August 04, 2026

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
'Exchange Plazza',C-1,Block G,
Bandra kurla complex (BKC),
Bandra (East), Mumbai-400 051,
Maharashtra, India

Symbol: MACPOWER
Series:EQ
ISIN: INE155Z01011

Subject: **Submission of Conference call transcript**.

Dear sir/ Madam,

The Company had organized a conference call for the Investors on Thursday, July 30, 2026 at 2:00 PM to discuss the financial results for the quarter ended on June 30, 2026.

The transcript of the said conference call held with the Investors is enclosed herewith. The Company shall also disseminate the above information on the website of the Company- https://macpowercnc.com/

Request you to kindly take note of the same.

Thanking you

Yours Faithfully
For MACPOWER CNC MACHINES LIMITED

KISHORBHAI MADHUBHAI KIKANI
Digitally signed by KISHORBHAI MADHUBHAI KIKANI
Date: 2026.08.04 18:14:45 +05'30'

KISHOR KIKANI
Company Secretary

Encl: a/a

Macpower CNC Machines Limited

Q1 FY27

POST EARNINGS CONFERENCE CALL

July 30, 2026 2:00 PM IST

Management Team

Mr. Rupesh Mehta - Chairman & Managing Director
Mr. Vishal Mehta, Chief Financial Officer
Mr. Kishore Kikani, Company Secretary
& Management Team

Call Coordinator

Strategy & Investor Relations Consulting

Disclaimer: - This transcript is edited for factual errors.

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27, Post Earnings Conference Call of Macpower CNC Machines Limited. Today on the call from the management we have with us, Mr. Rupesh Mehta, Chairman and Managing Director, Mr. Vishal Mehta, Chief Financial Officer, Mr. Kishore Kikani, Company Secretary, and the management team.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended June 2026, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Rupesh Mehta: Thank you very much Vinayji and team Kaptify to arranging the very nice concall of quarter one Good afternoon everyone. I warmly welcome all of you to our Q1 FY27 post result conference call. Thank you for taking time out of your busy schedule to join us. We truly value your continuous interest and support. The financial result and presentation have been uploaded on the company's website. I hope you have had a chance to review them. I will bring my walking you through the key highlights of our Q1 FY27 performance, followed by an update on our strategic initiative and growth outlook. After that, we will be happy to take your questions.

We are pleased to state that in quarter one FY27, the company delivered its highest-ever performance across revenue, EBITDA, and PAT for any quarter one. Revenue stood at INR95.24 crores, registered a y-o-y growth of 56.1%. EBITDA stood at INR15.43 crore, grown by 95% in y-o-y. And EBITDA margin of 16.20%, PAT stood at INR9.58 crore, grown by 110% y-o-y with the PAT margin of 10.06%. Average machine realization around INR20 lakh. CapEx during quarter one was INR2.25 crore, internal CapEx has led to corresponding increase in depreciation. Robust order book and strong demand in pipeline, pending order book of quarter one stands at INR456 crore, reflecting 32% y-o-y growth. NEXA series contribution around 40% of the pending order book. Domestic bid submitted INR739 crore. Tender bid under evolution INR304 crores and domestic quotations is in pipeline for INR1,000-plus crore INR1,043 crore.

New product innovation. Recently we have successfully developed and launched several new models in Q1 like DCM 2518, double column machines, LX 1000 and TOM 200 with Y-axis.

Infrastructure expansion for future growth. In line with our aggressive growth strategy and sustained momentum in order flow, we have selected 13 acres, 9 plus 4 for green zone of land on a 30 years long term, legally registered lease near our existing plant. The new facility will enable de-bottlenecking, de-congestion, backward integration and significant scaling of our operations to support our long term growth ambitions. State-of-the-art assembly facility will be centrally air-conditioned, shop floor on approximately 1.5 lakh to 2 lakh square feet. Targeted completion of this facility within 12 months. Estimated investment of this expansion is INR50 crores. Benefit of this expansion from Vikshit Gujarat New Industrial Policy 2026 is including 25% capital subsidy plus 7% interest subsidy.

Funding is expected through prudent mix of internal accruals and debt. Focus on captive solar power to reduce energy costs. We are also expanding our market presence, currently operating new 10 branches office and 8 technology centres. Recently opened new branches in Kolkata, upcoming branches in Nashik, upcoming technology centre in Pune, Kolhapur, Mumbai western part. Expanding sales and service networks, participating and spending the marketing budget by exhibitions. Future guidance with the strong order book of INR456 crore, almost y-o-y 32% grown by last year to this year. And expanding high-end product portfolio and ongoing CapEx, we are - confirm our delivering another year of robust growth and are looking at plus 30%. Now we are changing our last concall, we had committed 28% to 30% growth but now look at our raw material situation is in our hand, man power is in our hand and the huge order book.

So we are slightly we are increasing our growth target by 30-plus percentage in this coming year. We remain focused on a profitable growth, operational excellence and long-term value create for our stakeholder.

I would now like to open the floor for question, then you once again thank you for your participation. Yeah, Vinayji, can you please open the new green zone areas layout?

Vinay Pandit: Sir, one minute, I am having an issue at my end, not able to open it. Just give me one minute. Sir in the meanwhile, we can take questions.

Rupesh Mehta: Right.

Vinay Pandit: Yeah, one minute, we are just getting it started.

Rupesh Mehta: These are the new 13 acre areas planned. Already the planning is completed and we had given the agency work to the Taknik Ahmedabad. They are the master for industrial projects and maybe within a short time we will start the construction work also. Thank you Vinayji, we can start question now.

Question-and-Answer

Moderator: Thank you, sir. We'll now begin the question-and-answer session. [Operator Instructions]. We'll take the first question from Agastya Dave. Please go ahead.

Agastya Dave: Am I audible?

Moderator: Yes, Agastya.

Agastya Dave: Rupeshji, thank you very much for the opportunity and good performance, sir. Sir, I would like to point out, last year, same quarter, there was a little low base effect. So this year you have made up on it., and you have also increased the guidance, sir, but how much confidence level do you have that the order book and the bid pipeline that you have made so strong will translate in the next 12, 18 months into continuously better revenues, sir?

Rupesh Mehta: Overall, this year's quarter, quarter 2, quarter 3, quarter 4, will be at an all-time high in the history of Macpower, in terms of our material, manpower, and order book. The data of all three will not be a problem for us. And as I said earlier, Agastyaji, the first quarter is 15%, 20% of the business, because there is no balance in March, there is no financing, but this quarter has been exceptional. So it shows the story of growth. So even now we are assuming that our calculation was 15%, 20%, the first quarter has been the same, the second quarter will also be good, in the third quarter, we say 25%, 30%, and whatever is left in the last quarter, it happens. So this is the nature of capital goods industries, so there has been no growth in the first quarter in any exceptional case. It is the same story of 15-20%. The next quarter will be according to the pattern of the industries, quarter 2 and quarter 3, it is almost similar. And whatever is left in quarter 4, it is 30% to 35%.

So the visibility is still the same, and the pattern of order receiving is coming more than delivery, day by day and month by month. So I think that the journey that we have been telling for 2 years that all the quarter will be the highest, that journey will be in next year and after that also, this is our belief.

Agastya Dave: Sir, second question, my last question from my side is that in your new facility, you have written two, three things, I wanted clarification on that. One you said 25% capital subsidy, so your CapEx of INR50 crores, 25% of that will come or you have written the net number INR50 crores? Second you have said7% interest subsidy, all these benefits will come in one year or will be spread over a period of time, and how will you recognize that? And this new facility sir, its capacity is equal to your existing capacity. I mean it will be difficult to compare, because the machines will be different. So if you can tell some quantitative and qualitative aspects of the new facility, and what is the visibility for the new facility sir? Are you already getting orders for the new facility which you have to deliver?

Rupesh Mehta: Orders will not come, Agastyaji, based on the facility. Orders will come in our regular product basket only. Let me tell you about the subsidy first, so yes, I have been in the subsidy committee, and I have also been present in the meeting of the CM and Deputy CM. So I know about this policy. I understand this policy very deep. So 25% is our category B. We come in the developed district, so 25%, if it is undeveloped then 35%. So we are eligible for 25%, we will not get subsidy on land, but we have not bought land. So whatever CapEx we do there, machinery, construction, we will get 25% on the total amount, which will be divided in 5 years.

The second which we will get is 7% interest subsidy, my bank will charge me around 8.25%, so that quarter on quarter, for 5 years or 7 years, till the loan runs, its maximum value of 10%. So we will get these two facilities from the government, and from the new facilities will be developed Agastyaji, there is no new product basket coming in it. This is the product basket. We have almost 364 variants, and bringing new products is our regular practice. Every year we bring 3, 4, 5 new products. So in the visibility there, we have decided that first we will shift the assembly, centrally world class assembly practice, we will shift it in that area, then we will calculate and do some de-bottlenecking, and then we will do the calculation of capacity.

Agastya Dave: Sir, thank you very much, I have some more questions, but I will go back in the queue. We are allowed only two questions the first time. Thank you sir. All the best.

Moderator: Thank you, we will take the next question from Sanjay Ladha. Please go ahead.

Sanjay Ladha: Hi sir. Is my voice audible?

Rupesh Mehta: Yes, you are audible Sanjayji.

Sanjay Ladha: Hi sir, thank you. Congratulations on a very good set of numbers, sir. Sir, my question is that currently our capacity is around 2,500 units. Can you tell me how much capacity utilization is going on now, and the growth expectation of 30% which is our guidance, as I saw in the presentation, you highlighted that the first phase is 2,000 addition capacity, so till when will that 2,000 addition come, because you said 5,000 in a year, that 5,000 capacity will be live in a year. So till when will 2,000 come, and how much is the capacity utilization of the 2,500?

Rupesh Mehta: What you are talking about 2,000 that was our 60-acre defence policy land, at that time we said that we will add 2,000, Sanjayji. Now we don't have a 60 acre government land. I think the policies are ready from the committee and the industrial commissioner, now it is on the table of the industrial minister. And I think anytime they are releasing the new policy. So this 2000 thing, we have to bring it up to 10,000 phase wise, that land has not come to us yet. But we have been delayed due to the government, so we have done this 13 acre idea, now if we talk about the capacity, I think that in this year's capacity of 2,500, we are going to do 90 plus percent utilization,

Sanjay Ladha: Sir, what was the last year number if you can tell, because I wanted to know, what was the last year growth in 30% and this year you are talking about 90%. Was the last year number less?

Rupesh Mehta: Last year our revenue was INR333 crores, and our average price is INR20 lakhs, and this year it will be INR20.5 lakhs or INR20.75 lakhs. It will be slightly improved, so you can calculate according to that.

Sanjay Ladha: Sir, my another question would be, since we are saying that we are going towards backward integration, and backward integration is already in house to a great extent. So in that I wanted to understand, how much of the manufacturing of the machine, apart from the controller and electric component, how much in-house manufacturing is there, if you can inform me in some percentage terms, and it's an assembly line, where we do third party outsourcing, what is the mix in that?

Rupesh Mehta: Sanjayji, in our industries, for example, if I explain simply, in car manufacturing companies, they don't make tires. (Technical Issue @17:34)Like you said, ball screws, sheet metals, nuts and bolts, belt, these things are not made by any company in the world. So overall, if I talk about the number of components, in number of components, you can do up to 80%. I am not talking about number of value, I am talking about number of components. So you have to buy 20% components from outside, but what Macpower is making, we can do almost 80%, so we are doing up to 40%, 45%. In that also, for 2,500 machines, the capacity of spindle is 1,700-1,800, capacity of powder coating is 2,000. So we are doing more than 2500, we are adding it to the capacity of the in-house. So after that, the 60 acre, the remaining 30%, 35% we will gradually do backward integration, and we will go to 75% to 80% of component manufacturing in terms of numbers.

Sanjay Ladha: Okay, okay sir, I will come back in the queue.

Moderator: Thank you. We'll take the next question from Deepak Pandey. Please go ahead.

Deepak Pandey: Hi sir. Congrats on a good set of number. Sir, in the last question, there was a clarification. Foundry will not come in this setup, right?

Rupesh Mehta: No, it will not come.

Deepak Pandey: Sir, there were 2-3 bookkeeping questions. Order book, if you can help me understand, how much is it from large OEM and how much from SME? And sector-wise too.

Rupesh Mehta: In sector-wise, mainly in the growing sector, we have a lot of job work. We have general engineering, die-and-moulds. And we have an order book of almost INR20 crores for defence. So, largely we have mixed orders. I have not increased sector-wise or segment-wise focus much as I told Deepakji in the last concall, because sector-wise and segment-wise, the costing of the distribution network will increase a lot. Because the market is open for Macpower. India's consumption is 2%. And I take 4% of India's production. So if I work on segment-wise and sector-wise for 10%, then the cost of manpower, offices, and branches cost will increase. So, wherever you put your hand, there is an order. So, we take it from there. We are not working sector-wise or segment-wise.

The market is open for 10%. Still, if I tell you, there is a lot of job work, general engineering, plastic, die-and-moulds. A lot of good orders have been made in the EMS sector. And mostly in our order, the contribution of tier 3 and tier 4 is more.

Deepak Pandey: Got it, sir. Sir, two small questions clubbed into one. What is the update on JV and Tech partnership? And second, how is your 5-axis machine doing in the market?

Rupesh Mehta: 5-axis is a bit of a tricky business. There are a lot of restrictions. We have to sign a lot of agreements that this is for domestic use. India's market is not that big in this business. We will have to focus on export. And according to our current capacity, that area, if I give an example, Deepak, there is a Ferrari model.

Its market will also be niche. And legal compliances also have to be followed a lot. If this machine accidentally goes to defence instead of domestic, then it can also become a big risk factor. So we are not focusing that much in that area. But I have one 5-axis machine. We have given an exhibition for aeronautics. And we are exhibiting one machine again in the January exhibition. But it will not be my business model to sell 5-axis. Because in India's 5-axis market, the maximum machines are imported. It comes from abroad. And FANUC or Mitsubishi does not give control in India. Only China, Taiwan and Siemens. 99% Siemens runs. But their compliances, BAFA agreement of 300 pages, that is a risk factor to sell 1-2 machines in that area. But there is no issue of capability. That's why we will sell 1-2 machines a year.

Deepak Pandey: And sir, on the JV part?

Rupesh Mehta: The discussion on the JV part is still ready. And we are still updating. Maybe there will be some visits in the next quarter. Because the facility is getting ready. So if it goes ahead, I think we will announce that along with the capacity.

Moderator: Thank you. We will take the next question from Mahek Talati. Please go ahead. Mahek?

Mahek Talati: Yeah, hi sir. Am I audible?

Rupesh Mehta: Yes, you are audible.

Mahek Talati: Congratulations on a good start of numbers. Sir, I need clarification. We are saying that we will utilize 90% capacity this year. And when the new capacity will come, how much will it come? Because for FY28 growth, the 30% we are targeting there, for that, where will the capacity come from? Till when will it come? How will it come? Please give that clarification.

Rupesh Mehta: Mahek ji, the capacity of 2,500, we have utilized 90%. If we have to do the same growth next year, then this 13-acre land, we took it because we did not wait for 60 acre. And we believe that we will utilize it in Q2. But how much capacity will increase and how much debottlenecking will happen, we are calculating that. What machineries are we buying for the component? What is the capacity of the component? We are adding that. And how many assembly lines will be added there? So that total calculation is going on now. But definitely this 9 plus 4 acre, 13 acre plant, with that our visibility of growth will come very easily next year.

Moderator: Yes, Mahek. We will take the next question from Bhargav Buddhadev. Please go ahead.

Bhargav Buddhadev: Good afternoon, sir. Congratulations for a very good set of numbers.

Rupesh Mehta: Thank you very much, Bhargav ji.

Bhargav Buddhadev: Sir, this 13 acre plant that you are making, you are spending a lot in this plant. You are making a centralized AC, you are making an assembly of 1.5 lakh to 2 lakh square feet. So what is the purpose? Are we targeting to make such a good plant that our historically MSME customer base, we migrate from there and take orders from like institutional defence aerospace. So is this the reason for making such a good plant?

Rupesh Mehta: Yes, that is also right. There are two reasons why we are doing so well. One reason is that your cost will be a difference of 20%, 25% from the normal structure. If you take a vision of 2, 3, 4 years in visibility, then this infrastructure, because there are some machines that we also make now, thermal composition and temperature effect comes on the machines. It is also a little time-wasting to set it. So by doing this, by setting it at 26 degrees, our time will also be saved, so productivity will also improve.

Secondly, when you talk about JV, that you are talking about world-class machines and defence and aeronautics, then there is a compulsion for this type of assembly. 100% is needed. So we are also doing that segment to move forward. Thirdly, we have also increased the budget. Earlier it was INR30 crores to INR40 crores, we have taken it up to INR50 crores, because when we announced Bhargava bhai, this policy was not there. It has only been a month since this policy came.

So whatever is late, God does well, that happened for us. Otherwise, 25% and this interest subsidy would not have been received and I would have run it for INR30 crores. So now we are increasing it. You have taken the right calculation in it. And some normal construction and this centrally air-conditioned world-class construction, because as per the top 5 plants in the world, we will have to make infrastructure according to that. Because we will plan to do the same in 60 acres and move forward.

The best practices that happens in the world, because the market wants to see the manufacturing process of style. And by doing all this, your operating cost can also be reduced, because with some facilities, there is a lot of improvement in your productivity.

Bhargav Buddhadev: Sir, we can assume that our lease cost will be around INR40 lakhs, INR50 lakhs per year. And secondly, this interest rate subsidy, if the bank gives a loan of 8.25%, then its assumption will be that the government will reimburse 7%, so our expenditure will be only 8.25% of the interest.

Rupesh Mehta: See, first Bhargava bhai, INR50 lakhs is too much. I said, I will not give that much, I take it in token rate only. According to my knowledge, the market value of this is INR40 crores. And the rent of INR40 crores of land is less than 1% per year. Game change happens because of government subsidies, your interest-free loan, then you save INR40 crores in your CapEx, in which we do not get a subsidy, because there is no subsidy on land. So we were waiting for this game, which was also under pressure for a year, because the order book was increasing a lot, and execution was a bit slow.(28:56)

Here for this year, taking 3 premises on rental, this year's growth, capacity of 2,400-2,500, we will utilize 90% of it. So this is also the reason that the growth of the future will also come from this type of infrastructure.

Bhargav Buddhadev: So the expense of interest will be only 1%, 1.25%, right?

Rupesh Mehta: Yes, 7% will be given by the government, and 8.25%, so more than 1.25% per year. So it is happening at a negligible cost.

Bhargav Buddhadev: Lastly, our realization has reached INR20 lakh per machine, and 40% of the order book is NEXA order. So as NEXA orders come in revenue, should this realization increase from here?

Rupesh Mehta: No, this should not happen, because the remaining 60% order, INR12 lakh, INR15 lakh, INR16 lakh, INR17 lakh, you also need numbers in that. So in the current trend, the average value of the receiving order has reached INR20.9 lakhs or INR21 lakhs. It is plus or minus every day. If it comes out of 60%, it will decrease. If a big machine comes, it will increase. So now we have reached nearly INR1 crore order.

Bhargav Buddhadev: Okay, sir. Thank you very much and all the very best. Thank you.

Rupesh Mehta: Thank you very much.

Moderator: Thank you, sir. Sir, we'll take two questions from Q&A box. It's from Vishwa Singhal. He's asking, in Q4, you mentioned that 80 fully built machines were sitting in opening inventory, waiting for customer bank loan signatures and subsidies, and stated that these would clear within 7 to 10 days. Did those 80 machines actually get built and converted to liquid cash in Q1? Furthermore, what is the current inventory level of finished machines sitting at your tech centres today?

Rupesh Mehta: Right now, that 80 machines is almost I think, 90% machine is executed. Right now, I think we have to keep the same inventory for each and every quarter. Without that inventory, because suppose in this quarter, I think end of this month, tomorrow is the last day of month. So many of the machines will forward for next month because we are waiting for their payment. Maybe first, second, third, maybe it's not possible. Every month, 70% payment is received out of 100 names or 100% names.

Say for example, we have 300 names, then 65% payment received. Another 33% payment will be received on first week or before 10th. So this is a trend. So every month, some of the machine is forwarded on month-on-month basis and quarter-on-quarter basis. Secondly, right now in our tech centres, I think we… almost is empty. There is no machines except one or two machines in one tech centre or another tech centre.

So right now we are struggling for the delivery for our customers. So inventory or any demonstration machine is also sold out. So there is no machines in tech centres.

Moderator: Okay, sir. His next question is NEXA machines accounted for 40% of your INR406 crore order book in Q4. What was the exact revenue share of NEXA series machines in Q1 FY27 versus lower margin traditional models?

Rupesh Mehta: So I think we already calculated is nearly the same. 39% to 40% is executed in quarter one by NEXA product.

Moderator: Okay. And out of INR376 crore in defence and aerospace bids under evaluation, what is the timeline and conversion rate we should expect in H1 FY27?

Rupesh Mehta: Nobody can predict that area because since two years old tender is not yet open. So I think you cannot predict but normally the quarter three and quarter four because they have a budget and if they will not open and not place the order, their budget will I think skip for the next financial year and they have to give the lots of reason and they have to apply the new budget for that CapEx. So quarter three and quarter four is the maximum realization of opening the tender.

Moderator: Thank you, sir. We'll take the next question from Arnav Sakhuja. Please go ahead.

Arnav Sakhuja: Hi, thank you for taking my questions. So my first question is I just wanted a bit more clarity on the guidance. So you raise the revenue guidance to over 30% revenue growth, but is there any change in the EBITDA and profitability guidance or does that remain the same?

Rupesh Mehta: I think right now in quarter one is we already achieved 16%. So I'm expecting that some of the percentage definitely will increase in the EBITDA margin also on quarter-on-quarter, all these three quarters.

Arnav Sakhuja: And so my next question is, given the whole West Asia war that took place during the entire quarter one and is still taking place, has that affected our business performance in any way or does it not really impact us?

Rupesh Mehta: That area is not I think, we are working. So it's a 0% effect on this war or anything because we are not focusing on any export or and we have a one year inventory for our one component we are buying from Taiwan, only ball screw and LM guideways by one company. So I think this war or anything is not that much affected to the Macpower.

Arnav Sakhuja: Okay, congratulations again and thank you for answering my questions.

Rupesh Mehta: Thank you very much, Arnavbhai.

Moderator: Thank you. We'll take the next question from Kumar Saurabh. Please go ahead.

Kumar Saurabh: Congratulations on good set of numbers, sir. Sir, my question is also on the margin. Like 2-3 years ago, we were on a INR200 crore run sales and when we went from INR200 crores to INR300 crores, then there was a lot of expansion in the margin and I think because of cost of goods sold. But now when we are going from INR300 crores to INR450 crores, then it seems that our margin is going to be the same 17%, 18%. So why did the last INR200 to INR300 crores have such a big expansion and why is it not coming now? And you had given guidance that in the long term, it will take 4-5 years for the margin to go up to 20%. Where are we on that path? Will it happen this year or not? If you can clarify.

Rupesh Mehta: See, I have told you many times that margin improvement happens from three places. First, your fixed cost is very high. When you increase production, like today I talked about spindles in some components, we talked about powder coating, we talked about job work. Our capacity is 1,200 in some area, 1,500 in some area, 2,000 in some area. So when the cost of job work is increased, then the cost of production increases. Second, in this sales, a lot of transport is included in the orders. So the cost of transport will also increase. Like your number of machines will increase. Third, the cost of the transport used in the purchase will also increase. The cost of custom duties will also increase. So this happened on your variable, when the numbers will increase.

And when you need visibility for the next quarter and next year, then the pre-operating preliminary cost will also increase for you. So, the margin that will come will come in three ways. First, when you give more numbers, like if you look at quarter 1 of last year and quarter 1 of this year, then the revenue growth is 52%. But if you look at PAT margin, it is almost double. So this is the pattern of this business, that when you do some big numbers, because your fixed cost, like the direct indirect expense, it was 20% or 21%. So if you give more numbers, then your margin will definitely improve on EBITDA. Number one.

Number two, backward integration. You take a lot of materials from outside, get the components done outside, when you do all this in-house, then your margin improvement comes. And number three, your defence order winning ratio increases rapidly. So these are the three areas. But still, as I told you, you will definitely see an improvement in EBITDA in every quarter. And it will be a good improvement.

Kumar Saurabh: Thank you, sir. And the second question is, sir, the new land that we bought, first congratulations to close it. So now, as you said, the capacity will not increase immediately, but the assembly line will come, there will be backward integration, it will be beneficial for everyone. So if you can explain the capital allocation of all this money, how will our return on investment come on it?

Rupesh Mehta: Look, I am telling you one thing, that for next year, it is not possible to make more than 2,500 in this existing unit. So this land is definitely taken for the growth of next year. But how much it will increase, its calculations have not been done yet. What are we doing in the first phase, that the 1,200-1,500 spindle, 2,000 sheet metal, as I told you, calculating the next growth, we are building its capacity, number one. And secondly, we will calculate the construction areas, because the assembly is taking it there, how much we can improve productivity. Like there are some baskets, in which we can move them on the floor twice. Suppose one machine has been kept for 15 days, and after that, the next 15 days, the second machine, so we are getting to use that floor twice. We are bringing some new innovation, that how can we do it 2.5 times. So we are calculating the capacity, how much capacity we will bring from these two plants for next year.

So definitely, these existing facilities, there we are buying some backward integration machines, some capacity of components are increasing, in stage one. After that, how many times can we use the floor, I think I can do 2.5 times easily. So I am going to give the details of calculations in Q3. So I think, in front of INR50 crores, we will generate a lot of revenue, that is final. But how much will it be, that has not been calculated yet, so I will not give a figure on that assumption.

Kumar Saurabh: Sure, sir. That's all, sir. Wish you all the best. Thank you, sir.

Rupesh Mehta: Thank you.

Moderator: Thank you. We will take the next question from Piyush Jain. Please go ahead.

Piyush Jain: Hello.

Moderator: Yes, Piyush.

Piyush Jain: Yeah, yeah. Rupesh bhai, very good number. Congratulations. Just want to understand few things. The capacity we are talking about, 2,500 thousand, that you are talking about, it will be utilized 90% this year. So this 13 acre land, since when commencement of operations will happen? So that we don't lose out of any quarter of it.

Rupesh Mehta: We are targeting 12 months, to complete the project. So I believe that in Q2, or almost in June, we will start its utilization. So there will be no impact in the next financial year. The same growth story is going to move forward.

Piyush Jain: Okay, one more thing, Rupesh bhai. Earlier you used to give the incremental data of the order during the quarter, and also the volume data. But still, what I have calculated, in this quarter, we have received a new order of INR140 crores, INR145 crores. Can you confirm that number? The basis which I just want to ask, what is the order pipeline which you see? Because suppose, I haven't calculated for the last quarter of March, how many new orders we had taken. But in the current quarter, we have ordered INR145 crores. Is it the highest order received in a quarter for the company's history? And is the number moving towards that, that we can see an order inflow of INR150 crores, INR200 crores on a quarter basis?

Rupesh Mehta: See, in front of a new order of INR145 crores, we gave an execution of INR95 crores. In this some part is of the service. So INR93 crores, INR94 crores. So, I think, in this quarter, what you are saying, INR150 crores, we are planning to increase it even more. And that journey has started, because this month is almost complete. So, I think, yes, it will be more than that.

Piyush Jain: Okay. And according to my number, last year, the volume would have been around 1,650-1,700 machines. Can you tell us some data on this, last year, how much…?

Rupesh Mehta: Data on numbers, I think, in the future strategy that we plan, discussing it on a public platform, and competition and supply chain is not…

Piyush Jain: Okay, this is fine. My question is…

Rupesh Mehta: You can easily calculate.

Piyush Jain: Okay, my question is, my actual question is, the percentage of NEXA that we have increased, and you are still saying, NEXA is a 40%. Is our average realization increasing? Because, what I follow Macpower, from last 3, 4 years, from INR18 lakhs, INR19 lakhs, our average realization is still around INR20 lakhs, within INR20 lakhs or INR21 lakhs. So, is NEXA 40% will be taking our average realization towards higher side?

Rupesh Mehta: See, in this quarter, the quarter that ended, as I told you, around INR21.9 lakhs, with INR20.9 lakhs, so, INR90,000 average realization, order booking has increased. So, it will increase gradually, and, I think, the numbers game that you are going to do, that the next capacity is very big, let's assume, of 10,000, so, in that, which will focus on very high value, so, let me tell you, that turning machines, which are less than INR20 lakh, its numbers, in India, 32,000 machines were made, out of that, 12,000, 13,000, 14,000 machines, were less than INR15 lakhs.

So more than average utilization, the rest machines above INR1 crore, which are, according to me, were not more than 1,000, 1,500, and machines above INR2 crore will not be more than 50, 100. Of INR3 crore, 10 machines will also not be there. So, if I talk about average realization on example, then, Maruti will sell the most, Ferrari, or Mercedes, numbers will be less. So from any basket, if order comes, we in today's date also, as I told you, segment wise, basket wise, or tier 1, tier 2 wise, we are not doing, because it costings, increases a lot, and that pressure, in other peers companies, has been seen. So till 10%, any product mix basket, comes, it does not matter. Your top line should increase, your plant capacity, in terms of more than the number, plant capacity in terms of revenue, should be calculated, according to my knowledge. If INR20 lakhs is coming, then visibility of INR500 crores, is in this plant.

So, still, next year also, we are, on numbers, and we are going forward to increase the price from INR20 lakhs to INR21 lakhs more, and to stretch more than that, you have to focus on this basket only, where, the market is very niche, and is a little competitive. With import, you will get a direct fight. So, it will increase gradually, when our 60 acre land visibility and expansion will be complete. So definitely, separate, separate lines will be there, with every basket. And every basket, distribution network, marketing network and export, but haste at this point will disturb very growth journey.

Moderator: Thank you. We will take the next question, from Garvita Jain. Please go ahead,

Garvita Jain: Hello, hi, good afternoon, sir, I have one question, if you could give me, a range of the price of the machines, which are high-end, versus low-end, or mid-end machines? And like how does this price band varies across the industries, like aerospace and defence and general industrial machines? So that I can estimate how much is the realization or average selling price difference we are expecting, with the change in the order book mix.

Rupesh Mehta: Already I think, I had given this question that average price realization is INR20 lakh. Now in our new order book it is increased by INR20 lakh, plus.

Garvita Jain: Sir, what I am asking is, average I got, but if you could give me the price band, which are low-end machines, assume that--

Rupesh Mehta: Low-end machine is INR12 lakh to INR20 lakh, Garvita, and middle range machine is INR20 lakh to INR30 lakh rupees and INR30 lakhs to up to INR2 crore machines is higher end machine for us,

Garvita Jain: Okay, okay. And sir, is there any price change we have taken this quarter because of the increase in the raw material prices?

Rupesh Mehta: Yes, definitely, we increased the price by 4% to 6% and this first quarter we had given chance, to our customer, who have given the order, that if you are not lifting the machine, you are to you are eligible to give us 4% to 6% new price increment. So from 1st June, already, the new price is effected and all the invoice is by the new price.

Garvita Jain: Okay, okay, and one last question, if you could give any volume growth, in terms of units, if you could give for quarter one?

Rupesh Mehta: Volume growth, definitely, without volume growth, I think--

Garvita Jain: How much was it, sir, number of units, if you could if you can give me.

Rupesh Mehta: Almost, I think the revenue growth, percentage is same by the number of growth, because average price is…

Garvita Jain: Volume growth,

Rupesh Mehta: Almost same, yeah.

Garvita Jain: Okay, thank you sir,

Rupesh Mehta: Thank you,

Moderator: Thank you. We will take the next question, from Rahil Shah. Please go ahead.

Rahil Shah: My question, sir, my question is that the cash conversion cycle days, and our inventory days have consistently risen over the past three years. So is this more like a permanent feature of doing business with defence and large businesses, or it's just a working capital issue?

Rupesh Mehta: Rahil bhai, can you, please I think your voice is not clear. So can you please repeat?

Vinay Pandit: Working capital has increased over the last year, in FY26. So he wants to ask, how will it move?

Rahil Shah: Am I audible, sir?

Rupesh Mehta: Yeah, has it increased, or will it increase, what is he asking?

Rahil Shah: It has increased, since the last three years. So is it more like a permanent feature, or it's a working capital issue?

Rupesh Mehta: Definitely, in terms of percentage if you calculate, then it is not that much big in terms of the percentage. But as your business increases, Rahil bhai then definitely working capital will increase. From INR100 crore business it rose to INR200 crore. From INR200 crore to INR300 crore. Now it will be INR450 crore. Next year, it will be INR600 crore. So, working capital, in terms of rupees will increase, but if you calculate…

Rahil Shah: I am talking about working capital cycle. The inventory days have also increased.

Rupesh Mehta: Yeah, so as I have told many of our concalls that inventory is the game changer in our line, Rahil bhai. Like we have 364 variants, now 70% business, which will be executed, month by month, can be predicted. 30% is unpredictable. So which variant, which model you will get, you don't know. So if you have inventory, then you can execute, because lead time, logistic time and assembly time that is component time. Assembly time is very negligible. So inventory is game changing.

Second is, that you are not using working capital, you have a lot of cash, what will I get, 2%, 3% only from the bank. So it is better to keep inventory. The benefit is in supply, to give orders from buyers, to lift orders you get a good discount. If you import entire container orders, logistic cost also benefits. So inventory is this industry's always game changing. Today, in my one machine, Rahil bhai, there are 1,000 approximate components. I manage 19,000 plus inventory. If one component is not there, then this 364 variant, one or two machines, you will not be able to dispatch. So inventory always is game changing for this industry. And I think that inventory, like if our business will increase, so definitely inventory will increase, but its, value, will be less when we do backward integration.

Rahil Shah: Okay sir, thank you. All the very best.

Moderator: Thank you. We will take the next question from Aryan Vijan. Please go ahead.

Aryan Vijan: Hello.

Moderator: Yes Aryan.

Aryan Vijan: Sir, I wanted to ask what is the future target in terms of revenue and profitability of the company.

Rupesh Mehta: What is the target of?

Aryan Vijan: Revenue and profitability target in the future. For FY27 or--

Rupesh Mehta: I think year on year we are targeting that we will deliver you more than 28% to 30% year-on-year.

Aryan Vijan: In terms of sale?

Rupesh Mehta: In terms of revenue.

Aryan Vijan: And what about the margins? Do you expect to--?

Rupesh Mehta: In terms of almost margins also, in EBITDA also, in revenue also and in the PAT also.

Aryan Vijan: And sir, what is the bidding pipeline currently of the company?

Moderator: There is a background noise. Vijan, yeah.

Aryan Vijan: Sir, what is the current bid pipeline for the company?

Moderator: Voice is not audible Vijan.

Vinay Pandit: What is the current order pipeline for the company?

Rupesh Mehta: Order pipeline, I think we have given everything. INR456 crore order is received with the advance. And 1000 plus domestic quotation bid. Everything is in presentation. Yeah.

Moderator: Thank you, sir. We will take the next question from Gaurav Shukla. Please go ahead.

Gaurav Shukla: Sir, congratulations for a very good set of numbers. Am I audible, sir?

Rupesh Mehta: Thank You Gauravji. You are audible.

Gaurav Shukla: Sir, last participant has asked, you said that the margin will also increase in the same range. Our margin is 17%, 18% at the moment. So what will be the sustainable margin of FY27? Will it remain the same or will it go around 20%?

Rupesh Mehta: No, I will be able to tell in Q3 about 20%, because how much the backward integration will be done,And the expenses of fixed cost and revenue, my target is not more than 20%- 21%. How much can I stretch towards the backward integration, because the highest cost in total expenses, other than material, is salary and job work. Almost 60% cost comes. So how much backward integration are we doing and how much will be the cost of our job work will be reduced, I have to calculate that. With that, how much capacity is going to increase? Because if the capacity increases, the expenses will not increase that much. So by calculating both these factors, the vision for next year will definitely increase from both sides, in terms of revenue and EBITDA. But I will not be able to tell you how much it will be. I will announce it in Q3.

Gaurav Shukla: Thank you for this answer. Sir, the receivable was INR34 crores in March. Has it increased or decreased?

Rupesh Mehta: How much was the trade receivable in Q1?

Vinay Pandit: We can share this later. We will proceed to the next question.

Moderator: Thank you. We will take the follow up question from Mahek Talati. Please go ahead.

Mahek Talati: Hi sir, sorry my line got dropped. In the last quarter, we had a revenue delay of INR15 crore, INR16 crores which was postponed. Has it been recognized in this quarter or still some left?

Rupesh Mehta: It has been done. As I told you Mahekji, there are some machines in every quarter that will be forwarded for next month. Normally, in March, everyone has to meet the target. Banks, PSUs, and customers also need machines. It is not forwarded in March, but it has been done. It has been realized in one quarter. In every quarter, we have to keep a few machines. If someone gives a payment from a big order book, he won't be able to wait for the delivery. Even now, we have the same numbers forwarded for next quarter. This is the journey. We try to complete 99% in the last quarter. There are a lot of machines that are on trial and have a 1-day work left when quarter ended. A lot of machines are ready to be dispatch. This is the journey, but yes, the realization of the machines has come in the first month. The question was that the receivable has been reduced to INR33 crores due to quarter 4. It is INR33 crores in quarter 1.

Mahek Talati: Sir, the defence policy which has not been finalized yet, what is the target? Till when will it be finalized? Till when should the land be handed over for our new 60 acre policy? Till when will it be finalized?

Rupesh Mehta: I have been to the Ministry and met the Industrial Commissioner, Deputy Industrial Commissioner. He has given a very good policy. It is better than the Vikshit Gujarat policy. So, don't panic and wait. We have made this policy and put it on the table of our Deputy CM, who is also an industrial minister Harshbhai Sanghvi. The Vidhan Sabha monsoon session is going on. He will be free as soon as it ends. You will get it in 15 days or a month. This is what the Deputy Industrial Commissioner has told me.

Mahek Talati: Sir, the clarification was that the tech partner will be finalized only after the land is handed over or the new capex we are planning for 13 acres, will be finalized as per them and set up the capacity?

Rupesh Mehta: We can start on a trial basis. But for the production and for the Macpower itself, if both these plants start, I think we will need space for the speed we need for growth. We can do it in 13 acres like a pilot project or sampling. We can move the work forward. Because we will save time in developing a product, but we will not focus on full-fledged. Because we are facing the challenge of executing such a big order book for ourselves. So it will be a little early to make and launch the product of others and increase their pain. But yes, we are planning to sample a few machines. So that when we come to the new plant in full-fledged, we can save time in development.

Moderator: Thank you. Sir, we will take the next question from Aniket Jain. Please go ahead.

Aniket Jain: Good afternoon, sir. I wanted to ask that you supply some machines in the EMS sector. Are those machines low-end, mid-end or high-end? Secondly, what type of customers are they? Are they mobile phone manufacturers, PCB manufacturers or any other electronic component to whom we are supplying the machines?

Rupesh Mehta: Their machines are called drill type centres. And I think they come in the mid-segment. We are giving two, three machines every month. And we are planning to make more of them. In which there is a spindle of high speed of 20,000 RPM. And it is very high-speed rapid. This is their special feature. Because to do fast machining of small components, a lot of cutting and spindle speed is required, due to which the time to make their product is reduced. And the finishing is also very good. So, our customers are my tier 3 customers. They make electronic parts for tier 2 and tier 1.

Aniket Jain: Got it, sir. And is the margin profile similar to other products? Or is there a high margin in this? And secondly, how do we see the growth in this? What will be the share of revenues in the EMS sector?

Rupesh Mehta: No, nothing. As I told you, we have not yet worked on a very specific segment. If we work on a segment or a cluster, then the distribution cost will increase. Suppose I have to give a machine at some place in EMS. So, first they will ask a sample of five machines. Then he will say, give 50 machines for a year's credit. All these things are going on there. Where there will be a bulk, the hand of the buyer will be up. So we have not yet worked on the segment. But I believe that now we are taking a 2% market share of consumption. Only 2%. The market is open. There is no need to increase its cost unnecessarily, or then there is no point in sending the machine to them in credit. These big segments are for Macpower, after 10% is the market share area. Why should I give credit now?

And the receivable that you are seeing, INR33 crores, that is the receivable in which the PSU and the bank letter comes to us that you give the machine, we will give you money in 3 days, we will give you money in 4 days. This is not a credit. And there I have to go to them every year or six months. So, all this is not necessary for us as long as I am taking 100% money in the market, I do not give the machine without advance, or I do not even make it. So, all this is not for us. That you target some segments or specific industries and work out. Their pain is too much. We will have to do that after taking 10% market share.

Moderator: Thank you, sir. We will take the last question from Nexus Equity. Please go ahead.

Nexus Equity: Hello. Congratulations on the numbers. Sir, I had only one question. The growth that is going to happen in the future, the new plant commission is going to happen. So, how are we going to fulfil the funding requirement for it? And how much funding will be required?

Rupesh Mehta: We are targeting INR50 crores. Out of that, INR20 crores, INR25 crores are lying with me. How much utilization will we do of it, and how much cash will be generated. because we do not need all this money in a day. We need it in a year. So, according to that, I do not think it will be very necessary. But this new policy has come. So we will also think of taking a little debt. Because you are almost interest-free. And even if I keep the company's money somewhere, I will get 8%, 10%. So, I may or may not take debt. But there will not be that much debt pressure. Because when the need arises, the company also has a lot of cash. And in this policy, the machine purchased 6 months ago will also be eligible for you.

So, first we will take it from our money. And when the need arises, we will take a loan. And how much loan we will take, we calculate. But we are getting 1.25% in a year. So, we will take a little loan. So, a little internal and a little loan. This is how we plan. Because even if we put our money in this, we will still get a subsidy.

Moderator: Thank you, sir. Sir, since that was the last question, would you like to give any closing comments?

Rupesh Mehta: Thank you very much to all the shareholders to believe in your company. And thank you very much, Vinayji, Mohsin bhai, for arranging the highest number of people in this meeting. I think this is also a record-breaking like Macpower result that we have more than 120 -- 135 people in this meeting. I think this time we break this number of people's record also. So, congratulations to Team Kaptify. And thank you very much once again, everyone.

Moderator: Thank you, sir. Thank you to the management team. And thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.