Simplex Castings Ltd.

[An MSME Unit (Small), Reg. No. UDYAM-CG-05-0000018]

The Cast Master

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CIN:L27320CT1980PLC019535 **GSTIN: 22AABCS4650E1ZT**

IAS ACCREDITED Management Systems Certification Body MSCB-174

ISO 9001:2015 & ISO 14001:2015 Certified Company

Complete Machining (with CNC) & Equipment / Fabrication Solution

Date: 24.08.2026

To, The Manager Department of Corporate Services **BSE Limited** PJ Towers, Dalal Street Mumbai-400001 **Scrip Code: 513472**	To, The Manager **Calcutta Stock Exchange** Address: 7, Lyons Range, Dalhousie, Kolkata700001, West Bengal **Scrip Code: 29066**

Sub: Submission of Transcript of Earnings Conference Call held on 19th August, 2026

Dear Sir

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on 19th August, 2026 in relation to the financial results of the Company for the Quarter ended 30th June 2026.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR, SIMPLEX CASTINGS LIMITED

CHANDRA SHEKHAR SAHU

Digitally signed by CHANDRA SHEKHAR SAHU
Date: 2026.08.24 17:54:14 +05'30'

CHANDRA SHEKHAR SAHU
Company Secretrary
Membership No.: A80899

SIMPLEX CASTINGS LIMITED

Q1 FY27 Earnings Conference Call

August 19, 2026

MANAGEMENT: **MR. KETAN SHAH – CHAIRMAN & EXECUTIVE DIRECTOR**
MR. AVINASH HARIHARNO – DIRECTOR

MODERATOR: **MR. AYUSH DIVECHA – MERLIN CAPITAL ADVISORS**

Ayush Divecha: Good evening, ladies and gentlemen. We welcome you to the Q1 FY27 earnings conference call for Simplex Castings Limited. We must remind you that the discussion on today's call may include certain forward looking statements and must be viewed in the relation to the risks that the company faces. Over to Mr. Ketan for opening remarks and financial performance and business highlights, followed by highlights by Mr. Avinash and a Q&A with the participants. Over to you, Mr. Ketan.

Ketan Shah: Good afternoon everyone and thank you for joining us for the Simplex Castings Limited Q1 FY 27 earnings conference call. We are joined by my Director of Finance, Mr. Avinash, and our Investor Relations partner, Merlin Capital. I would like to begin by saying that we entered this year with significantly greater confidence in direction and scale of Simplex Casting than we had a year ago. I would like to begin by saying that we for more than six decades, Simplex has built deep engineering and manufacturing capabilities across heavy castings, fabrication, machining and EPC sections. We have created a strong position across various sectors like steel, power, railway, mining and other critical industries. But today our objective is very simple to not only to preserve this legacy but to scale it. We have been talking about Simplex 2.0 and Q1FY27 provides the right indication for what we mean by that. The opportunity ahead of Simplex today is substantially larger than what we have historically addressed. We are witnessing strong demand from many manufacturing sectors where our existing infrastructure, manpower and engineering capabilities allow us to participate in increasing larger opportunities. We have strengthened our building capabilities and intended to convert this demand environment into materially larger order pipeline. At the same time, railways will become an important new growth vertical for Simplex. Beyond railways, we are actively expanding out of opportunities set across various other sectors like defence, oil and gas, shipbuilding and such sectors. The strategy is simple. We want to participate in larger projects, manufacture more complex and higher value products, diversify revenue based on and extract substantially greater productivity from manufacturing platform that we have already built. Today, the opportunity landscape for Simplex is significantly broader than it has all any time in the past. Across thermal and power, railways, defence, oil and gas, shipbuilding, multiple opportunities have opened for the company at the same time. These opportunities are clearly visible to us. The focus now is on converting these opportunities into orders and orders into profitable revenues. With that, I request our Director of Finance to take over the financial components for this quarter.

Avinash Hariharno: Good Afternoon everyone. Revenue from operations for Q1 FY27 stood to 60.95 crores, registering a strong approx. 35% year on year growth from 45.21 crores in Q1 FY26. Revenue also grew 11% subsequently from 54.76 crores in Q4 FY26 EBITDA increased above approx. 25% year on year to 11.52 crores compared with 9.15 crores in Q1 FY26 with an EBITDA margin of 18.89%. PAT stood at 6.86 crores up to approximately 45% year on year from 4.74 crores, while PAT margins improved to 11.25% from 10.48%. Beyond the financial performance, we are particularly encouraged by the significant improvement in the scale and quality of our business pipeline. Our near term order book has expanded to roughly 150 crores plus as compared to the historical range of 80 to 100 crores. Providing a strong revenue visibility going forward. I would also like to spend a moment on working capital because this remains an important financial priority for the company. We have already initiated a strategic shift in the product mix at Unit one with a great focus on faster moving products and having a shorter execution and realization cycle. Therefore place significantly lower pressure on working capital. We intend to progressively implement a similar product mix strategy at Unit 3 as well. However, I would like to emphasise that changing the product mix as an engineering and manufacturing business is a gradual process. It involves changes across order selection, production planning, capacity allocation, customer mix. Therefore, the improvement in the working capital cycle will happen progressively and may not be fully visible on immediate basis but it will be soon visible. For FY27 should be viewed as an important transition year in this journey. By FY28, we expect an operating cycle with the much more controlled and disciplined working capital structure, with a targeting days of 60 to 70 days. This is particularly important because Simplex is already generating a very decent cash flow from operations. As working capital becomes efficient, a greater portion of our operating cash generation should translate into free cash flows rather than remaining tied up in the operation cycles. Therefore, our objective is not only to grow revenue and profitability, we want the next phase to grow to be significantly more cash efficient. With this, I would like to thank our employees, customers, suppliers, lenders, shareholders and our stakeholders for their continuous support and confidence in simplex castings. I would open the floor for question and answer sessions.

Ayush Divecha: Thank you, Mr. Avinash. Thank you, Mr. Ketan. Dear participants, we will be starting with the Q&A section of the call. If you wish to ask a question, please use the raise hand feature available on your Zoom dashboard. We will take the first question from Mr. Dhaval Pandya.

Dhaval Pandya: Hi, good evening Ketan Sir and Avinash Sir.

Ketan Shah: Good Evening Sir.

Dhaval Pandya: First of all, congratulations on good set of numbers. Since you shared that the demand is robust, it is all on execution now. So can you tell me capacity utilization? What are we running?

Avinash Hariharno: We are roughly learning on 50 to 60% capacity utilization right now, Sir.

Dhaval Pandya: Okay, and what about this year?

Avinash Hariharno: It will start gradually increasing from this year, Sir. We are targeting to reach at least 80% by the end of the next financial year.

Dhaval Pandya: Okay. And what is the current capital work in progress and when can we expect it to complete?

Avinash Hariharno: Capital work in progress is roughly around 30 crores. And that has been deployed in both working capital needs and capital expansion.

Dhaval Pandya: Okay. And if you can also tell where is this CAPEX happening?

Avinash Hariharno: Currently in Tedesra Unit Sir.

Dhaval Pandya: When will this be completed?

Avinash Hariharno: This financial year.

Dhaval Pandya: Ok. And also we have been hearing a lot on casting and forging demands for data centers which can be made by the company making craftshafts. So for the crafting for diesel generators. So if you can throw some light on this or if we are planning on anything on this?

Ketan Shah: The crankshaft is a very specialised item. We are not doing it basically because it involves casting part we can do. But the machining and those kind of things are quite intricate. It is a very specialised and intricate kind. So that is not honourable radar at the moment. But other castings, smaller castings for data center, yes, that is what we are looking at.

Dhaval Pandya: OK, understood Sir. Thank you very much for answering my questions.

Ayush Divecha: Thank you. We will take the next question from Mr Mithun Maity.

Mithun Maity: Good afternoon, this is Mithun. Sir, we are planning to have around 200 bogies from as in casted bogies from September 2026. So are we on track to do that?

Ketan Shah: Sir, we had said that we are expecting the wagon orders in August, September. Once we have those wagon orders coming to the wagon makers, then only we will we would be in a position. Yes, for normal wear and tear that is required by railway, we are we have quoted some tenders. We are expecting that to happen maybe in September, but the major capacity consistently 200 bogies. Will only start when railway tentatively is going ahead and placing the wagon orders.

Mithun Maity: OK, fair enough. We also plan to do some job work for Mazgaon dock. Are we doing that or how it does?

Ketan Shah: So Mazgaon dock, we are doing some castings for the for the big shipbuilding that is going on at the moment. The first 3 sets have already been casted. The first has been offered for inspection and this order is for 5 sets followed by one more order which is in the pipeline.

Mithun Maity: And how big are the order size over here?

Ketan Shah: On an average, the first order for 5 sets is about 4 and a half crore rupees. The one pipeline is about 8 odd crores.

Mithun Maity: OK, so are we expecting these kind of orders or are we expecting more bigger orders in coming coming days?

Ketan Shah: Sir, we definitely we are expecting much bigger orders because of the thrust the government has put in the sector. And we have been in traditional we have. This is a market that we have been serving for last many years. So whether it is Mazgaon dock or Goa shipyard or Hindustan shipyard or Cochin. Even the private players, they have been buying these castings from us and we are one of the few players which are which are visited in American Bureau of Shipping and Indian Bureau of Shipping both. So we have the certifications. So we are expecting these orders because it involves some intricate machining. Also in the size of castings is really huge. So we definitely have better chances than other companies.

Mithun Maity: And my last question with regards to the revenue guidance, we have been provided a guidance of around 300 crores for FY27. Do you think we are still on track as an based on the order books on the orders which we have and the coming days, will we get more orders something like that?

Ketan Shah: Sir we have done already 60 in Q1. And the balance about 150 crores, the order book that also needs to be finished in this financial year. And definitely there are some orders in pipeline which also we would need to do it by March. So 300 we are in line Sir.

Mithun Maity: Yeah, OK, great Sir. That's it. Thank you.

Ketan Shah: Thank you.

Ayush Divecha: Thank you. We will take the next question from Mr. Praneet.

Praneet: Hi Sir, thank you for the opportunity again. So I just wanted to ask in terms of working capital, Mr. Avinash mentioned the fact that we might come down to 60 to 90 days. Could you give some more light on to it because we are almost double the number of days today. So how are we going to get there?

Avinash Hariharno: Sir, we have few plans and few government websites supporting us on this. We have selected few of the products which are very fast moving. When I say fast moving, I can say that railway products, the bogies which we are going to manufacture, they take about 30 days cycle, 30 to 45 days cycle complete. I mean if we manufacture anything by 15th of the month, by 30th of that month only the cycle comes, the payment comes. So that is one thing very good. And if that railway bogies are being sold to the wagon builders now, then they have to pay upfront and then only the goods will go from my factory. So this is one thing which we were eyeing the product mix. Secondly, is the RXIL and this Invoice Mart platforms from whom we have already got registered and are getting payments. Roughly around 30 to 35 days in a timeline after dispatch. So by increasing this structure now overall 100 or 120 days will come down to roughly figure of 60 to 70 days by next year end we are envisaging that.

Praneet: Sir, So can you give a broad spectrum how much would be the invoicing deduction versus the fast incremental railways business reduction and overall working capital? Could you split to 120 days?

Avinash Hariharno: Sir, currently we are not doing any railway business, so that impact is not there. Yes, next year we are targeting more than 100 crores from this business only. And in last year also we did not do any power sector, any BHL orders which we have already got through RXIL. So another 100 crores from power sector will get added. So that will suffix this. There is no simple calculation, but we are emphasising that it should come down.

Praneet: So the existing products will not change that much, but new products which are coming in will have.

Avinash Hariharno: Yes, the major player in reducing that cycle.

Praneet: Understood, Sir. And how much are we in terms of foregoing in terms of margin because of these payment platforms and getting these?

Avinash Hariharno: No, they give us in interest rate of 5%. They discount the bills at somewhere around 5 to 5.5% rate of interest. We get an early payments on that.

Praneet: So annualised 5.5% interest is

Avinash Hariharno: Yeah, analysed analysed.

Praneet: Okay Sir, got it. So 60 days will end up at so 300 crores we'll only need probably around what 50 crores of working capital. That's a fair understanding, right?

Avinash Hariharno: Yes, yes.

Praneet: Got it Sir, and in terms of PAT, where do we think we'll end up in terms of margin? Because all the new businesses will be a lower margin business compared to what we are at today, right? So just how are we going to see in terms of PAT Sir?

Avinash Hariharno: Sir**,** With some new with some niche products, the margins will definitely get improved.

Praneet: But do we expect margins to the PAT margins to improve, improve from today? Because most of our products today are much more complex than what we are going to get into right next. So in terms of that PAT might reduce right as a percentage, not as the value, but as a percentage it might go lower. Is that right understanding?

Avinash Hariharno: No, we are not seeing that way, Sir.

Ketan Shah: It's the reversal when we are looking at more complex things. There are lesser number of people and the it is a it is our strategy to go for more complex items so that our PAT increases.

Praneet: No, but Sir, today we are already doing extremely complex parts. So that is why our PAT margins are high. I was just wondering when we are getting into railways and probably power sector, which is mostly fabrication.

Ketan Shah: You are 100% right. When you talk about only the power sector and the railways, those will be at similar margins at what we have at the moment. But what is happening in the balance area, What we are doing, we have started selecting more complex parts. We are trying to move into more of where we can actually we are a preferred supplier, those niche products, those are the markets that we will be focusing more now, so thereby increasing the PAT margin from there. You're right that way that in the fabrication side and in the railway side, PAT will not be higher. Definitely they'll not be higher. They are all tender business. It will be similar to what we have been able to do.

Praneet: Got it, Sir. So be a little little more choosy in terms of what the rest of the things.

Ketan Shah: So for the balance, yeah, for the balance what we're doing now, we can be a little more choosy.

Praneet: Got it, Sir. Sir, we had a target of by 28 we want to reach 500 crores, but looking at the existing demand and capex that might be coming in, do we expect it to go higher than this like in terms of our growth? I understand capacities can be a limitation, but how is it going to be like?

Ketan Shah: See capacities with this expansion that what we have planned is more or less, I am not seeing that it has to come from these 2 units only 300 - 350 would be the right mix of products and right kind of a thing for these 2 units. The capacity expansion has to be in a different area that we had already discussed earlier also that either it would some kind of organic or inorganic growth. That is where we are looking at for the 500 and that we have got very specific plans for the 500 crores.

Praneet: So Sir, have you identified any of these? Because at this end of the year we'll probably reach the capacity then as you're already mentioning by 300. So we probably need to have it in the pipeline, right? Do we have it?

Ketan Shah: Yeah, that is what we already have certain things in pipeline and we are already working on it Sir.

Praneet: Got it Sir. So in our presentation we mentioned that we have a decent sized land bank. Can we not? Is it already full? Or is there some drift over land? We can probably set this up.

Ketan Shah: And which we will keep it for our expansion, normal expansion of these 2 units. But the opportunity that we are looking at is somewhere where we will be adding something extra.

Praneet: Got it.

Ayush Divecha: Praneet, I'm so sorry you'll have to join the queue since we have a couple of more questions.

Praneet: Yeah, I'll get back in the queue.

Ayush Divecha: Thank you. We will take the next question from Mr Aditya Mutha.

Aditya Mutha: Hello. Hi Sir. Good afternoon. Sir, I have a couple of questions. In your opening remarks, you told you are shifting from high working capital products to low working capital products. Can you throw some light on that particular transition which is currently going on in Simplex Castings?

Ketan Shah: What we basically meant was. That if you are looking at this existing business, it is very, very capital intensive. If normally if you make an equipment, it takes its own time. An equipment would be out of a factory, maybe it takes 6 to 7 months, 8 months also for certain equipments. Say if I look at some torpedo dial car or something like a slack ladle car or a transfer car. So I have to get gearbox, motors, hydraulics, all those kind of things, make the fabrication, do the machining, then assemble, then testing and then all the way to payment cycle. So it takes 7 to 8 months. So this percentage will remain the same or almost the same of what we are doing today. The addition that we are doing of as Mr. Avinash said of 100 crores of CASNUB and 100 crores of. Fabrication of BHL and power sector L&T, those kind of fabrication, they have a shorter cycle, so on an average it will come down.

Aditya Mutha: Okay, got it. And Sir, on the wagon or bogey manufacturing which you told, so you will be taking orders directly from the Indian Railways or from some OEM or some other counterparty?

Ketan Shah: Till 2019 we were doing this bogies in simplest casting only. About 20% comes from railways directly and balance 80% is always was always also previously from wagon builders.

Aditya Mutha: OK, so bogie 20% comes from Indian Railways.

Ketan Shah: Yeah, these are the ones where they go to various wagon repair shops.

Aditya Mutha: OK, Sir. I will get back in the queue. Thank you, Sir.

Ayush Divecha: Thank you. We will take the next question from Mr. Parth Soda.

Parth Soda: Thank you. Yes Sir, this is Parth Soda from Trinitra Asset Managers. So my question is on a long term perspective, like you are targeting 500 crore odd revenue by up by FY28. So beyond this milestone. What is the long term opportunity for Simplex and what could the business look like in terms of revenue mix and margins over the next 3 to 5 years?

Ketan Shah: So we are looking at various things. I mean, it is too early to talk about, but just to give you some kind of a thing, we are looking at making machine tool castings. We are looking also at defense way going in a big way. We are looking at various other verticals and the best part is that with this kind of management setup that we have, which is not easily, it cannot be duplicated or replicated and today to make it would need a lot of capital. Now at the moment we have about 1200 workers working, having more than 100 machine tools and having about 30 acres of land and having those skill sets that are available. With this, we can leverage into making of anything and everything as a product with the technology company. Either we buy the technology company or we have a joint venture with the technology company. Today, Simplex can produce. I mean, we have already done in the past complete steel plants. The EPC division of Simplex has done center plants, pellet plants, blast furnaces. So with the capacities and the kind of infrastructure that Simplex has, Simplest Casting has 500 crores and beyond is also not a challenge because anybody who is looking at Indian market and wants to collaborate, the obvious choice would be Simplex Castings.

Parth Soda: Okay, got it. That's all from my side. Thank you.

Ayush Divecha: Thank you. We will take the next question from Mr. Manav, you can unmute and ask your question.

Manav: Yes, good evening Sir and congratulations on a very strong set of numbers. My question was regarding the fundraise which we have done currently and is it sufficient to account the FY 28 numbers as well right? Because when we will be achieving those 500 CR the. What is the view towards the working capital crunch going forward then, FY27 look sorted for the issue we have done, but I am talking regarding FY 28?

Avinash Hariharno: It will be sufficient this fundraise which we are going ahead, this will sufficiently be used. No more fundraiser required for that is what we believe

Ketan Shah: Sir, that this fundraise, this initial fundraise is sufficient for reaching 500 crore limit, I mean the 500 crore projection.

Manav: Correct. And Sir, currently what is the rule we are doing somewhere in the Defence how we are trying to very aggressively enter. What is the current view on that and future when we say it will be around 10 to 15% of the business. So do we need a we might require ES 9100 license as well. So what is the development there?

Ketan Shah: Sir, you are 100% right. Why we have kept it at 10-15% that is first that let me explain that and then we can take it from there. What we are, What our study and our research says that we will have to now collaborate only with the ordnance factories and that is where we should be finding some synergy there because they are also trying to expand their base there. Say if a ordnance factory, we are closely working with Gadkari factory, Khamaria, Jabalpur. Correct. So now they were making if they were making X. The total demand now is for 1.5 or 2X of the same. Now they have machines and all special purpose machines which are suited for X numbers of production. For 2X they need some support. Fortunately for Simplex because we are also into a contractual manufacturing, all our machine tools, all our infrastructure is more flexible to accommodate our range of products. And we are able to cater to all these companies basically because of the flexibility that we have in our machines and also in our skill set. So that is where we are aiming at to tie up and closely work with on one ordnance factory to start with and expand to other ordnance factory for areas of our interest and trying to solve their problem. That is why our if you look at that we our projection for defence is not 20%, 30% growing like 50%. No, we cannot. We are not able to think of that kind of a growth. We will be working with ordnance factory doing the hardware, something that we know of, something that our machines and capabilities are and we will be growing slowly with various ordnance factories, various products, starting with one where we have already started.

Manav: Correct, correct, because the defence brings the skill set of the company as well and it will also require very stringent quality standards as well going when the company is a vendor to defence company. So can we expect in FY 28 right the 10-15% share of defence or in FY 27 we can see somewhere around 5 to 10% as well?

Ketan Shah: It will be 5 to 10% because I would add the shipbuilding to the same. So it will be 10 to 15% and it will continue to be 10 to 15% in the next financial year also.

Manav: Correct. Also positively shipbuilding itself is in a sector and will be growing much much more at a J curve than defence as well. So you are in the right spaces as of now if we can say.

Ketan Shah: There also, instead of only castings, we are looking at solutions for the shipbuilding like steering system and all that. And we are in discussion with various companies for getting the technology for other items also for shipbuilding.

Manav: Superb. So currently, what is the product we have developed will be developing in as of now realistically? And what are the products we will be launching going forward?

Ketan Shah: Sir, it is. Everything like we are working with Sir for the Ordnance Factory, we will be doing some components for the Dhanush. Shipbuilding we are already doing all kinds of A brackets, B brackets, turbo castings and those kind of rudder stock, those kind of things we are already doing. So from here once we have the next step would be making sub components or sub assemblies or maybe complete systems for them.

Manav: Superb. With that turns materialistic we would expect an announcement because this would be a very banger announcement for us as well.

Ketan Shah: Yes, let it happen, Sir. We are working on it, Sir.

Manav: Thank you. And regarding the bogies as well, I guess the number is somewhere around 200 bogies we can roughly manufacture per month, correct?

Ketan Shah: That's right, Sir, but we are understating it conservative, that is what we like. it. Capability is slightly more, but we are aiming at 200 numbers.

Manav: Super Super. And then Sir, when we talk about foundries as a sector and used precision engineering to manufacture that component, what is the what is the technical difference? Can you let me know about the difference between a foundry made casting and precision engineered as well?

Ketan Shah: I mean precision engineered. I can always talk about certain products that we make. They are also precision engineered, but when we... Talk about exotic metals. We are at the moment only limiting ourselves to grey iron and steel. Exotic metals would be various kinds of nickel alloys which are very good properties of corrosion resistance and thermal resistance. We can move up that value chain, but it would need a lot of other areas like precision machining also we have CNC machines but when you go for 5 axis, 7 axis, then they are called more precise machines used in tool and dye and those kind of turbine blade machining and those kind of things which we don't have. But precision castings are what we are able to do. Precision machining we are able to do, but not the full range.

Manav: Correct. So we are not utilising the 7 or 9 axis or 12 axis?

Ketan Shah: We don't have at the moment because it was not required for our kind of products.

Manav: Oh, perfect. But what if we move up the value chain there where we can supply to auto ancillary manufacturers?

Ketan Shah: There is enough, enough expansion required in our kind of heavy kind of casting and heavy machining where more and more, I mean most of the MNCs when we are working there the tolerance level of the cost requirement of machining as itself is very precise.

Manav: So the value chain we are currently present in has so much tam that it is better to expand correct.

Ketan Shah: Yes that is also expanding and yes we are also wanting to go up the value chain by trying to get into more exotic materials also.

Manav: Perfect, perfect Sir. Thank you so much Sir. I'm done with my questions. Thank you.

Ayush Divecha: Thank you. We'll take the next question for Mr. Srikanth Reddy.

Srikanth Reddy: Thank you for opportunity Sir. I have few questions. So company is the help of consortium of other players developing green hydrogen powered director Reddy's iron plant project. So can you give update on this? What is the status presently going on there?

Ketan Shah: The green hydrogen project was awarded to us again. We have had no other anything to add to it other than that the technical capability of simplest casting. It was a joint project of, Ministry of Environment and Renewable Energy and Ministry of Steel. So we went in bid for an expression of interest. It was a consortium between us and IIT Bhilai. This was supposed to be a pilot plant to make steel DRI using only hydrogen, only hydrogen. Unfortunately, since we were the consortium leaders, the grant was 160-161 crores and the grant was subject to GST. Because in the tender, unfortunately, they had mentioned that the level of grant and the level of asset that will be created, that it will be the same proportion. So what it was the GST inference on GST, why we were getting attracted, why we were getting caught in the GST net was basically that it was something was being delivered to the government. That was the IP and 50-60% of the asset. And since Simplex Casting is a profit making, I mean listed company, it was not exempted. So because of the GST we had to close that. Otherwise we had done everything and we had got that. So that project is closed now.

Srikanth Reddy: So which means that there is no commercial opportunity going forward, correct?

Ketan Shah: Yeah, there is no commercial. I have not been able to explain it properly. Let me just try to tell you again. The total projects was about 300 crores, about 160 crores was grant from the government.

Srikanth Reddy: OK.

Ketan Shah: Unfortunately, in the tender, the one of the condition was in lieu of the grant, they need the IP in the same percentage and the asset also in the same percentage. Since. It was not a free grant as if the grant should mean they were demanding, they were wanting this was part of the tender or the expression of interest that they would have that right on IP. The GST Council they took a view that this is development against that money that you are getting. It is not a grant. And which was about 30-35 crores of GST, additional GST which neither the government neither we had planned. So we had various meetings back and forth between the steel ministry and us and they also took a took a view and we also took a view from various consultants. And both of us, we came to a conclusion that there is no point unless until the tender needs to be scrapped and re reissued. So that is when we board out of the tender and the tender was reissued. Unfortunately, when it was reissued, we didn't go for it because they had changed certain basic conditions. Therefore, a condition that, you have to be a company which is operating a DRI plant, which we were not. So the second tender, we didn't participate.

Srikanth Reddy: Sure. Understood, Sir. One more question. So we are we have technology collaboration with foreign companies. What is the royalty structure we need to pay for the bill?

Ketan Shah: Fortunately, nothing is on royalty basis. It was on technical transfer. The technical collaborations were technical transfers and they have been completed and it is over. So for the last so many years, we are not required to pay any royalty for any of the technical collaboration that we have done in the past.

Srikanth Reddy: OK. And one more question as in Vizag, ArcelorMittal is doing a huge capex. So what is the traction to our company in terms of order book enquiries from that location?

Ketan Shah: In Teresa, 2 things that we are wanting to do. One is the you know, increase the power sector business, which we were not doing much. And suddenly, you know, we are flushed with offers of from the power sector, from BHL, L&T and likes of them. And good as Mr. Avinash pointed out, look about 100 odd crores of business is expected from them from there. And second area again in the fabrication side, he said that we are going in the capex on the fabrication side is for fabricated locomotive bogies where again we are expecting almost a turnover of 60-70 crores.

Srikanth Reddy: No. So my question is relating to steel sector, the capex is doing by ArcelorMittal in Vizag.

Ketan Shah: Yes.

Srikanth Reddy: So how is the traction we are getting in customer?

Ketan Shah: If you look at us, if you look at us, traditional market is steel and railways, correct. The steel sector consistently when we are saying that we will move up the value chain is the 300 crores of this year's revenue we will try to replace because opportunities in the steel sector, we would choose, be a little choosy and take better orders that we will remain at that will be the same. The 300 will be fed by that sector and that is there is easily being seen in the order book at the now and also in the pipeline, so that will be steady. Not only ArcelorMittal, ArcelorMittal is expanding in 3 areas - 2 in Orissa, 1 in Andhra. So a lot of capital goods again, that is what we are known for in this sector. Simplex being 60 year old company, I mean they can do anything and everything. They have done complete plans for equipment. We need not worry, we can just go to simplex. Credentials also for almost everything in steel sector, we are there, we have, we have done that in the past so credentials are also there so that area is for the next 4 years, 5 years booming. Railways till 2019 was 40-50%. We are trying to bring it back to 40% because steel sector after 4 years, 5 years, there would be always a cycle and that is how we have seen in the past. That having these 2 majors, steel and railways, it is kind of hedging your bets. You can keep doing a consistent growth, consistent turnover. So that is the strategy of simplex casting that keep these 2 there. Defence, railways, defence and shipbuilding. Keep adding, add new products, start small, but be a dependable supplier and grow from there. Meanwhile, utilise the facilities, the infrastructure that you have, which is all paid for and make joint ventures, SPVs or take buy companies with technology because then you can launch your own product instead of doing castings and machining for others.

Srikanth Reddy: OK, and one more question. So there is capex doing by aluminium players. So how is the traction whether we are catering to that segment or? Present or going forward, we may plan to that in aluminium?

Ketan Shah: Sir, in aluminium?

Srikanth Reddy: Yeah, in aluminium, there is many players doing a capex. So whether we are able to provide capital goods equipments to them?

Ketan Shah: Sir, Actually, it is my mistake when I talk with steel, that is not the right way to do it. I should talk of metallurgical sector traditionally also whatever we now we have been talking for such a long time, we have been talking about steel, but it is basically a ferrous, non ferrous metallurgical sector. We have been always very big. I mean Balco, Vedanta, the group, whether it is Hindustan Zinc, Vedanta again or whether it is Nalco or Aditya Birla. All these people have been traditionally buying all their equipments because equipments are similar for both the metallurgical industries. So yes, at the moment also if you look at my order book, yes, 20% of the steel, what we talk about is steel, not metallurgical. 20% is from non ferrous.

Srikanth Reddy: Sure. Thank you for detailed answers.

Ayush Divecha: Thank you. We'll take the next question from Mr. Darshil Pandya.

Darshil Pandya: Good evening, Sir. How are you?

Ketan Shah: Absolutely fine, Sir.

Darshil Pandya: Sir. 2 questions. First is the capacity that we are increasing in, I guess you just mentioned, was in fabrication side that is currently standing at 15,000 tons. So what is the capacity that we are adding in this?

Ketan Shah: Sir, we would be in a position to do about 1500 tons a month about what the plan is that capacity is 1500 tons a month that is about 18,000 tons. So that is but at the moment what we are doing is about without this capacity expansion we are doing about 6000, from 6000 we want to grade it at least 6000 or 7000, 8000 tons more.

Darshil Pandya: Okay understood. And in Foundry are we adding something Sir?

Ketan Shah: Foundry is more of debottlenecking that is the plan Sir because we are not wanting to put too much of capex at one point of time. So we have a specific reason for the fabrication unit that we are looking at those 2 things. One is the power sector and the fabricated bogies. We just did the capex, in earlier capex about over 15 or crores for the railway casted bogies. We would be doing some debottlenecking, adding ₹4-5 crore for one machine, again a CNC machine and debottlenecking by conveyors and cranes and those kind of stuff. But not at the moment. We want to earn some money, be stable. We have just come out of last year was the first year. This is the second year where we are doing better. So we are not trying to overdo things. We are doing things one at a time. And definitely, if required, we would after we are stable and better off with the approvals of from internal approves, we can always go for a totally a machine molding plant in our foundry. But that is not at the card, nothing at the moment, just on the drawing board stage

Darshil Pandya: Correct. So my second question is with regards to our historical steel and precisely power plants where we are focusing. So we know, as you just said, ArcelorMittal is also coming up with fewer with one plant and there are few more companies who are also you know, putting our large capex in this specific sector. So how well are we positioned to capitalise this opportunity?

Ketan Shah: That means even the second round players like Shyam Metalics and Rungta, everybody is expanding, Sir. To take back and yes, I mean it is always that anybody has to come to Bhilai. In Bhilai Apart from us, there are only very few bigger players. So anything that is happening in ferrous or non ferrous industry equipment have to be coming out of our city only and that used to be then it is still the same. So definitely, Simplex being a bigger name, we will we are looking at all those buys.

Darshil Pandya: Understood. Okay. And Sir, just to understand one thing, in this large CAPEX cycle of India, since you know, of course we are trying to more than double our revenues from 200 to ₹500 in next 2 years, but the CAPEX looks a bit larger if you see from the India perspective. So. What is something that you can expect over the coming years? Because where we are today, position in the heavy engineering part, it is not something that everybody can do it as your PPT also mentions. So just wanted your views on this. What is something that is that is out of this presentation that is that is being shared?

Ketan Shah: There are a lot of plans, lot of plans, let me be very honest and lot of opportunities in the situation. At the place where I am and where Simplex is at. So there are lot of opportunities. Everyday things are happening and everyday things are coming to us. Also, our focus is very simple at the moment this year and next year, keep focusing on what we have committed. Look at opportunities, analyse the opportunities, be ready for the next phase. But at the moment, my customers or the company needs deliveries, execution of the orders that we have in hand and financials what we have said that you know these are the projections we need to achieve that Sir. So yes, there are a lot of lucrative things that are coming our way in the position that we are, but we are having. That those things are all only on the back burner at the moment. Something on the drawing board, kind of a thing, nothing has concrete. We are not looking at those kind of things other than keeping them in mind.

Darshil Pandya: Understood.

Ketan Shah: And let me just say, I am very, very clear, Sir, I am very clear that we need to focus on what we have, make a claim. Whether it is defence actor or the shipbuilding, whether it is execution with our present customers and then once we are a little more stronger, that is the time when we can talk a little bigger and there are things which we will talk but this is not the right moment.

Darshil Pandya: Understood Sir. Thank you for this detailed answering. Sir last question is on the order book front. Currently it is now nearly about at 150 odd crores rate. What is the Pipeline right now looking like and if we can order we can expect some few or more orders in this Specific quarter or something?

Ketan Shah: Yes, there are some orders which are in pipeline that will come through in this specific quarter and we should be maintaining some deck here everywhere. I am not looking at too much of an order book because every order is of liquidated damages. If delayed more than a particular time, then you and some are almost to most are limited to 5%, but some go up to 10% also. So we are trying to keep the order book to same level, about 100-150, where we have sufficient time and we are able to execute it. So we are very confident that at this order book 100-150, we will be able to maintain Sir.

Darshil Pandya: All right, Sir, thank you so much for answering my questions and all the best to your to you and your team for this financial year. Thank you.

Ayush Divecha: Thank you. We will take a follow up questions from Mr. Praneet, which will be the last question for the call.

Praneet: Hi Sir, thank you for the follow up. So just wanted to little more clarity on you mentioned that there could be some other facility there will be acquiring or putting up. So what would be the range of investment will be looking to invest in that?

Ketan Shah: Those will, I mean, what we have thought and what we are looking at is something that can be financed through our own accruals. We are not looking in at any capex, further capex. That is what we have already discussed with you. So the range of investment is all limited to our accruals only, Sir.

Praneet: Got it, Sir. So we will not be expanding on borrowings by too much even though the strategy comes up.

Ketan Shah: Yes, Sir.

Praneet: Got it Sir, you also mentioned that we have opportunities are there and you also getting you want to first build up strong. So right now we understand that the next 3-4 years we want to build up railways and mostly power fabrication. Is there any further scope to see beyond this next 2 years like or lets say in 4 to 5 years?

Ketan Shah: Currently, we are also exploring EPC projects also Sir. So these are the 3 areas that we are exploring.

Praneet: Sir, EPC projects would be through simplex itself or would it be through another company?

Ketan Shah: No, it will be only. I have only one company, only one interest and everything will be in simplex casting only.

Praneet: Sir , But I think in the past we also had some other entity where it was doing EPC and we carved it out if I'm not wrong.

Ketan Shah: No, it is a reverse. It is not that we disbanded our project division because at that point we were. See when I talk about EPC division of simplest casting, it operates in a very small box. We do projects only in the metallurgical sector or power sector. We are not interested in making railway bridges or we are not looking at highways or nothing, no bridges, nothing. I mean anything that gives load to the company, to simplex castings, that is of our interest. Anything which does not give load to our units is not of our interest. This has been our policy. That is why when I talked about I talked about center plant blast furnaces, I talked about rolling wheels. That is what we were doing earlier also. That is the policy of simplex. So steel plants when they were down. So that is the time. The last order we did was in 2016. It was supply and making a complete fit for something for Rourkela steel plant and that was also in simplex casting and 2016. 2020 was a very bad time for steel industry. So we disbanded the EPC division so that the overheads are not there and any point of time we have those credentials in simplex casting only. So any EPC project that we will be doing it has to be using those credentials of simplex castings and will come in simplex castings only as passed.

Praneet: Got it Sir. At our peak, what kind of EPC revenues were we doing Sir?

Ketan Shah: About 100 odd crores in a year. A normal EPC project in our case use usually takes about 3, 3 to 4 years to complete it.

Praneet: And like usually let us say if we were to get a what are the order sizes will look we will be looking at in EPC?

Ketan Shah: At the moment because the limitations from our bankers and the bank guarantee limits, we are looking at order sizes of 100 - 150 or crores.

Praneet: Which would be executed over 4 years.

Ketan Shah: No, in these cases it is about 2 years.

Praneet: OK Sir. And these margins, how are they different from lets say our existing business? I understand it would be very different.

Ketan Shah: Anything because of its because of the kind of things that are associated with the EPC project. That is again that I am making the box smaller. If anything less than 15 to 20%, we are not interested. So that is why my box is very small.

Praneet: Got it. So just trying to understand because these such steel plans have thousands of crores of capex. So do they carve out a specific part to give it to us? Like is it how does it work? Because most of these times you have consultants who are just running the entire show. So just trying to understand how.

Ketan Shah: There would be many many packages that they make. We would quote only for the packages which give us some at least 30-40% load to our factories and those are in line with whatever we know and. That is how we will quote.

Praneet: Got it, Sir.

Ketan Shah: So, for example, a new about 600 odd crores is getting, you know, spent in Bhilai Steel plant. They are going ahead with a new universal rail and structural bill. So it will go to the main package has gone to, will go to either SMS or Danieli. From SMS, Danieli, we will get the equipments that is not part of the EPC.

Praneet: Okay.

Ketan Shah: But there will be certain enabling works which will come out in smaller packages designed by the consultant. It could be a reheating furnace, it could be a part of the rolling mill, it could be a stack, it could be any of those things.

Praneet: Okay.

Ketan Shah: So that is where we would come in.

Praneet: Understood, Sir. So basically, whatever after getting it will be a subcontracting type of business for most of these bigger players.

Ketan Shah: No, not a subcontracting subcontracting. I am only doing with SMS Danieli for the equipment, but for the packages, it will be an EPC package directly ordered by customer on us.

Praneet: Understood, Sir. Got it. So these EPCs do but do we expect the? Is there any possibility of expanding beyond that 150 crores limit? Because I understand that bankers are limiting it. So would we look for a further fundraise to fund this time kind of thing?

Ketan Shah: No, I don't need a fundraise for that. I need bankerity limits. But we are okay with this. I do not want to dilute everything. I would want to have some kind of an EPC kind of a thing limited to about revenue of the what we were doing, the same revenue about 100 odd crores a year.

Praneet: Got it, Sir. And this is most likely to probably materialise in the next 2 to 3 years or it will be little later.

Ketan Shah: Maybe sooner, Sir. I am working on. I am working on 3 fronts. One is the railway business, what we talked about. One is increasing the power business and number 3 is some portion of EPC business.

Praneet: Got it Sir. So in initially when we guided our 500 crores the target Sir, was the EPC business included in it or it was just normally?

Ketan Shah: Normally no, at the moment also for then the target is not included and we have been talking about it and because my box is very small, I am too choosy, too finicky about what we should be getting.

Praneet: Got it Sir. And in terms of Sir, just trying to understand the business in working capital. So how what are the payments like in this business?

Ketan Shah: In EPC, again performance bank guarantee. First 5% is a PBG, you don't get anything. Next 10% against advance, you give a BG, they will give you 10% advance. And then based on billing, you know we have to make a billing schedule and submit to them. So design engineering, you finish, you start getting for each and every design, I mean every drawing that you submit, you start getting a percentage of it balanced. Last, they'd normally keep about 10%, which is against preliminary commissioning and final acceptance.

Praneet: So let's see if this were to come in the mixer, would working app will be a little stretched because it looks like execution and then pre invoice raising, right?

Ketan Shah: No Sir, its spread overall like 100 odd crores spread over 2 years is like 50 crores. I mean I am talking about one particular project 150 say about 150 to 175 crores in a year. That is 7 - 7 and a half crores of site activity, design activity and some amount of manufacturing activity 40-50% from our workshop.

Praneet: So overall with 10-20 crores of working capital in terms of net of broadly with our product and this thing we will be running it. We will be running the EPC business.

Ketan Shah: That's my experience Sir. That's my experience. If not always it is you know it is you might need it occasionally to for this 10-15 crores. Otherwise projects are self financing.

Praneet: Understood, Sir. And in the defence business, we had like I understand you already mentioned that we started so to but what capacity because I think this has been this was co-horting for the last one, one and a half year if I am not wrong in the gun college factory.

Ketan Shah: Yeah, we have been consequently for last so many years in defence business during one of those things when we had initially talked, we were what we were the only private sector company making turrets for T 72 tanks. It is not that it is something very new to us. And if I go a little back in Simplex Group, you would remember one of the trucks that army was using was called Shaktiman. So 1955 to almost till Shaktiman was in production. The chassis was coming from Simplex Simplest Group, not Simplest Casting, because this was carved out later in 1970. So we have been on and off various missile testing ranges, all the test benches Chandipur, Balasore, everything has been from Simplex and that too from Simplex Castings. So whether it is Itarsi, Balasore, Chandipur, all the missile firing, gun testing, you know those beds were made at Simplex Castings and we have done that. We have been always in touch with defence. Including in as a as recent as about 3 years back, we were developed a product and give it to HVF Medak called the 5th, the road wheel that is used for Sarthak, their personal carrier, armored personal carrier. So it is not that we have not been in defence, we have been in defence now this 10-15% is a new push based on what has been happening in the market with the defence exports going up. These ordnance factories are looking at our kind of manufacturers who have flexible machine shop so that they are able to do the specialised machining also using our flexible machine. So that is our target here. Yes, it is value wise, it is not looking big at the moment, but I what our focus is to concentrate on only one first make them happy and then use that leverage. To use go to the other ordnance factories. So that is the plan.

Praneet: Got it, Sir. So one just clarification, Sir, when you meant the Simplex group, this includes simplex infrastructures and all of that. Like, could you explain what do you mean?

Ketan Shah: Simplex Infrastructure has never been a part of the Simplex group. It is owned by Munduras. They are based out of Calcutta.

Praneet: And when you mean simplex group, discussions was carved out. What was? What do you mean by that?

Ketan Shah: Simplex**,** Originally was named as the first company was in 1941 in Jabalpur. It was named Simplex Engineering and Foundry Works by my great grandfather. So 1960-58, actually we moved to Bhilai when Bhilai steel plant was coming. In 1970, it was decided that Simplex Engineering and Foundry, that foundry will never happen in Simplex Engineering and Foundry Works. It will become simplex castings. So Simplex Engineering and Foundry Works without a foundry still exists and is privately held by my cousins. And in 2003 it was decided by my chairman that that point of time, who was my grandfather, that Simplex Engineering and Simplex Casting will be 2 separate entities. One is a listed company which we became listed in 92 and Simplex Engineering would be held by my cousins in the name of Simplex Engineering and Foundry Works. And even they, even us are located only in and around of Bhilai nowhere, nowhere else we have. We have offices all over. We have offices in Delhi, Bombay, Calcutta, everywhere. But manufacturing units are located in Bhilai for them also for us also.

Praneet: So what? So Is there a product difference or is it a single product lines?

Ayush Divecha: Due to time constraints, you'll have to put an end to this call. Any further questions you can surely take on email or offline if that is OK with you. Thank you, participants, for joining the Q1 Earnings Con Call for Simplex Castings Limited, passing on to Ketan Ji for closing remarks for the call.

Ketan Shah: So thank you, everybody, for attending the con call today. And giving us an opportunity to tell you about what we are doing and what is happening at Simplex. And to conclude, Q1 FY 27 has been a very strong start in our year and showing us a revenue of almost 35% year on year, but growing at 45% as Mr. Avinash mentioned. Going forward, again to what we have summarised, what we have been talking about, we are looking at disciplined execution, profitable growth, higher margin products, stronger cash flows and diversification across railways power what we have been talking. I would also like to extend an open invitation to all our investors and stakeholders that you are absolutely welcome to visit ours, our manufacturing facilities. And we would be happy to have you here and to explain what we are doing. Please, people who are interested in visiting may please contact Merlin, our Merlin Capital Advisors for our investor relation people. And thank you once again. And we look forward to updating you on our progress in coming quarters also. Thank you everybody. Thank you so much.

Ayush Divecha: Thank you so much. With that, we will now conclude the call.

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