITDA has reached ₹42.13 crores**, an increase of 38.85%, **and PAT is ₹24.07 crores**, an increase of 55.97%. These are phenomenal and fantastic numbers, and the **historically highest performance by the company**. PAT margin has improved to 6.22% and EBITDA margin to 10.82%, and net worth has increased by 156%. **Return on equity stands at 9.66% and return on capital employed at 13.31%.**

This is a fabulous and fantastic growth, which we had committed to and have worked towards sincerely, and we are grateful and thankful to all the members who have been associated directly or indirectly with the company.

On the **CCL project update**: the **civil work and construction are almost complete, with the project about 75% complete**. The machinery is on the way and is expected to arrive in India by mid-November, and **installation**

**would take around 45 days**. The estimated **trial run period is from December 20th to January 20th,** and the product run can start from December 20th. This is the visible roadmap right now, and we are working towards it.

Ratnaveer has also been in the spotlight, featured on Moneycontrol and Mint, along with the successful rights issue and a lot of other social media and networking activity, which is continuously ongoing.

These are the consolidated P&L numbers presented. During the question-and-answer session, if anything specific is required, we can answer on specific numbers and segment-wise details, and any individual questions we can also answer separately.

This is the yearly trend, and our leadership team with deep execution experience: myself, CA Swati Jagtap and Mr. Ajay Panchal are with me right now. This is the standard disclaimer. Thank you so much for the presentation. Thank you.

## QUESTION & ANSWER SESSION

**Finportal:** Thank you so much, sir, for the great insights. We will now begin the question-and-answer session. I request the participants to please use the raise-hand feature and we will take the questions one by one. To ensure that we accommodate as many questions as possible, we request participants to limit themselves to two questions per turn. You are welcome to rejoin the queue if you have any additional questions.

To begin, we will take the first question from Srishti Jain.

**Srishti Jain:** Hello, good afternoon. Good afternoon, sir. Sir**, you guided yesterday in an interview that you are looking at margin expansion from 10% to around 13%. I just want to understand the main reason for that, and will it be just value-added products? I also wanted the volume numbers, for both year-on-year and quarter-on-quarter, if that is possible.**

**Mr. Vijay Sanghavi:** Thank you so much for connecting with us. Let me give you the highlights. The 13% PAT can be reached because the company has been focusing on moving from volume to value, and our PAT margin has been increasing very sharply. Looking at this, we have given a guidance of 10% on a consolidated basis for FY28, but we are looking towards the 13% PAT, because the CCL profit margin and the expansion of margins would possibly be higher than this. We are being conservative and we are ensuring that our new guidance will come very soon and you will see a clear roadmap and financial programme. And number two, what is your next question?

**Srishti Jain: Volume numbers for year-on-year and quarter-on-quarter comparison.**

**Mr. Vijay Sanghavi**: As I have been suggesting, we are looking towards FY28 with CCL, on the old numbers given in the past guidance, including consolidated, at a ₹2,500 crore top line, with EBITDA of 14% and PAT of 11%. But this guidance can change very soon, with new numbers being presented where the margins are improving a lot.

**Srishti Jain:** Thank you. **Sir, I want to understand the base business volume in terms of revenue, that is, the current business that we are doing: steel pipes, washers and so on.**

**Mr. Vijay Sanghavi:** On the side of revenue, you want to understand?

**Srishti Jain:** Yes.

**Mr. Vijay Sanghavi:** Okay. Last year we did ₹1,080 crores. This year we are reaching the projected target of ₹1,315 crores and we are very much in line with this year's projections. Up to FY28, we are targeting to reach ₹1,800 crores as top line.

**Srishti Jain:** Okay. And so, last question. **The finishing line business is running near capacity, so are we expanding there also?**

**Ratnaveer Precision Engineering Ltd.:** Yes, our CapEx for Phase 2, for fasteners, tubes and pipes, and also for sheet metal components and clips, is already ongoing. This year we are also spending CapEx of around ₹58 crores, which was already planned last year, and this will help us reach from a ₹1,400 crore top line to ₹1,800 crores.

**Srishti Jain:** Okay, thanks.

**Finportal:** Thank you, Srishti. We will move on to the next question from Mr. Priyanshu Jain. Priyanshuji, you can unmute yourself and ask the question.

**Priyanshu Jain:** Hi, am I audible, sir?

**Finportal:** Yes, very much.

**Priyanshu Jain:** Hi, sir, first of all, congratulations on the numbers. My questions are on the CCL side. I'm really sorry if I have missed the initial commentary. **We will be doing a trial phase between December and January, right? Can you tell us about the recent developments: has the China team already arrived? We are going to bring the machines by mid-November. After the trial production, when can we expect to reach around 60–80% utilisation for our first or second line, and then progress to the five lines? I think demand is not the constraint. How much time will it take to commercialise and reach full utilisation for all five lines?** This is my first question.

**Mr. Vijay Sanghavi:** Thank you so much for your kind words, and we appreciate the team. Can I answer your first question first? About the CCL progress, which I have already mentioned but am happy to mention again: number one, the civil work is complete and almost 75% of the site is ready. Number two, the machines are on the way and we expect them to arrive in the country by 15th to 20th November. Number three, all the machines are on the sea and the foundation work is ready, so we estimate 45 to 50 days for the commissioning and erection of the entire machinery. After that, we can start our trial run, which is targeted for 15th to 20th December. One month would be for the trial run and product development.

After that, on capacity utilisation, our target is as follows: for example, if the first month is February, we target 30% in February, a further 30% in March, taking us to 60% in March, and we can reach 85% by April. That is what we are targeting, and we are almost on our way.

The Chinese team is expected to arrive in India between 15th and 20th November to install the machines. We have also appointed a Chief Technical Officer who has 30 years of experience. He is a Chinese national who will oversee the entire machine installation, quality, product development and system development, and he has rich experience of 30 years across multiple industries with CCL, and enough experience to run this kind of machine. So we are quite confident. Initially, teething errors might take a week or two here or there, but looking at this roadmap, we are working very sincerely. And by April 2027, we can reach 85% of the capacity.

**Priyanshu Jain:** **So, will the 85% utilisation be on the two initial lines?**

**Mr. Vijay Sanghavi:** No. First, we are going to start with the one line which is ready. After that, in December–January, we have a target to place orders for another two lines. The second line is expected to start in June 2027

and the third line in September 2027. After that, we are placing orders for another two lines, which are targeted to start in January 2028 and April 2028. So all five lines will be installed by April 2028. That is the roadmap that has been decided.

**Priyanshu Jain:** Sir, from the time…

**Finportal:** Priyanshu, I would request you to please…

**Priyanshu Jain:** Just a follow-up on this only. I'm really sorry. **Sir, on the Chinese team: is it only the experienced person with more than 30 years of experience, or apart from him, are there other engineers from the team as well?**

**Mr. Vijay Sanghavi:** There are other engineers as well. Twenty-two engineers, for the various machines, are arriving, and one person will be staying here for the next two years to set up all the lines and handle the plant, the production and the quality of the product. So, a total of 22 plus 1 people are arriving for the installation of the facility.

**Priyanshu Jain:** Thank you, sir. I have many more questions, but I will take them offline. Thank you, sir and all the best.

**Mr. Vijay Sanghavi:** Thank you so much.

**Finportal:** Thank you. We will move on to the next question from Mr. Meet Mehta. Meet, you can unmute yourself and ask the question.

**Meet Mehta:** Yeah, hi, thank you for the opportunity. **My first question is: as we have seen that prices have increased, how does your margin get impacted when prices increase or decrease? Is it dependent on that, or is it just a cost-plus model?** Should I go with my second question, or take them one by one?

**Mr. Vijay Sanghavi:** You can go with the second question, no problem. And you are talking about this price increase for CCL?

**Meet Mehta:** Yes, yes, for CCL.

**Mr. Vijay Sanghavi:** Okay.

**Meet Mehta:** **My second question is: in CCL, we have different Tg (glass transition temperature) value grades. Which grade are we targeting? And what would be the end-user industries that you will be focusing on? Are there any plans to diversify into different grades and end-user industries?** Just some colour on that.

**Mr. Vijay Sanghavi:** Okay. On your first question, about the increase in CCL prices: as we all know, many circulars have already been published, and in the last year almost 300% plus price increase has happened. Because of the shortage of CCL, demand was very, very high and supply was short, and the ultimate result was the price increase. Raw material prices have also increased, but not equally to 300%; it can be an increase of 40% to 50% at maximum. In India, there are no producers available. The local demand in China is very, very huge, so if Indian companies want CCL, the suppliers can ask for a premium and the price can escalate. So it is very clear that the price increases in CCL must be passed on to the PCB manufacturers, and they can collect it. That is the job of the PCB companies.

Number two, on the Tg value: we are producing from 140 Tg to 180 Tg, and we are concentrating on all PCB manufacturing companies, including the automotive industry, EVs, electrical and electronic vehicles, the drone industry, satellite equipment, aerospace and all kinds of electronic devices that use CCL. We have a latest, modern, first-class facility which can produce from lower grades to higher grades, including multi-layer. We can

do FR4, we can do prepreg, and there are many other articles, single-sided and double-sided. We can produce copper thicknesses of 18 microns, 35 microns, 15 microns and 17 microns, and we have a massive thickness range in one plant, from 0.8 millimetre to 3.2 millimetre. So there is a very wide range of products covering all sectors, gradually and slowly, but we have a facility which can produce all kinds of Tg values.

The maximum Tg value right now used for critical components is 180 Tg, starting from 140 Tg. All commercial grades below 140 Tg are very simple products, which can be manufactured very easily. Thank you, thank you so much.

**Meet Mehta:** And one more small question. **Are there any talks of implementing anti-dumping duty on CCL, as the government is trying to localise this? Have you heard any talks on that?**

**Mr. Vijay Sanghavi:** No, no. There is no producer available in our country right now, so there is no scope for any kind of anti-dumping duty. There is a huge shortage and our PCB manufacturers are starved of CCL, so there is no scope for it right now. Anti-dumping duty can be imposed only when the local industry is injured: if importers dump the product and the local industry is hurt, only then does the question come up. Right now there is no question about it, because there are no manufacturers available, so no injury is possible. CCL is facing a huge shortage, so there is no question about it.

**Meet Mehta:** All right, that's clear. Thank you so much.

**Finportal:** Thank you. We will move on to the next question from Deeya Jain. Deeya, please unmute yourself and ask the question.

**Deeya Jain:** Hello, sir. Just two questions. **When we expect trial production in December–January, when can we expect the customer ramp-up to happen? And what is the reason for the lower employee cost?**

**Mr. Vijay Sanghavi:** I understand. On the first part, about CCL customers: we have already announced and circulated that we have started our marketing activity. We visited exhibitions in Bangalore and placed advertisements in magazines and Ratnaveer is now a very popular name in CCL. We have also personally visited the key PCB customers and 57 visits have already been done. We were warmly welcomed in the industry, because CCL has a huge shortage.

Number two, we have already received some order confirmations, and we have also received some long-term contracts. There are other contracts and discussions in the pipeline, and very soon, in the next couple of weeks, you will hear from the exchanges about the order booking and the long-term contracts for regular requirements. So this has been very well received, and demand and order booking are not a big question for this product right now. What matters is how we tie up these requirements well.

Number two, on the lower employee cost: the employee cost is continuing part. Some of the employee costs, which are part of the project costs, are capitalised, which is why they are not shown. Some of the costs are represented as job-work charges for contractual employees and are considered under job-work cost. That is why, on the analysis side, the employee cost looks smaller, but it is very well controlled and will remain in the same line. Thank you.

**Finportal:** Thank you. We will move on to the next question from Mr. Mayank Agarwal. Please unmute yourself and ask the question.

**Mayank Agarwal:** Thank you, sir. Thank you for the detailed presentation. I really want to mention one thing here: I really appreciate your efforts in identifying the CCL opportunity in the country early and taking the

courage to enter a business which you have never done earlier, and which nobody has done earlier in the country. This kind of entrepreneurial spirit is really appreciable. Our country really needs entrepreneurs like you.

**Mr. Vijay Sanghavi:** Thanks, thanks for this.

**Mayank Agarwal:** My question is basically this: **with all five lines functioning, we would be just 2% of the market, as mentioned in the PPT, 1.8%. Are we planning to add more lines going forward, or how are we thinking about that? Secondly, China has stopped exporting a lot of equipment and a lot of engineers of particular segments. Do we come under that or not? And third, competition: do you think more competition will come into CCL, or should we not worry about competition because there is enough demand?**

**Mr. Vijay Sanghavi:** Thank you so much, Mayank, and we are very grateful and thankful for your kind words about entrepreneurship and leadership. This is all about diversification, and we are committed to growing. We want to grow into futuristic businesses, and that is why we selected a line for the next future, which is electronics and Digital India. CCL is one of the ecosystem products which can help make sustainable Digital India and Make in India systems, and we could be one of the applied material suppliers for it.

Number two, your question about the five CCL lines and the 2% of the market. Yes, on the addition of new lines, our first target is to establish the one line, to establish quality, delivery and service, and a product quality which can be used for all segments up to 180 Tg, which are very critical and complex products. So our target is first to establish this line. We are very confident because we have a great, experienced and talented team. They know the machines, and they know the product very well, so we are very confident in their experience.

And on the addition of the other lines: yes, definitely. The business is growing at a 50–60% CAGR and there will be huge demand in India, and right now it is just the beginning. All the PCB players are fully booked for the next two, three, four years, and they are also entering into long-term contracts, so the demand for CCL will regularly feed all the PCB manufacturers. So definitely, first we establish one line, and then we have a plan to establish the remaining four lines over the next 18 months. After that, we will definitely look forward to the business and increase the volume in the same segment, because we are the first mover and we will definitely get an opportunity to serve the maximum share of the market.

Number three, on China's exports of equipment and engineers: no, this is not an issue. Our government and the Chinese government have a healthy relationship for equipment, and it is covered under the ECMS and PLI schemes. There is big support from the government side, engineers are freely available to come to India and establish the machines, and there are no restrictions on equipment either.

And on competition: the market is growing at a 60–70% CAGR and there are zero manufacturers available, so this is just a start-up phase. Right now, there is no saturation. Competition starts when the market becomes saturated. At this moment, the market is growing at a 60–70% CAGR, a number of industries are investing, and there are huge investments in semiconductor lines, data centres and chips. So at this moment, there is no scope for competition to arrive. Yes, we have to maintain the correct quality, and we have to maintain first-class delivery and service. Margins will stay intact because there are not many players, so there will be no price wars. After the five lines, we capture only about 2.5% of the market, which is almost nothing, so no market share will be lost. Our target in the next five years is to capture around 7–8% of the market share. That is the first vision for the company: to move from 2% to 8%. Thank you, Mayank. I think all your questions are covered.

**Mayank Agarwal:** Yes, yes, thanks a lot, and best of luck.

**Mr. Vijay Sanghavi:** Thank you.

**Finportal:** Thank you, sir. We will move on to the next question from Mr. Abhay Singh.

**Abhay Singh:** Yes, sir, first of all, congratulations on a great set of numbers. **My first question is regarding the CCL business: have you secured any offtake agreements or customer approvals as soon as the capacity comes live? And are these customers Indian PCB manufacturers, or are you going to supply to overseas customers?**

**Mr. Vijay Sanghavi:** Thank you so much for your wishes. We have already received some orders from the Indian domestic market first, from PCB manufacturing companies. There are also a lot of discussions on long-term contracts, and soft confirmations are available. As I said, in the next couple of weeks, or three weeks, we will announce the confirmations of all the orders. So right now, for the first line, or the second or third line, the market and the customers will not be a big issue. What is important is to establish the machines and deliver a product quality equivalent to imports. We have set up the facilities 100% equal to the global companies, and our next task is to maintain the product quality in the first category. Once that is done, all the PCB companies and users of CCL will come to us.

**Abhay Singh:** Okay. **My next question is regarding the working capital requirement. For the first line, which we are putting up for almost 15 lakh sheets of CCL, how much would be the working capital requirement at the initial utilisation levels, and what will be the requirement at peak utilisation? And how are we going to fund it?** And the next question: **the commissioning would be happening by the end of December, right, and production will start from January onwards. Is there any particular risk, such as approvals, orders or trial production, which might delay the commissioning of the CCL line beyond November or beyond Q4? Are we facing any such risk as of right now?**

**Mr. Vijay Sanghavi:** Okay. On the working capital part, we have already completed a very successful rights issue, which gives us enough liquidity for the working capital requirement. Number two, on the delays: this is the first facility of its kind in the country, and we have a roadmap plan. Up to now, we are on schedule. The machines are being produced and delivered in line with the plan, the civil work and the other approvals are on schedule, and there is no delay at this moment.

Once we complete the successful implementation and commencement of the machines and start running them, the synchronisation of all the machines together might take one or two weeks here or there, because there will be initial teething challenges. After that, we run the first batch and the second batch, and establish the formulations in prepreg, the glass fabric speed, and the synchronisation of all the raw materials with the product. Apart from this, we have a technical team that knows the machine and has already run this machine, so there should not be many delays. Initially, testiing challenges are possible, maximum two to three weeks here or there, but the product can be established. Based on the feedback from our team, they are very confident and have prepared the roadmap, which I will share with you. That is the point. Thank you.

**Abhay Singh:** Great, sir. Just one final question. **Regarding the cash flows: the new segments which we started at the end of FY26 raised our inventory and receivables at FY26 end. We usually expect the cash flows to come in the next half of the year, so the H1 effect. Is there any reason why the cash flows have not come through in this first half also, and when can we expect the cash flows to start coming?**

**Mr. Vijay Sanghavi:** Yes, sir, the cash flows will be available. For the CCL business, we have not yet counted any revenue this year, and the operating cash flows are under pressure only because of the CapEx, as the loading of CapEx is ongoing. Once this CapEx stabilises and all the capacities are fully operational, the cash flow will definitely turn positive. This is well within the line, and the roadmap is very clear. And already, if you look from Quarter 1 to Quarter 2, it has improved.

**Abhay Singh:** Thank you, sir. I'll join back in the queue.

**Finportal:** Thank you, sir. We will move on to the next question from Ms. Disha.

**Disha:** Hello? Am I audible, sir?

**Finportal:** Yes.

**Disha:** Yes, thank you so much, sir, for this opportunity. Just two questions from my side. **Firstly, sir, for this quarter we have seen EBITDA margins moderate a bit to 9%. What has led to that, and what is the PAT margin that you mentioned we are expecting for this year?**

**Mr. Vijay Sanghavi:** The EBITDA for the quarter, in terms of value, is ₹42 crores, compared to ₹37 crores in Quarter 1.

**Disha:** No, as a percentage, I'm saying it's 9.4%. **What has led to this moderation?**

**Mr. Vijay Sanghavi:** If you compare, Quarter 1 was 11.25% and Quarter 2 is 10.73%.

**Disha:** I was talking about without including other income, sir.

**Mr. Vijay Sanghavi:** Okay, only the gross margin?

**Disha:** Yeah, yeah.

**Mr. Vijay Sanghavi:** The gross margin was 10.33% in Quarter 1 and 9.44% in Quarter 2. It has dropped marginally, and the only reason is that the new products are on the way and the expenses have been booked while the sales are yet to come, so the gross margin has dipped slightly. But quarter on quarter, it will improve.

**Disha:** Okay. And so, **what is the PAT margin that we expect for this year?**

**Mr. Vijay Sanghavi:** The PAT margin this year is expected to be around 6.25%.

**Disha:** Okay, fair enough. **Just on the tax rate for the full year: this quarter the tax rate was only 13%. What should we model as the effective tax rate for this year and going ahead?**

**Mr. Vijay Sanghavi:** It depends on the calculation of depreciation, the expenditure on R&D and all those things, so the tax rate can change slightly. It can be worked out with the auditors and the team members who look after it. I think the tax rate would be near last year's, which was also around 15% or so, and we can work it out. This year also it might be the same tax rate, or near to it.

**Disha:** Okay. **And just the last thing on the CCL side: you mentioned that there have been 300–400% price increases. Based on these assumptions, what sort of increased profitability or margin should we expect? I know you are very conservative in the numbers you have given, but given the way prices have moved, what potential EBITDA margins can we get now from this CCL business?**

**Mr. Vijay Sanghavi:** This is a very interesting question and I am also very happy to answer it, but it is too early at this moment. Honestly, the company has already been receiving orders from two companies. Long-term contract discussions are going on with seven companies, and the response has been very positive. We are getting very attractive profit margins on these orders, and the order volume is also very high. Contracts of two years, three years and one year will be done. A single line of business has the potential to generate ₹500 crore in revenue, and the company has already secured orders of the required size and quantum to support this revenue potential. The other aspects are also progressing well; however, I cannot disclose any further details at this stage. The margins have improved fantastically, and very soon you will get the numbers and the drivers as well.

**Disha:** That is very good to know, sir. And sir, you said that the second line will start…

**Finportal:** Disha, I would request you to please get back into the queue.

**Disha:** Yeah, sure, thank you.

**Finportal:** Thank you. We will move on to the next question from Mr. Vineet Khatri.

**Vineet Khatri:** Very good afternoon, Vijay sir, Ajay sir. Congratulations for a good set of results. Sir, I know you are telling us about disclosures of your potential customers in a week or so, but **just directionally, since Wipro Engineering, one of the other players who have also put up CCL lines, is present in South India, are we approaching PCB players in Gujarat and the northern region, or are we also going to the south? You mentioned that you have visited 57 companies. You also mentioned a 300% price increase in CCL pricing, and that even ₹500 crores of turnover from one line is possible. So directionally, what is our right to win? Are we providing them cheaper pricing than what they are currently procuring from China? Are we providing them better lead times? What are our propositions to them?**

**Mr. Vijay Sanghavi:** Yes, good afternoon, Vineet. We are very happy to see you on the call, and very happy about your questions on customers. Yes, we will be sharing very soon how we are moving ahead, and we are open across Pan-India. We are moving to all the OEMs across Pan-India. Right now, all the PCB manufacturers are starved of CCL, so everybody welcomes us very pleasantly, and the entry point is very, very clear. They are also approaching us directly and visiting us. They are meeting us and they are excitedly waiting for our production to come out, so that we can come to agreements and contracts.

Number three, on the turnover: that depends on pricing. At the prices going on right now, we can very comfortably and conservatively reach the target of ₹500 crores on one line. That looks very easy and very prominent. At this moment, the management has not announced the guidance, but looking at the order positions and the current pricing, these are phenomenal numbers. The price increase is very well known across the industry; articles in newspapers, magazines and associations are available, so everyone knows about it very clearly.

On CCL, our first target is to approach customers across Pan-India: south, north, west and east, all covered by us. We are also getting enquiries, which we are very excited about, from Japan, the US and Europe, so the exporters are also looking forward to us. China, Taiwan and Korea are the key manufacturers, but their local demand is very, very huge, with the industry growing at a 70% CAGR, which is a very, very huge number. They also do not have excess material to export to India or other countries. That is what is going on right now. Thank you, Vineet.

**Vineet Khatri:** **So, irrespective of pricing, sir, we are in a situation where we can even command higher pricing, or probably similar pricing to what people are importing from China, and still get the customers?**

**Mr. Vijay Sanghavi:** True. At this moment, for the initial bookings, we can keep the pricing at par with the Chinese, or slightly 0.5% to 1% lower than the Chinese, and customers get extra advantages: on wait time, on logistics cost, on foreign exchange fluctuation risk, and they can also get deliveries quicker and faster. They can also order what they require and what they want. All of these are hidden advantages, which also have a huge cost impact.

**Vineet Khatri:** Sir, that is very good to hear. In fact, the guidance you have given of capturing 7–8% market share by FY30, with the price increase that has happened, I think in a few years you can get to a market share of more than that as well. **And, sir, one final question from my side, with respect to working capital: since raw material pricing has also increased by 40–50%, as you mentioned, correct? I know you have done a fundraise via the**

**rights issue, and you also have a good cash balance from the fundraise, but are we looking at any fundraising via the equity route anytime soon, sir?**

**Mr. Vijay Sanghavi:** No, not at all. There is no plan right now for any kind of equity raise or any new fundraise.

**Vineet Khatri:** **All the five lines are probably covered, right? Even the working capital for them will not be a challenge, sir?**

**Mr. Vijay Sanghavi:** Mostly, all five lines are covered through term loans, and if required, banks are available. In addition, the interest subsidy and the ECMS scheme are also available, so there is no concern there either. And a 50% cash subsidy is also available, so in the coming years, 50% of the CapEx amount will also come back as cash flow to the company. So the company has enough cash flows.

**Vineet Khatri:** Perfect, sir. And I think there is also an incentive of 1 or 2% to the buyers of CCL from you, if they are procuring from you. **So what is the exact number, sir?**

**Mr. Vijay Sanghavi:** 2%.

**Vineet Khatri:** 2% of the purchase value, which they will be subsidised by the government.

**Mr. Vijay Sanghavi:** Exactly.

**Vineet Khatri:** Perfect, sir. All the best, sir. Looking forward to meeting you offline as well, soon. Congratulations once again, sir.

**Mr. Vijay Sanghavi:** Thank you so much.

**Finportal:** Thank you, sir. I have one question in the Q&A tab, which I am reading out for you.

**Question from the Q&A tab:** **Syrma SGS was supposed to start a CCL plant, but confirmed in yesterday's call that they are postponing the CCL plant. So this could be a big plus for Ratnaveer. How many other companies are planning CCL plants, and what are the updates?**

**Mr. Vijay Sanghavi:** Thank you, madam. Syrma SGS is an expert and talented manufacturing company. They are into PCB manufacturing and are leaders in it, and we respect this company a lot. They are more focused on flexible PCBs, where very limited players produce such critical and complex products. We know that their main focus will be on developing their core area, which is very important for them and where they have the expertise and the technical know-how. They definitely look towards forward integration, where margins are high, bottom lines are high and the order book is fantastic.

At this moment, we already know that they are not looking towards backward integration right now, where there could be saturation, fewer orders and competition. Only if they want to cut costs would people look at backward integration. So there is no question that this renowned and expert group will look at forward integration first. It is a fantastic move by them, and flexible PCB is a huge market in the country as well. In the coming years, it is the future, and a fantastic product.

So it is definitely a big plus for CCL manufacturers in the country. Some players have not come, but right now the serious start by Wipro and Ratnaveer is well noted. Others might plan, or might think it over, maybe one or two years later, but the serious manufacturers coming up, which we know of, are two names: one is Wipro, and the second one is…

**Finportal:** Thank you so much, sir. That was the last question for today. I thank all the participants. I now request the management team to please share their closing remarks.

**Mr. Vijay Sanghavi:** On behalf of the Ratnaveer team, from the senior management to the board members, I myself, Vijay Sanghavi, along with Ajay Panchal and Swati Jagtap, would like to express our sincere gratitude for your kind words and your interest in understanding the company. Your interesting questions always inspire and motivate us, and we, as team Ratnaveer, are committed to balanced growth in diversified areas. Whatever guidance the management has announced, we are committed to deliver, and we are trying to be a part of the Indian growth story and also to develop new diversified areas where the opportunities are good. The future is bright.

Thank you so much for your participation and for your understanding of the company, and I hope I have answered your questions satisfactorily. If you have any other questions, you can connect with Ajay and Swati, and in case they do not respond, we are here to answer. Thank you so much for this call, for your time, cooperation and support, and best wishes.

Thank you to the Finportal team for coordinating such a huge participation and for such a nicely arranged call. We are always grateful to the Finportal team for their extra efforts, and we are always transparent with the investors and institutions who join us.

One more thing: we are very near to our auspicious festival, Diwali, so I want to wish everyone a happy, safe and secure Diwali. May the new year give you a lot of happiness and success in your life. Thank you so much.

**Finportal:** Thank you so much, sir. On behalf of Finportal, I would like to express our sincere gratitude to the management team for taking out the time to share the company's performance and address all the investor queries. If any query remains unanswered, please feel free to reach out to the email address given in your chat box. A recording of this earnings call will be made available in due course. Thank you once again for joining us. This concludes today's earnings call. You may now disconnect.

**Mr. Vijay Sanghavi:** Thank you.