Date: September 25, 2026

To,

Listing Department	Listing Department
BSE Limited	National Stock Exchange of India Limited
Phirozee Jeejeeboy Towers,	Exchange Plaza, Bandra Kurla Complex,
Dalal Street, Fort, Mumbai – 400001.	Bandra (East), Mumbai – 400051
Scrip Code: 544891	Symbol: HTEL
ISIN: INE0LEG01024	ISIN: INE0LEG01024

Dear Sir/ Ma'am,

Subject: **Earnings Call Transcript – Q1 FY2026-27**

Dear Sir/ Madam,

We are enclosing herewith a copy of the transcript of the Company's Q1 FY2026-27 earnings conference call held on September 22, 2026. The transcript is also available on the Company's website at https://www.hy-techengineers.com/investor-meet-earning-call.php

We request you to kindly take the above information on record.

Thanking you.

Yours faithfully,
For **HY-TECH ENGINEERS LIMITED**

SAI YASHWANT RANADIVE
Digitally signed by SAI YASHWANT RANADIVE
Date: 2026.09.25 14:25:15 +05'30'

Sai Yashwant Ranadive
Company Secretary & Compliance Officer
Membership No.: A67683

HY-TECH ENGINEERS LTD.
CIN No. - L99999MH1978PLC020853

"Hy-Tech Engineers Limited

Q1 FY27 Earnings Conference Call"

September 22, 2026

HY-TECH ENGINEERS LTD.
CIN No. - L99999MH1978PLC020853

STELLAR

CHORUS CALL

MANAGEMENT: **MR. HEMANT MONDKAR – CHAIRMAN AND MANAGING DIRECTOR – HY-TECH ENGINEERS LIMITED**
MR. SUNIL SATWANI – CHIEF FINANCIAL OFFICER – HY-TECH ENGINEERS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Earnings Conference Call for Hy-Tech Engineers Limited. The management will be sharing the key operating and financial highlights for the quarter ended June 30, 2026, followed by a question and answer session. Please note that some of the statements made in today's discussion may be forward-looking in nature and may involve risk and uncertainties. Documents relating to the company's financial performance are available on the stock exchange and the company's website. Trust you have been able to go through the same.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on a touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hemant Mondkar, Chairman and Managing Director. Thank you, and over to you, sir.

Hemant Mondkar: Thank you, Yusuf. Good morning and welcome, all of you. I am Hemant Mondkar, Chairman and Managing Director of Hy-Tech Engineers. First of all, I would like to extend warm welcome to all of you for the first earnings call as a listed company to discuss our Quarter 1 FY27 performance.

I want to begin by thanking you, all shareholders, investors, and stakeholders, for the overwhelming response to our IPO and for the trust you have placed in Hy-Tech Engineers. We have successfully listed on NSE and BSE on 1st of September, marking an important milestone in our journey. While the listing represents a new chapter for the company, our focus remains firmly on the fundamentals that have been built over more than four decades.

Before discussing the quarter, I would briefly tell you the history of Hy-Tech Engineers and the business that we have built. Hy-Tech Engineers was established in December 1978, and we started with a very small shop of 1,000 square feet with one lathe, one drill machine, one hacksaw. And over the last four decades, we have now developed into a very strong engineering company and manufacturing in hydraulic fittings, and we have extremely good, longstanding relationship with almost all the leading OEMs in India as well as few of them from USA and Europe.

We are specializing in hydraulic fittings. Now, these hydraulic fittings are normally used in all the equipments like construction equipments, that is excavators, loaders, backhoe loaders, then it is also used in tractors, it is also used in injection molding machines. So, majority of equipments which are running on hydraulic systems, these fittings are consumed.

Initially, these fittings were imported from Germany and other parts of Europe, like Italy and in India, we started this manufacturing this as an import substitute, so that gives us a tremendous amount of impetus for increasing the business, and it was an import substitute item, and that's the reason why Hy-Tech is always enjoying a major share of domestic business.

These components in the equipment are relatively very small, maybe 1% or 2% of the equipment cost will be our fittings. So, all OEMs say they are C-category items, but I always say that C stands for low-cost, at the same time, C stands for critical. These hydraulic fittings are extremely critical in nature, and you should not have any leakages or any problems. And it has to withstand very high pressures, so the criticality of manufacturing of this fitting is very, very important, and that is the reason we stand out in the market.

Today, we have a portfolio of almost 11,000 SKUs, different, and different types of fittings we are manufacturing. Quite a few are DIN standard fittings, which are which are as per German standards, then we have SAE, JIC standard, which are American standards, and then we have ORFS, that is O-ring Face Seal fittings, which are required in the tractor element. Majority of them are standard, and 80% of our business is for standard fittings, and 20% are specifically made for OEMs.

Key strength of our business is our manufacturing facility, which is ranging right from forging till final plating, and we don't have to depend anyone outside for manufacturing of fittings. So, it's an end-to-end integrated manufacturing facility that gives us flexibility of responding to our customers in time, and even our development time is hardly two weeks.

Within two weeks, we can develop a new fitting and give it to our customers. This response is also helping us in getting more and more OEMs. Only thing what we purchase today is the steel procurement, which we are buying from majority of mills directly. We are not buying it from the trading market, and most of it is available domestically. We don't have to import any material.

Our business got developed through patronage of OEMs. I would not like to name the companies, because I am not supposed to, but all the major customers manufacturing tractors, excavators, injection molding machines, all of them are our customers, and we are a leading company in Indian market, and our turnover is far, far higher than our competitors. Our next competitor is less than half our turnover. So, we are enjoying this leading position in the market.

We have around 170 direct customers and more than seven active distributors, and we have got a presence across 11 countries for the export. Majority of that is in USA, and second number is Europe. And some part, we are supplying also to Dubai, very limited quantity, but that is the business which can grow over a period of time.

The US business we started somewhere in 2012, and now, we have touched almost about 25% of our business is going to USA. And around 7% to 8% to Europe, and there is a tremendous amount of scope for increasing this business, especially in Europe, because Europe, there are no tariff restrictions like what we have in USA because of today's President.

But in Europe, we have got plenty of chance to grow. The cost of manufacturing in Europe is very high, and we are almost about 25% cheaper on landed prices to Europe. So, that gives us a benefit, and a lot of people are coming from Europe to India, and they are coming to us.

Second advantage what we have is the domestic OEMs what we have, they also have plants abroad. For instance, I'll give you an example. A company called John Deere, they have plants, almost 8 to 10 plants in Europe and about 47 plants in USA. And this business is going to be the business of our future. For the next 2-3 years, this business is rapidly going to grow up.

We have totally six manufacturing facilities. We have got two in Shirwal, which is very close to Pune. We have got one in Pithampur, one in Nashik, one in Thane -- two in Pithampur, one in Nashik, and one in Thane. That is our original.

Today, we are manufacturing around 35 lakhs of fittings every month, and the proceeds that we have got now from IPO, we are going to go to 70 lakhs per month. We are going to double the turnover in a period of next three years' time. This is our plan. This is our growth plan.

Second important point is that we have got certified now with IRIS, which is a railway certification, so we are now eligible to enter into railway business. We are also registered with DRDO, that is a defence organization, so we have now chance to enter into defence as well. And we have also registered ourselves in Cochin Shipyard and Mazagon Dock. Now, this also is going to give us a totally new business, which will add to the further progress and the growth of the company.

Recently, we have participated in bauma, and the response was tremendous. Few OEMs who are not working with us, they are also very keen to now start working with us. So, even domestic business also I'm expecting a growth of about 15% to 20%. Although the business in India is growing at about 7%, 8%, we will grow at 20%, because we will be getting more SOBs, share of business, from the existing customers, as well as we'll add few more OEMs.

As on today, our OEM business is to the tune of 70% to 80%, and that is going to remain the same. Distributors we have in India, we have got four distributors: one in Ahmedabad, one in Bangalore, one in Delhi. So, these and one in Pune. So, these distributors are supplying our standard fittings in the market, and the business of that is only about to the extent of about 10% of our total business.

But that is -- there is a possibility of that business also growing by around 10 -- 15%, 20%, 30%. So, that will also add to our progress. New OEMs which are now we got in bauma are Tata Hitachi, it's a major OEM, and then Sany, a Chinese manufacturer, and then there was one more, is Fluidconnecto.

He is also in India in Bangalore, but they have a plant in Italy, so they are also very keen. So, that way, the amount of business that we are likely to get, and it is in the pipeline, is quite a lot, and we expect a minimum of 20% growth this year and maybe a little more than that in the further two years, because this year will go in capturing the new OEMs and capturing the new business.

Coming to our financial performance, which Sunil will talk to you, but Sunil, can you take this off? Still, I have to talk something else. Just a minute. Now, let's talk about the growth strategy. I have already told you the business is coming. Now, from business point of view, the manufacturing of 70 lakhs from 35 lakhs of fittings, we have to have additional plants.

Existing plant gives us around 35% to 40% infrastructure available with us, so we can go up to from 200 to 300, there is no problem. We have the infrastructure. Additional of these object machines will give us that business. Over and above that, for future expansion, we are going in for 6.5 acres of land.

It has been approved in the board now, and we will be taking this land within a period of next 3 months to 4 months' time. And then since it's a long time to get the approvals from the government, and then building and construction will take about a year, so we'll have to be ready within two years, this plant will be ready, but we'll have to start from today.

So, we are going in for that additional land now because we have confidence in our growth, so we -- that's the reason why taking up this step. So, there also, we have decided to go for more automation, and it will be automatic machines more, and the labor part, we will try to keep as little as possible. And the productivity will be almost two times the current plants.

That will help us to churn out more and more fittings. As I told you that there are 47 plants of John Deere in USA. We have been approved in all their plants, and business from about 6 plants to 7 plants have already started coming to us. They are insisting us to supply all the fittings from USA. So, we are therefore opening a company in USA, and that is also being sanctioned in the board today, and we are on the on the way to form that company.

As you all know, my son, my elder son, is in USA, so he will be taking care of that business. He is taking care of all marketing business in USA, and because of his presence in USA, USA business is going to be our major focus for next 2 years-3 years. We have been working in US for last 6 years, 7 years, but now they want us to put up a warehouse there, and an entity of Hy-Tech, 100% subsidiary, will be set up there, and it will be -- that business will start.

As far as technology upgradation is concerned, it's very interesting, I want to share with you, that we have purchased one rotary transfer machine, which churns out around 70,000 pieces per month. And it's a single, completely automatic machine with one person operating the machine, and this is going to give us tremendous amount of speed of manufacturing, and this is something which we have already got two machines with us, and we are going to buy four more machines in the near future.

So, we are constantly upgrading our technology to improve our productivity, and this is going on for last six, seven, eight years, and technologically, Hy-Tech is a very, very competent manufacturing organization. I think whatever questions you have, we will work on question-answer session, but I will now hand over to Sunil Satwani for the figures of first quarter, and he will explain to you about the financials. Thank you very much for listening to me, friends.

Sunil Satwani: Thank you, Hemant sir. Good morning, everyone. I am Sunil Satwani, Chief Financial Officer of Hy-Tech Engineers Limited. It is a pleasure to welcome all of you to Hy-Tech Engineers' first earnings call following our listing. I'll take you through the financial performance for Q1 FY27, followed by a brief update on our capital position and priorities for the year ahead.

We delivered revenue from the operations of INR430 million in Q1 FY27, which is representing a 13% Y-o-Y increase compared to the INR380 million in Q1 FY26. EBITDA, if I'm coming to the EBITDA part, so EBITDA stood at INR84 million compared to the INR82 million in the corresponding quarter of the last year. EBITDA margin, which is 19.6% for the current year or the current quarter compared to 21.5% for the previous year of the same quarter.

At the profit level, PBT, profit before tax, increased 9% year-on-year to INR61 million, while PAT has been increased 11% Y-o-Y to INR46 million compared with INR41 million in Q1 FY26. So, our PAT margin stood at 10.7%. The quarter reflects continued revenue growth while maintaining healthy profitability.

While EBITDA margins were lower compared with the corresponding period of the last year, but we remain focused on improving operating efficiency and productivity and cost absorption as volumes scale up. Following our IPO, the as sir said, company has raised INR135.7 crores, including INR60 crores through the fresh issue.

The fresh issue proceeds are being utilized towards the identified objectives, including the capital expenditure, repayment of our borrowings, and general corporate purpose. This IPO has strengthened our balance sheet and provide us with greater financial flexibility to support the next phase of our growth, and our approach towards capital allocation will remain disciplined.

As sir has already said in the previous year, we are constantly focusing on increasing our capacity. So, we intend to deploy capital towards projects that strengthen our manufacturing capabilities, improve productivity, and create additional capacity in line with customer demand. We will continue to maintain a balance between growth investment, financial discipline, and efficient utilization of our capital.

From a financial perspective, our priorities for FY27 are centered around these three areas: first, driving revenue growth through higher utilization of our existing assets and increasing business from existing and new customers; second, improving our operating efficiency and productivity, particularly through automation.

As sir said, that we had procured rotary transfer machines and we are going to procure more similar kind of machines to be -- to make more automation and get more productivity and the process optimization, which should support better absorption of our fixed costs as volume increases; and third, maintaining disciplined capital allocation and healthy balance sheet while funding our growth initiatives.

Overall, we believe we have entered FY27 with a strong operating platform, a strengthened balance sheet, and a multiple avenues for the growth. As a newly listed company, our objective is to build on this foundation and deliver consistent, profitable, and sustainable growth for the coming years.

With that, I would like to thank all of you once again for joining our first earnings call. We are now happy to take the questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Srinivasareddy from Yellow Investments. Please go ahead.

Srinivasareddy: Yes, sir. Very good morning. Am I audible?

Hemant Mondkar: Yes. Good morning.

Srinivasareddy: Yes, sir. In the PPT presentation itself, slide 5 shows raw material cost fell as a share of sales, while employee cost rose 28.5%. What really cut the margin? And what FY27 margin should be modeled?

Hemant Mondkar: Can you repeat the question, Reddy?

Srinivasareddy: Sir, one final thing is, what FY27 margin should be modeled, what we are expecting?

Hemant Mondkar: Asking about?

Srinivasareddy: About margin, sir.

Hemant Mondkar: You are talking about the margin?

Srinivasareddy: Yes, sir.

Sunil Satwani: Yes, sir. EBITDA margin.

Hemant Mondkar: Yes. Either EBITDA margin or I can tell you even the PAT, we can grow by about 25% to 30% on increase in the PAT in absolute terms. EBITDA margin will be maintained at about 24% to 25%.

Srinivasareddy: Okay, sir. And one more thing.

Hemant Mondkar: See, I tell you there is one thing which I wanted to tell you to support whatever my CFO has told you. The first quarter, there were two problems as far as the performance is concerned. One was that if you remember, all of you investors, in the month of February, March, April, because of war, all the prices went up. So, input costs have gone up, and we requested all our OEMs for the price revision.

And that price revision we got it effective 1st of April, but we will be getting it in the second quarter. So, that profit, which is now lying with OEM, they will transfer it to us, and that will come in the second quarter. So, this is one important point which everybody has to note. And that is the reason why the performance of quarter-on-quarter performance has been shown only to the extent of 10%.

Otherwise, we are expecting definitely 20% growth, around 20% growth in this year. So, I think this is -- and EBITDA margin will be totally maintained, because we got all the price revision and compensation from the customers for whatever input costs which have gone up. Reddy, am I okay? Have I answered your question?

Srinivasareddy: Yes, sir. Fantastic, sir. And one final question, sir. Mazagon Dock Ship and Cochin Shipyard, on this, in the annual report, we have mentioned that we have got the approvals, but the investors made a drop on them. Are they currently our customers, and what they have earned so far?

Hemant Mondkar: No, no, no. It has just been it has just been started. Now, we have been registered now. Whenever now they float tenders, we will start getting the tenders, and then we will have to bid the tenders. This process will continue now.

Srinivasareddy: When do we expect our first revenue from them, sir?

Hemant Mondkar: Maybe after about five, six months, I can't guarantee anything. Because this is government people, we don't know. But registration itself was quite tough, which has taken about a year or so. So, registration we have gone through, and now the business will come. But that business is not going to much matter for our growth, as I told you in my speech.

Srinivasareddy: Okay, sir. Sir, those products are the heavy margin compared to our regular products, or it's a bit in the same…

Hemant Mondkar: Pardon?

Srinivasareddy: Those products are in the higher margin range, or like they are in the regular margin?

Hemant Mondkar: No, they are in the regular margin, but see, if you see, we are doing around 30% of export business where we are getting better margins, almost about 10% extra margins we are getting. And with this rupee going down against the dollar, that advantage we are getting.

Srinivasareddy: Yes, sir. Fantastic. That's all from my side. Thank you, sir. Thank you very much.

Hemant Mondkar: Otherwise, normal engineering having 23%, 24% EBITDA is difficult. In normal engineering company, you get an EBITDA of about 15%, 16%, but we are always at about 22%, 23% last year, and this year, it is because our operations are very efficient. And just to tell you, the Kaizen, if you have heard the word Kaizen implementation or Japanese manufacturing techniques, that is the base and foundation for Hy-Tech.

Srinivasareddy: Okay, sir. Thank you sir.

Moderator: Thank you. Next question is from the line of Rahil Dasani from MAPL. Please go ahead.

Rahil Dasani: Yes. Hi. Am I audible?

Moderator: Yes. Please go ahead.

Rahil Dasani: Yes. First of all, sir, good afternoon and thanks for the opportunity. Your brief was really good to hear, very helpful. Sir, my first question is if you can explain our products and their criticality for our customers in a much better way, and also how difficult are they to make accuracy-wise for us? If you can start with this, that would be helpful, sir. I would like to understand our products and our customers overall.

Hemant Mondkar: It is very difficult to probably explain this to you over a phone, but I will try to. See, now, if you go If have you ever seen the backhoe loader on the road? Have you seen that?

Rahil Dasani: Yes.

Hemant Mondkar: That backhoe loader, the movement, entire movement of digging and collecting the sand and everything is being done by the shovel which moves up and down.

And these movements are totally done through hydraulic system. Now, that equipment has got a power pack in that, and a power pack is nothing but a motor, hydraulic motor, hydraulic pump, and then it has got some valves, and then there are pipelines. And if you see, all these pipelines are coming right up to the end.

All over backhoe loader, you will find all those lines. Now, if you go to our DRHP also, we have explained this. So, all these connectors are connecting all the pipelines, and those pipelines are subject to a very high pressure of 300 bar. 300 bar means 300 kilogram per square centimeter and normal pipeline which you have in the house, it is at 1 bar. So, 300 bar is a very, very high pressure.

That joint has to sustain that high pressure, and to sustaining that high pressure, the quality of the fitting has to be good, the joints have to be accurate, machining has to be precision, and sealing elements also have to be taken care of. That is why this item is not a normal engineering machined item. It is an item which is very critical in nature.

It has got some standards for withstanding those pressures, and what we have to guarantee to our customers is leak-proofness of this fitting and withstanding to such high pressures. This is very important, and that's the reason why not many people are able to meet those requirements of the customers. That's why we play an important role. Have you understood little bit?

Rahil Dasani: Yes, sir. That was very clear.

Hemant Mondkar: Thank you very much. Otherwise, it is very difficult, but you are most welcome to visit our plant and look at what we are manufacturing. We can share with you all the types of products that we are making. But let me tell you one thing: all the variety of fittings which we manufacture, nobody else in India manufactures this. That much I can tell you. Right.

Rahil Dasani: Got it. And when we say that we have 70%, 75% of our business is through OEMs, what do we mean by OEMs? Do we mean the hydraulic system manufacturers, or do we mean the end automotive or construction machinery manufacturers?

Hemant Mondkar: No. I will tell you customers who are manufacturing excavators, for example, Tata Hitachi, then you can go to JCB, then you can go to Mahindra & Mahindra. So, all these people are manufacturing those equipments, which are normally called as earth-moving equipment, which are required for infrastructure.

Then you can have road-building machinery which is being manufactured by Ammann in Gujarat. So, many people are there. Road building, Wirtgen is there, if you have heard the name of Wirtgen. So, these road-building machinery also has got a lot of hydraulics. Then injection moulding machines on which plastic items are made, they are also completely hydraulics.

So, application is very, very wide. So, these are the OEMs. All these manufacturers of equipments are the OEMs of Hy-Tech.

Rahil Dasani: Okay. Got it.

Hemant Mondkar: Original OEM stands for original equipment manufacturer.

Rahil Dasani: Yes. So, we basically sell to the end consumers being JCB, Tata, etcetera. Got it.

Hemant Mondkar: That's right. And advantage of that is because they have a definite number of equipments being manufactured every month, so we keep on getting the repeat orders.

Rahil Dasani: Fair enough, yes.

Hemant Mondkar: And it is a B2B business.

Rahil Dasani: Got it. Okay. And sir, since you said that we -- in your introductory note, you said that we serve already all the major OEM customers, so what sort of wallet share do we have with them? For example, if they are procuring INR100 of hydraulic fittings, are we the sole vendors for them, or how does it work?

Hemant Mondkar: Not all. It ranges. Few of the customers who are working with us for last 40 years now, we have still a customer, which is called Windsor Machines, who is 48 years old since we started. He's the first customer. He is still there. He's buying 100% from us.

Rahil Dasani: Okay.

Hemant Mondkar: Now, for example, John Deere is buying 100% from us. Few of the customers are buying 50% from us. Few of the customers are buying 70%. Few of the new customers are buying only 10% from us, but then they are increasing their SOB with us. You understand?

Rahil Dasani: Got it. Yes. Got it.

Hemant Mondkar: So, year-on-year, roughly, we are adding about 2 to 3 OEs. And then they start with 0%, and they go up to 50%, 60%. But what we have done is, from a business point of view, we don't depend purely on one single source. We don't have a single customer who is having more than 15% business with us.

Rahil Dasani: Makes sense. Got it.

Hemant Mondkar: So -- because we are spreading the business all over, because anything can happen to anybody.

Rahil Dasani: Understood. Got it. And since you said that whole 100% of the SOB in some cases is not with us, so who would you say are the key competitors in this? Are these the global guys, like Parker, Gates, and Chinese, or is it the domestic competition?

Hemant Mondkar: There is no person from China here. In fact, Chinese manufacturers -- equipment manufacturers, are also buying fittings from us.

Rahil Dasani: Okay.

Hemant Mondkar: So, there is no Chinese competition. Parker competition is not there, but Parker is now bringing in material for the projects -- infrastructure projects, which is being handed over to or allotted to foreign companies, they are buying Parker fittings and bringing to India.

Rahil Dasani: Okay.

Hemant Mondkar: You understand? But locally, because the price of Parker fittings is exactly double our price.

Rahil Dasani: Okay. Wow.

Hemant Mondkar: So, price competition Parker is not there with us at all. As far as domestic competition is there, now, as I told you in my speech, my second competitor, domestic competitor, is less than half the turnover what Hy-Tech has got.

Rahil Dasani: Okay.

Hemant Mondkar: And over a period of time, now last this 40 years, 45 years, we have built up a very good relationship with OEMs. In fact, today, if any new MNC comes in India, and if they ask whom should we go for fittings, everybody gives a pointer to Hy-Tech. This is the name we have built up. This is the image we have built.

Rahil Dasani: Got it. And if you could…

Moderator: Sorry to interrupt, Mr. Dasani. May we please request you to rejoin the queue, sir? Thank you.

Rahil Dasani: Okay. Yes.

Moderator: A reminder to the participants, please limit yourself to two questions only. Should you have a follow-up question, please rejoin the queue.

Next question is from the line of Gaurav Shukla from Finvestors. Please go ahead.

Gaurav Shukla: Am I audible, sir?

Hemant Mondkar: Yes, Mr. Shukla. Go ahead.

Moderator: Yes. Please go ahead.

Gaurav Shukla: Sir, what is the revenue growth guidance for FY27 and FY28?

Hemant Mondkar: As I told you, we'll be growing at about 20% minimum year-on-year. And bottom line will grow at minimum at 25% to 30%. PAT will keep on going up by about 25% to 30%, top line will grow up by 20%.

Gaurav Shukla: Okay, sir. And currently, how much order book, sir?

Hemant Mondkar: Order?

Gaurav Shukla: Order book, how much you are holding?

Hemant Mondkar: Order book is more or less, more or less, we have got schedules for annual schedules from all OEMs. So, we don't have an order book. They give us a contract order with price, and they keep on sending us schedules. So, that way, if you see, we are booked.

Gaurav Shukla: Okay, sir. And sir, what is the current utilization level of forging and hydraulic fitting of your plant?

Hemant Mondkar: Currently, we are utilizing -- I'll tell you, we are utilizing it about 60%-70%. And we always keep extra capacity, the reason is that when new OE comes with about 10 crores, 15 crores order, he asks us, "Do you have a capacity?" So, we have to show the capacity to him. And -- but one thing there, let me tell you, share with you, although we have installed capacity, our operating expenses are in line with whatever we are business we are doing.

But capital investment, we always have a little more to the tune of 20% to 25%. This is the philosophy we are following in Hy-Tech. So, any new customer comes, we have a capacity available to him to be allotted to him.

Gaurav Shukla: Okay, sir. So, in this year, nil capex plan, if I understand correctly.

Hemant Mondkar: What?

Gaurav Shukla: Next any capacity expansion plan in this financial year or FY28?

Hemant Mondkar: I am not able to answer. Please, will you reword your question?

Gaurav Shukla: I am asking about capex plan, capacity expansion plan.

Hemant Mondkar: We have got INR30 crores of object now. We will be implementing that.

Gaurav Shukla: And -- okay, sir.

Hemant Mondkar: Capex, that's what I'm saying. I'm saying that we have got INR30 crores allotted for capex this year, and we'll be implementing that within a period of one year.

Gaurav Shukla: Okay.

Hemant Mondkar: Another…

Gaurav Shukla: Sir, one simple thing I want to ask, sir. As in beginning comment, CFO has covered that margin is pressurized due to price hike of raw material. Sir, how you compensate the raw material price hike as geopolitical issues?

Hemant Mondkar: Customers are paying us the increase.

Gaurav Shukla: Okay.

Hemant Mondkar: Customers have already given.

Gaurav Shukla: Okay, sir.

Hemant Mondkar: So, this will reflect in the second quarter, as I told you.

Gaurav Shukla: Okay, sir. Okay. Very good, sir. Thank you, sir. This is for all. This time I'll get back in the queue.

Hemant Mondkar: Right, Gaurav.

Gaurav Shukla: All the best, sir.

Hemant Mondkar: Thank you.

Moderator: Next question is from the line of Rajiv Mehta from YES Securities. Please go ahead.

Rajiv Mehta: Yes. Hi. Good morning. I just wanted to…

Hemant Mondkar: Good morning, Rajiv. Good morning.

Rajiv Mehta: Yes. So, I just want to understand the diversification from the end-industry point of view. If you can, firstly, give us what is the revenue breakup currently from different industry-wise, application-wise, where your product is going?

And whether can we have more opportunities within the same industry, as well as are we looking at more other manufacturing side of the story, multiple defence, maybe aerospace, or maybe some other industries where our products can actually go into, and hence, we can keep growing at 25%-30% for multiple years? Is that something that you aspire to do?

Hemant Mondkar: Rajiv, its answer is like this, that in the present circumstances, we will grow by about 20%, as I told you, and we have already now registered with Railways with IRIS certification and also DRDO for defence. So, these business is going to come over a period of time, but it takes a long time to get this. But current revenue, as I told you, 20% growth is irrespective of this, and this will be additional growth. Okay?

Rajiv Mehta: Correct. But when you say 20%-25% growth, you are already building the revenue coming from the capex, right?

Hemant Mondkar: You asked me about aviation. As of today, we are not thinking of aviation, because there are tremendous amount of certifications and approvals are required. But over a period of time, we'll certainly look into that. But Railways and Defence will start, but it will not start so fast, because it takes a long time.

Rajiv Mehta: Correct. It takes its own time. Correct. Yes.

Hemant Mondkar: So, but maybe down the line to -- 1 year, 2 years down the line, this business will start, but that will be over and above what I'm telling you about 20%. Now, let me share with you something for all the investors. The total requirement of this fittings all over the world is 40,000 crores. How much? 40,000 crores.

Out of that, 20,000 crores fittings are consumed in USA, 10,000 crores of fittings are consumed in Europe, and around 2,000 crores are consumed in India. So, we are at about 10% of Indian market, and balance 8,000 are spread over other countries.

Now, we have got a very good positioning in USA as well as Europe, where the major chunk of business is there. So, this existing product existing product itself has a tremendous potential to grow. Do you understand, Rajiv?

Rajiv Mehta: Yes,

Hemant Mondkar: Over and above that, we'll go for this for spreading the market. But this is what we are going to do. So, there is no problem at all for the growth that we plan.

Rajiv Mehta: And how should we look at your current capex, and I think the few announcements that you have done in USA and -- so, is that -- what kind of -- how many years of revenue growth opportunity you're building right now with all these -- with the current capex that you have planned and with the announcements you've made?

Hemant Mondkar: We are looking for -- with current capex of INR30 crores, which you're taking it from IPO, this will take us -- this will add another INR100 crores to our business.

Rajiv Mehta: Understood.

Hemant Mondkar: But one thing, Rajiv, let me tell you. Every year, 50% of our profit has been invested in capex for last 25 years. So, we keep on doing that.

Rajiv Mehta: And we have a continuous opportunity of continuing with that, right? So, which means that we have a 25%, 30% growth for multiple years?

Hemant Mondkar: Yes, yes, multiple years, for next 10 years.

Rajiv Mehta: No, got that, sir. Thanks. Maybe I'll come back in the queue. Yes, thanks.

Hemant Mondkar: Okay. Okay.

Moderator: Thank you. Next question is from the line of Arvind Arora from A Square Capital. Please go ahead.

Arvind Arora: Hi, thank you for the opportunity, and congratulations, sir, for a fantastic listing and good set of numbers. So, sir, my question is more on the data center opportunity, the device that you prepare and it seems like you can also enter into a data center segment also. So, is there any…

Hemant Mondkar: You're right.

Arvind Arora: Discussion that is ongoing, if you can throw some color on that part, sir?

Hemant Mondkar: This is very, very good question you have asked. These data centers, they require stainless steel fittings. And there is a tremendous scope for this stainless steel fittings. Last two years, we have already developed the range which is required for data centers, but that is also applicable to oil and gas. Similar fittings are required in data center in stainless steel, and we have just started manufacturing these fittings, and we'll be entering into this data center opportunity over a period of next one year's time positively.

Arvind Arora: Yes, sir. Are you saying…

Hemant Mondkar: And it's a very fast-growing business, and we will not miss the opportunity.

Arvind Arora: So, sir, any discussion is ongoing with any customer where there is a specification that we have received and we are working on something like that?

Hemant Mondkar: For data center, no, not at the moment, nothing at the moment. As I told you, the product has been established only recently. Now, we'll be catching up these customers and talking to them, and maybe this will come in somewhere around '28, '29.

Arvind Arora: Understood. And how much we spend on R&D work, sir?

Hemant Mondkar: R&D, we are spending around 1% of our revenue.

Arvind Arora: Okay. Only 1%. Any plan to increase the spend?

Hemant Mondkar: See, I'll tell you one thing, let me explain this to you, because we don't have a product which is non-standard. These are all standard products what we are manufacturing as per the standards established all over the world.

And R&D, what we have to do is, now, for example, stainless steel fittings, as I told you, we developed it in last one and a half, two years. This is a new development where we have spent money. So, we don't have to spend too much of money on R&D. 1% is more than sufficient for us. Unless we go into some additional items like valves, and -- which is also we are thinking now, but I am not committing to you anything. But we are going to upgrade our product range with higher value-added products like valves, which are also in line with hydraulics.

Arvind Arora: Understood.

Hemant Mondkar: Okay. Thanks.

Arvind Arora: Understood. Sir, you are mentioning -- that our revenue growth would be in line with 20%, and the PAT growth would be in 30%. So, this clearly shows that we have operating leverage. So, sir, can you please demonstrate -- so after this year also we will continue to get this operating leverage for FY28 also?

Hemant Mondkar: Yes, yes, yes. I think you wait for our second quarter now.

Arvind Arora: Okay, sir. Okay, that's all from my side. Thank you, sir, and more power to you. Thank you.

Hemant Mondkar: Thank you.

Moderator: Thank you. Next question is from the line of Shubham Gupta from Prospera Wealth Private Limited. Please go ahead.

Hemant Mondkar: Yes, Shubham.

Shubham Gupta: Hello. Hi, sir.

Hemant Mondkar: Yes, Shubham, go ahead.

Shubham Gupta: Sir, can you tell more about the U.S. customers, and who are the customers that are lined up, and what is the total revenue potential that you see from the U.S.?

Hemant Mondkar: I have already talked about that. 25% of our revenue is from U.S.

Shubham Gupta: Like, in future?

Hemant Mondkar: In future, this will continue to be 25% as our turnover goes up, because we don't want to spend -- we don't want to increase that. As I told you, the philosophy and policy of Hy-Tech is to spread the business all over. What happens if the Trump relationship changes? We can't afford to have too much of business from USA. You understand?

Shubham Gupta: Okay, okay, okay.

Hemant Mondkar: So, we are focusing on Europe, we are focusing on -- now, for example, I'll share with you, yesterday, there was one customer from Australia. So, he also promised, so we have to spread in different countries. With the geopolitical situations that we are facing today, we cannot depend on one single country, right?

Shubham Gupta: Right.

Hemant Mondkar: Are you able to appreciate that?

Shubham Gupta: Yes, yes. Yes, sir, yes.

Hemant Mondkar: Yes, yes, yes.

Shubham Gupta: So, sir, in next one or two years, in terms of export, how will our revenue will grow as a percentage of overall revenue, how will our export...

Hemant Mondkar: I'll tell you another -- we have already prepared a plan for five years, and in five years, we have decided to go for 50% export and 50% domestic. That is the plan. Today, we are at about 30% export. So, year-on-year, we will keep on increasing the percentage of export, but not beyond 50%, and that also will be spread with different countries.

Shubham Gupta: Okay, sir. Okay.

Hemant Mondkar: Now you understand what I'm saying, with 25% export to USA, and balance 25% with Europe, with Australia, with New Zealand, with Dubai. So, we'll spread that business so that we don't depend on a single country.

Shubham Gupta: Got it. Got it, sir.

Hemant Mondkar: Right?

Shubham Gupta: Got it.

Hemant Mondkar: Right, okay.

Shubham Gupta: And sir, who are our current clients in U.S. side, U.S. and in Europe…

Hemant Mondkar: I cannot tell you that. I cannot tell you that. I cannot tell you that.

Shubham Gupta: Okay, sir. Okay. Thank you. Thank you, sir.

Hemant Mondkar: Right, right.

Moderator: Thank you. Next question is from the line of Subhanu Bangal from 3 Head Capital. Please go ahead.

Subhanu Bangal: Yes. Thank you for opportunity. Hope I'm audible, sir. Sir, as per our PPT, our current hydraulic fitting capacity around 483 lakhs pieces per annum, and captive forging capacity around 3,120 metric ton per annum. But my question is what will be our future capacity after this expansion?

Hemant Mondkar: From 35 lakhs, we'll go to 50 lakhs.

Subhanu Bangal: Sorry, can you repeat?

Hemant Mondkar: You can -- see, today, we are at about INR200 crores, right? With this money that we have got now from IPO, INR30 crores we invest, we will go to around INR300 crores, INR300 crores to INR320 crores.

Subhanu Bangal: No, sir, I am talking about total capacity expansion, what will be our total capacity after this…

Hemant Mondkar: I'm telling you, now you multiply. Now, if it is 50%, the quantity also will go up by 50%.

Subhanu Bangal: Got it.

Hemant Mondkar: Both tonnage and quantity will go up, 35 lakhs, it will go to 50 lakhs, and the tonnage will also go up by 1.5 times.

Subhanu Bangal: Okay, got it. Thank you. And my next question on our EBITDA margin. Last two years, we are maintaining around 22% around EBITDA margin. And as you mentioned in the previous conversation, you mentioned this year you are targeting around 24% to 25% EBITDA margin. Am I right?

Hemant Mondkar: Yes. You're right. Year-on-year, it will go up by 1%. There are two reasons for it, because as I told you, we'll be increasing the export that will give us a better price. And second point is that we have implemented all Kaizen activities, so our operational efficiencies will keep on going up. So, we are planning to increase our EBITDA margin year-on-year by about 0.5%, 1%, so that we'll touch 25%. Okay? For a period of two, three years.

Subhanu Bangal: Okay. And my last question on, sir, fixed assets. If I see on the balance sheet, our fixed asset dropped around INR6 crores year-on-year. What happened, sir, FY26?

Hemant Mondkar: What?

Subhanu Bangal: Fixed asset dropped around INR6 crores. If I see again, property, plant, and equipment, FY25 March -- as on FY25 March, our property, plant, equipment was INR641 million, and as on FY26, this was around INR594 million. Why this drop, sir?

Hemant Mondkar: Where have we dropped? Which year?

Sunil Satwani: It is not dropped. It is not dropped, Subhanu. Which year you are comparing with?

Subhanu Bangal: I am comparing with FY26.

Sunil Satwani: FY26 is INR594.95 million PPE, right?

Subhanu Bangal: Yes. Property, plant, and equipment, yes.

Sunil Satwani: And as of June, you are comparing with June '26?

Subhanu Bangal: No. I am comparing with FY25.

Sunil Satwani: FY25, it was INR595, which is remained the same, INR594.95, which is because of the depreciation effect, slightly low, which is at the same level.

Subhanu Bangal: I am seeing that -- sorry, no. FY25 and was INR641 million.

Sunil Satwani: Have you also considered the CWIP, Capital Work-in-Progress, with the same? As sir said, we are -- see, the assets is already is considering the depreciation is also, plus, in addition to that, we are already giving -- we are adding the capacity which are coming under the CWIP, you need to also consider the same. So, our capacity -- our PPE is getting increased year-on-year basis.

Subhanu Bangal: Okay. Thank you. Got it.

Sunil Satwani: Yes. Thank you.

Subhanu Bangal: Thanks.

Hemant Mondkar: I will add to this. We are also getting some subsidy for implementation of our machinery in D zone. Because of that also, that effect of WDV also comes into that.

Subhanu Bangal: Okay. Thank you, sir. Thanks.

Sunil Satwani: Yes. Right. Yes.

Moderator: Thank you. Next question is from the line of Uttam Purohit from VVD Asset Management. Please go ahead.

Uttam Purohit: Yes. Thank you for the opportunity. So, I just have one question. Sir, how do we contract or we sign LOIs with OEMs? Are these fixed-price contracts or variable, because as per the comment, it's like we have to get back to them again for any price hikes fall on our books? So, can you explain a bit more on that front?

Hemant Mondkar: You want to know whether we have contracts with all the OEMs, is it?

Uttam Purohit: No. It's like I -- we are not contracting, but generally, I think the component of price seems to be fixed with them already in advance, so I want to understand little bit on that front.

Hemant Mondkar: No. But then -- no. During the discussions and the long-term agreements, not written, but understanding, that whatever increase in the price of raw material, they compensate us. And in fact, this year, we have got a compensation for increase in our other consumer expenses increase and all that also they have given us. So, we have, because of good relationship, it's a long-term contracts and they want us to survive, and we never charge them.

We are always reasonable with our OEMs, and everything is crystal clear between the relationship, and we have no problem at all in getting the compensations for any additional expenses that go up. They expect us to increase our operational efficiency and try to give them 1% year-on-year reduction and all that, but that whatever is there, we do agree with them, and we have no problem as far as cost compensation is concerned from the OEMs.

Uttam Purohit: Okay. Great. And one more thing on our forging capacity. So, right now, it is somewhere around 68%, 69% kind of utilization. So…

Hemant Mondkar: Yes.

Uttam Purohit: Are we also expanding that facility as well?

Hemant Mondkar: Now, two mechanical presses. One mechanical press has already landed in our plant in Shirwal, and one more capacity of mechanical press is landing at our Nashik plant, so we are increasing. And actually, today, we are at about 15% to 20% extra capacity in forging.

With this addition of this, we'll be able to face the -- because forging is something which we are not going to get it from done from outside at all. Because the quality of forging what we get from the market is not up to the mark, and these fittings quality, forgings are absolutely to international standards, and that is something which we cannot get it done from outside.

Uttam Purohit: Okay.

Hemant Mondkar: So, forging capacity is more than adequate, and whatever is expansion is to be done, we have got a complete team and technology for doing our own forging, in-house.

Uttam Purohit: Okay. Got it. And one last question, generally, this price hikes from whatever raw material hikes comes, we generally compensate this within 3 months to 6 months. Is that correct understanding?

Hemant Mondkar: You're right.

Uttam Purohit: Okay. Thank you.

Hemant Mondkar: You're right, sir.

Moderator: Thank you. Next question is from the line of Anshul Mandowara from Indus Opportunities Fund. Please proceed.

Anshul Mandowara: Hi. Good afternoon, sir.

Hemant Mondkar: Good afternoon.

Anshul Mandowara: Congratulations on the successful IPO.

Hemant Mondkar: Thank you.

Anshul Mandowara: My simple question is, sir, when we talk about hydraulic fittings, so basically, do we have any capacity or manufacturing capability for flexible flow solutions as well, or we are just focusing on this hydraulic portion of the business only?

Hemant Mondkar: No. As I told you in my talk also, that we are looking out for some valves also, upgrading to valves, but the fitting business itself is so huge that we can increase it to the extent that we need. You are asking me a question whether we have got to change the products or add-on products or something like that? Is it a question I have understood it correctly, or what you would mean asking me?

Anshul Mandowara: No, sir. My question is, do we have existing capabilities for flow solutions as well, or we going to...

Hemant Mondkar: For what solution?

Anshul Mandowara: Flexible flow solutions.

Hemant Mondkar: What is the -- what do you mean by flexible flow?

Anshul Mandowara: Basically, for liquid and gas flow movement with not that much of pressure that your current product might be handling?

Hemant Mondkar: No. We are not going for any low-pressure fittings. No.

Anshul Mandowara: Okay. Correct.

Hemant Mondkar: Actually, low-pressure fittings mostly for lubrication and all that, they are all brass fittings. We are not entering into a brass fittings market at all. We are entering…

Anshul Mandowara: Okay.

Hemant Mondkar: Into stainless steel fittings market, which will be related to oil and gas, and even the data centers'requirements and all that. So, stainless steel fittings is okay. Brass business, we are not going to enter into.

Anshul Mandowara: Sure. Thank you.

Hemant Mondkar: One of the major reason for this also, I'll tell you. Brass price fluctuates based on copper, and there is a lot of chance of pilferage. So, we don't want to take the risk.

Anshul Mandowara: Okay. And my second question is since we -- might be we are already doing OEM for major brands of earth-movers, so do we have -- do we sell in our own brands to through our distributor network, or is there any planning to do so?

Hemant Mondkar: I have already shared that with you that with OEs, we are doing direct business, and for small, small OEs, we are going through distributors. See, there are very small, small OEs who give us a very small business every month. So, to reduce the burden of operations, we have established distributors all over the place.

Anshul Mandowara: Sure. Thank you, sir.

Hemant Mondkar: But majority of business is, as I told you, 70%, 75% is OEMs, and distributor business is hardly 10%.

Anshul Mandowara: Okay, sir. Thank you. Thank you for your time.

Hemant Mondkar: Right. Okay.

Moderator: Thank you. Next question is from the line of Aditya from Happy2Invest. Please go ahead.

Aditya: Hi, sir. Am I audible?

Hemant Mondkar: Go ahead.

Moderator: Aditya, your line is unmuted. Please go ahead with your question.

Aditya: Hello?

Moderator: Aditya, please unmute yourself and proceed with your question. As there is no response from the current questioner, we'll move to the next question from the line of Rahil Dasani from MAPL. Please go ahead.

Rahil Dasani: Yes. Thanks for the opportunity again. You shared a very interesting thing that the Indian market itself for the hydraulic fittings is INR2,000 crores and maybe even more, while our scale is maybe much smaller than that.

So, how do you think we should be capturing this market? Would we need to scale up our distributor base, because right now distributors are a very small revenue component for us. So, would we need the distributor base to scale up in a big way, or how will we scale up here?

Hemant Mondkar: Scaling here, we'll have to This scaling is going on right now, because majority of OEs who are in Few of the OEs when they come, now, for example -- I'll give you an example. Now, consider a company called Sany. It's a Chinese company. Now, they are manufacturing these excavators. Now, they are the leading manufacturers of excavators in India.

Probably, they are selling something like 600 excavators a month. But their entire fittings are being imported from China. Now, they have a commitment to the government to indigenize. So, there is a time period of 3 years. Now, that is over. Now, last month, Sany director had visited us, and they said, baba, we have got a tremendous requirement of these fittings. Can you do it, and we have to import-substitute this?

We said, we are available. Such businesses are quite a few. So, this will give us additional growth in terms of domestic market. Second point is that, as I told you, majority of external contractors who get the contracts, tenders in India, they bring their own fittings from outside. So, now we are catching up with them and registering ourselves with them, with those project people, so that they will start using our fittings.

This is another avenue that is also available. Third avenue available is few of the OEs, because of local conditions, they buy from small, small parties. Maybe one customer, for example, in Bangalore, they have got seven suppliers for hydraulic fittings. So, they want to completely reduce that to around two people.

In that, Hy-Tech stands a chance, and we get more and more SOB from them. So, these are the avenues to grow domestically. So, we can domestically, we can grow. Now, for example, today, we are domestically at about INR120 crores, INR130 crores out of other than export. So, this business will go double in 3 years to 4 years' time by taking this avenues into action. Okay?

Rahil Dasani: Got it. Sir, that's very good to hear that the government is supporting us to indigenize the Chinese supply chain.

Hemant Mondkar: Yes, this is a good thing. So, for three years, they did not bother. My people, my marketing people were going to them. They said, no, we are fine. Because the price, they are in subsidized the prices, they are sending the material to India to compete in the Indian market. So, that is going to slowly come down. And so, a lot of opportunities are there.

Rahil Dasani: Got it. And if I were to ask from this INR2,000 crores, how much is the Chinese sales or Chinese imports?

Hemant Mondkar: No, I don't know that, but that can be around maybe INR100 crores, INR200 crores, INR300 crores. I don't know. I have never assessed that.

Rahil Dasani: Got it. understood. And just one last question from my side. Excluding the current capex plan of INR30 crores that we are doing to add machines in our existing units, the 6.5-acre land that we plan to acquire, if you can share more on that, how much would that be costing?

Hemant Mondkar: That I will share with you in the month of November about the entire plan of that 6.5 acres.

Rahil Dasani: Okay.

Hemant Mondkar: Because we have just got the approval from the board to go ahead. Now, we have to prepare the entire plan. But let me tell you, I am preparing that for INR350 crores to INR500 crores.

Rahil Dasani: Sorry? If you can repeat.

Hemant Mondkar: I am planning that for 2 years hence, 3 years hence, not now.

Rahil Dasani: Understood. Okay, understood. And if you can just share the current 5 units to 6 units, if I'm not wrong, that we have, what is the land acreage of that in totality, if you have that?

Hemant Mondkar: Yes, I'll tell you. It's about 3 + 4 = 7 + 1 = 8, about INR8 crores -- 8 acres.

Rahil Dasani: 8 acres we have right now.

Hemant Mondkar: Yes, that is 3,20,000 square feet.

Rahil Dasani: Understood. Perfect, sir. Thank you, sir. This was very helpful. Thank you.

Hemant Mondkar: Right, right.

Moderator: Thank you. Next question is from the line of Rajneesh Bhandari from VMware. Please go ahead.

Rajneesh Bhandari: Yes, hi. Can you hear me?

Hemant Mondkar: Yes, yes, Rajneesh. Go ahead.

Rajneesh Bhandari: Yes. Hi, sir. So, thanks for the opportunity, sir. So, just wanted to check on one of the comment like what your CFO made, right? So, we had a little bit of an employee expenses going up in this quarter. So, can you throw some light like what conspired that increase in the employee expenses? It's because of some...

Hemant Mondkar: I think I shared that with you. Employee expenses have not gone up. Employee expenses are the same. Because the top line has gone down, right, top line means we have shifted the business, na?

Sunil Satwani: So, sir, may I.

Hemant Mondkar: In the second quarter, it will get corrected.

Rajneesh Bhandari: So, are you saying that absolute amount what we did on the employee expenses is the same between the quarters, because if I remember correctly, it was higher?

Hemant Mondkar: Absolute figure is a little higher, na?

Sunil Satwani: See, employee expenses in the current quarter, it is higher, which is, I think, 68. We are comparing with the last year Q1. So, there is an increase in the top line, so in terms of absolute value, employee expenses will also grow up in the similar line. But what sir wants to say that there is a sale which -- there's a cutoff sales which has happened, which has been shifted to the next quarter because of the cutoff procedure as per the accounting standards. So, if I add that particular sales, so in terms of the percentage, employee expenses will remain at the rate of 12% of the total sales. Understood?

Rajneesh Bhandari: Oh, okay, got it. Yes, okay. That's understood, Yes. Yes, thanks a lot, Yes. I think that's what I was just wondering. Yes, thank you.

Sunil Satwani: Yes.

Moderator: Thank you. Next follow-up question is from the line of Srinivasareddy from Yellow Investments. Please go ahead.

Srinivasareddy: Yes, sir. I have one question on our SKU catalog. We have a fantastic catalog of around 11,000 SKU, actually which is our moat. But which is caught my eye is, sir, in fiscal 2024, the SKU which is newly produced is around 2,206, but it fell into 880. Sir, I want to understand whether we are going into the higher value parts, or it's just a slowdown on the new SKUs what we are adding?

Hemant Mondkar: Srinivas, can you repeat the question, please?

Srinivasareddy: Sir, we have in FY in fiscal 2024, our new SKUs added to our catalog is around 2,206. This is the data from RHP. But in fiscal 2026, our new SKUs is around 880 added to our catalog. What I'm knowing --what I want to know is whether we are producing the lower number of higher value parts, or we are just deliberately just slowing down the adding of new SKUs?

Hemant Mondkar: It's not a question of cost or anything of it. Suppose if you're working with the OEM, they come up with some new equipment, then they give us an RFQ for the new items. That's how the SKUs get added.

Sunil Satwani: Reddy, sir it depends upon the inquiries given by the companies or OEs, on the basis of we develop the SKUs. It is, as sir wants to say, like that.

Srinivasareddy: Okay, got it, got, sir. Thank you, sir. That's all from my side. Thank you.

Moderator: Thank you. Next question is from the line of Paras Chheda from Purpleone Vertex Ventures LLP. Please go ahead.

Paras Chheda: Thank you, sir, for this opportunity. While most of my questions have been answered, just for the sake of clarity, just, two queries I want to ask, sir. One is that we've worked, in a five-year goals, so at the end of five-year, what kind of business size or revenue-wise are we targeting, sir?

Hemant Mondkar: Five years down the line, we'll go to 500.

Paras Chheda: About INR500 crores.

Hemant Mondkar: You calculate you calculate on the basis of 20% to 25% growth, and then you'll come to the figure.

Paras Chheda: Right and on the PAT side, you said about 25% to 30% growth Y-o-Y?

Hemant Mondkar: Yes, yes.

Paras Chheda: Okay. And sir, just, again for the sake of simplicity and clarity, what is the market size of our products in India and globally?

Hemant Mondkar: What do you mean by market size? Market share you're talking about?

Paras Cheda: No, market size. Just, the overall market size.

Hemant Mondkar: I told you that.

Paras Cheda: INR2,000 crores.

Hemant Mondkar: Total market size total market size in India is INR2,000, I'll repeat it, INR20,000 crores in USA, INR10,000 crores in Europe, INR2,000 crores in India, and INR8,000 crores in other countries. That is the market size of our whatever products we are manufacturing.

Paras Cheda: Right.

Hemant Mondkar: Is it clear?

Paras Cheda: Understood, sir. It is quite clear.

Hemant Mondkar: Okay.

Paras Cheda: And the EBITDA margins, you said, have been it is one-off, because of the first quarter.

Hemant Mondkar: I think should not repeat the questions.

Paras Cheda: No, I think so. I've understood, sir. That's fine. Thank you so much, sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Hemant Mondkar: So, thank you very much, all of you, for the first earnings call, and I'm very happy and you have been very, very inquisitive to ask questions about Hy-Tech. I can assure you any queries or doubts, feel free to write to us. I am giving you an open invitation to visit our factory in Shirwal anytime you wish. Stay invested, and grow with us. Thank you very much.

Moderator: Thank you, sir.

Hemant Mondkar: Thank you everyone.

Moderator: On behalf of Hy-Tech Engineers Limited that concludes this conference, thank you for joining us and you may now disconnect your lines.