November 09, 2026

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Trading Symbol: LCL

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Scrip Code: 544839

Dear Sir/Madam,

Sub: Transcript of the Earnings Call dated November 06, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call held on November 06, 2026, in connection with the Unaudited Consolidated and Standalone Financial Results of the Company for the quarter and half year ended September 30, 2026.

The transcript of the call is also uploaded on the Company's website i.e. https://www.lohiagroup.com/investor-relations

This is for information and records.

Sincerely,

***for* Lohia Corp Limited**

SHIKHA SRIVASTAVA
Digitally signed by SHIKHA SRIVASTAVA
Date: 2026.11.09 14:22:38 +05'30'

Lohia Corp Limited

Shikha Srivastava
Company Secretary and Compliance Officer

"Lohia Corp Limited

Q2 FY27 Earnings Conference Call"

November 06, 2026

MANAGEMENT: **MR. GAURAV LOHIA – WHOLE-TIME DIRECTOR AND CHIEF OPERATING OFFICER – LOHIA CORP LIMITED**
MR. ANUPAM AGARWAL – CHIEF FINANCIAL OFFICER – LOHIA CORP LIMITED
MR. K.G. GUPTA – ADVISOR TO CHAIRMAN AND MANAGING DIRECTOR – LOHIA CORP LIMITED

MODERATOR: **MR. ASHISH PODDAR – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Lohia Corp Limited Q2 FY27 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. 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 star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Poddar from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

Ashish Poddar: Yes. Thank you, Sagar. Thank you everyone for joining us today in Lohia Corp's Limited Q2 FY27 earnings conference call. We have a pleasure to host Mr. Gaurav Lohia, the Whole-Time Director and Chief Operating Officer, Mr. Anupam Agarwal, Chief Financial Officer, and Mr. K.G. Gupta, Advisor to CMD, sir

Without ado, I hand over the call to Gaurav ji for his opening remarks, post which we can open the floor for Q&A. Over to you, Gaurav.

Gaurav Lohia: Thank you. Good afternoon, everyone. Thank you for joining us for Lohia Corp Limited's Q2 and H1 FY27 earnings conference call. It is a pleasure to connect with our shareholders and the investor community once again.

Following our recent listing, we have had the opportunity to engage with the wider investor audience. We value this engagement and remain committed to building long-term relationships through consistent performance, transparency, and responsible business practices.

For those who are relatively new to Lohia Corp, let me briefly introduce our business. Lohia Corp is among the leading global manufacturers of machinery and equipment for technical textiles, with a strong presence in woven plastic fabric and flat production.

Our solutions span the entire production value chain, from tape extrusion and circular weaving to coating, printing, and back conversion. With manufacturing operations across India, the US, and Italy, we serve a diverse global customer base across packaging and non-packaging application sectors.

Research, innovation, and engineering excellence remain central to our business. Our R&D center in Kanpur and Digital Innovation Center in Bangalore support product development across machine design, automation, polymer processing, and digital technologies. Our intellectual property portfolio includes 71 patents in India and 56 patents internationally, alongside a growing pipeline of patent applications and design registrations.

These capabilities help us develop differentiated machines offering higher productivity, greater automation, and lower operating costs. Our strategic priorities are to strengthen our leadership in woven plastic machinery, while expanding into conversion equipment, high-performance fiber equipment, monofilament machinery, and recycling technologies, leveraging our engineering capabilities to broaden our addressable markets.

Alongside product innovation and expanding our international presence and strengthening our aftermarket services remain important priorities. Our focus on technical support, remote assistance, and operator training enables us to build deeper customer relationships and create value throughout the operating life of our equipment.

In the recycling segment, we supplied the ReclaMax 120, the largest machine in the ReclaMax series with a capacity of 500 kgs per hour, to a key customer in India on August 26th. We also advanced the development of ReclaPro D150, which is mother-baby extruder series, a two-stage solution designed to improve the quality and efficiency of recycling post-consumer and contaminated plastic waste.

We are also pursuing opportunities beyond our core woven plastic machinery business, particularly in recycling equipment and specialized technical applications. During the quarter, we executed 1,000-millimeter specialized stretching line for a key Indian customer to process ultra-high molecular weight polyethylene for the defense sector.

We also secured our first order from South Korea, making an important milestone in our international expansion. Our emphasis on aftermarket support, digital services, and customer engagement also continues. During the quarter, we hosted a customer care meet in Udaipur, bringing together our sales, service, spares, and technical teams for direct engagement with customers.

We also participated in five industry exhibitions across India and international markets. Strengthening customer outreach and brand visibility. In addition, our Technical Training & Research Centre led the BIS working group on a new national standard for polylactic acid, which is a kind of a bioplastic, and helped advance ISO 15270-3 on physical recycling to the draft international standard stage. Overall, the quarter delivered strong growth across revenue and profitability, supported by a robust order book. Anupam ji will take you through the detailed financial performance shortly.

Looking ahead, our focus remains on executing our order book efficiently, strengthening our technological capabilities, expanding our product portfolio, and pursuing sustainable growth opportunities with financial and operational discipline.

We believe that our established global presence, strong engineering capabilities, extensive intellectual property portfolio, and customer-centric approach provide a solid foundation for the next phase of Lohia Corp's growth.

I would like to thank our employees, customers, business partners, and shareholders for the continued trust and support.

With that, I would now request our CFO, Mr. Anupam Agarwal, to take you through the financial performance for the quarter and the first half of the year. Thank you.

Anupam Agarwal: Thank you, Gaurav-ji. Good afternoon, everyone. I will take you through our financial performance for the quarter and the first half of the year, along with key business developments, order book movement, and our financial position.

Starting with our consolidated financial performance, revenue from operations for Q2 FY27 stood at INR594 crores, compared with INR418 crores in Q2 of financial year '26, representing Y-on-Y growth of 42%. On a sequential basis, revenue increased by 18% from INR503 crores in Q1 FY27.

For the first half of financial year '27, consolidated revenue from operations stood at INR1,097 crores, registering growth of 50% over INR734 crores of last H1. Our performance during the quarter was driven by sustained momentum across all business segments, supported by strong order book execution and healthy demand across domestic and international markets.

Coming to profitability, EBITDA for Q2 FY27 stood at INR116 crores, compared with INR87 crores in the corresponding quarter last year, an increase of 33%. EBITDA margin stood at 19.4% against 20.7% in Q2 FY26 and 19.9% in the preceding quarter. The moderation in the quarterly EBITDA margin primarily reflected higher commodity prices.

However, operating leverage helped keep EBITDA margins resilient as employee costs and other expenses increased at a modest pace than the revenue. For H1 FY27, EBITDA stood at INR215 crores, an increase of 76% over H1 FY26 with the EBITDA margin expanding to 19.7% from 16.7%.

PAT for Q2 FY27 stood at INR77 crores compared with INR52 crores in Q2 FY26, representing growth of 48%. PAT margin for the quarter stood at 13%, compared with 12.5% in Q2 FY26. For H1 FY27, PAT stood at INR144 crores, compared with INR69 crores in H1 FY26, representing growth of 108%. The PAT margin expanded to 13% from 9.5% in the corresponding period last year.

Moving to our operating performance, domestic revenue grew by 83% year-on-year to INR375 crores in Q2, while overseas revenue rose to INR218 crores, increasing 6% sequentially and 2% Y-o-Y. Domestic markets contributed approximately 63% of quarterly revenue, and international markets accounted for 37%. Across our business portfolio, machinery revenue stood at INR480 crores, while aftermarket revenue and other revenue contributed to INR50 crores and INR59 crores, respectively.

Machinery accounted for approximately 81% of quarterly revenue. Our outstanding order book as of 30 September, 2026 stood at INR2,000 crores approximately, compared with INR1,778 crores at the end of June '26 and INR1,030 crores, INR1,000 crores approximately, at the end of September '25. The order book grew 12% sequentially and 93% Y-o-Y, providing strong visibility for the coming quarters. The export order book was also at an all-time high.

Turning to working capital. Our net working capital cycle as of 30 September, 2026 stood at approximately 92 days, compared with 84 days at the end of financial year '26. Customer advances continue to be an important element of our business model, supporting order execution and working capital requirements.

As of September 30, 2026, total borrowing stood at INR115 crores, while cash and cash equivalents together with current investments stood at INR238 crores. This resulted in net cash position of INR123 crores. Net debt to equity stood at negative 0.18 times, while net debt to

EBITDA stood at negative 0.57 times, reflecting the strength of our balance sheet. We continue to approach capital allocation with discipline, balancing investment in technology product development and operational capabilities with efficient working capital management.

Looking ahead, our immediate priorities remain timely execution of the order book, maintaining operating efficiencies, strengthening our international presence, and expanding our portfolio of differentiated machinery solutions.

We will continue to monitor raw material costs, demand trends, and the broader global operating environment while maintaining our focus on profitable growth and prudent financial management.

With that, I conclude my remarks. Thank you for your continued interest in Lohia Corp. We can now open the floor for questions.

Moderator: Thank you. We will now begin with the question-and-answer session. Your first question comes from the line of Rushil Selarka with Pink Wealth Management. Please go ahead.

Rushil Selarka: Yes. Sir, my question is that since I'm new to this company, just wanted to understand, when a customer buys, uh, products from us, as we have a wide range of portfolio products like extrusion lines, tapes, wind, circular looms, so if a customer just buy a circular looms or if let's say, if let's say they buy a circular looms from us, so they also have to buy extrusion lines and tapes also from us, or they can buy any one of the product? That is what my understanding. I wanted to ask?

Gaurav Lohia: So, generally, there are two, three different kind of ordering. So, when it is a project order, when the customer is entering this industry or expanding complete capacities, right, he would order complete tape extrusion line, binders, weaving machines, downstream equipment as well, like for example, printing or coating or conversion lines depending on the application.

Then there are balancing machines. Suppose the customer needs to add, augment the fabric capacity a little more, then he places solo loom orders, for example. They are in the tune of two to, let's say, 12 machines or etc.

And in general, customers buy complete projects from us. Very seldom, it comes across that he buys partial projects from us and some balancing equipment from someone else. If, for example, converting machines, when we were not operating in a particular segment, that was the case more so. But after offering certain other kind of machinery as well, so customers are generally choosing us for complete project orders. Could I explain properly to you, sir?

Rushil Selarka: Yes, sir. Understood, sir. And, sir, my second question is that on the demand side, since, we have seen that there is a rise in commodity cost and we are also -- is it like that we are not able to pass on the price or like we have already done the contract, that is why we were not able to pass on the price? And because of that, are we going to see slowdown in the capex from the customer side also?

Anupam Agarwal: Okay. So, customer capex are not driven by commodity prices movements in the short-term. They are normally driven by the end use of the applications that they want to manufacture, number one.

Number two, you rightly mentioned that we are commodity prices This year the commodity prices have been on the upwards movement because of geopolitical situation more than anything else. But our contracts are generally for a deferred delivery for a period of six to 9 months, during which we do not tend to increase the prices.

But if the contract or the lifting of the machines gets postponed beyond a certain time, we definitely go back to the negotiation table with the customers. In general, it's a short-cycle execution, so in general, the commodity prices which happen in the short-term do not get passed on to the customers immediately.

Rushil Selarka: Okay. And for the new order inflow, which you are taking right now, so we have been able to pass on the price?

Anupam Agarwal: Yes, Yes. So, what happens is we keep on revising our price list from time to time. So just to give you an example, this year in February and in July, we have revised our price list. So, any order taken after the revision of the price list will be at the new order, new rates, new prices.

Rushil Selarka: And so how long it takes for us to execute the order, the order book, which we have? And how do you see the demand as of now in terms of export demand and also the domestic demand? What is your outlook in terms of order inflow also?

Anupam Agarwal: So, to answer your first question, generally the order gets executed within a period of six to nine months. And many other things, it will depend on readiness of the site, arrangement of the bank finance, etc., which may pre-pone or postpone the delivery period.

But by and large, six to nine months is the right time to, you know, we have been seeing that because of the buildup of the order book, some orders are getting, I mean, beyond this six to nine-month period also. This is number one.

And what was your second question? Can you just repeat it?

Rushil Selarka: And sir, how are we seeing the order inflow? Are we seeing the demand traction strong in terms of export and also in terms of domestic?

Anupam Agarwal: So, to answer your question, on the exports front, we are today sitting at an all-time high order book of around INR500 plus-odd crores. So, since we export to over 100 countries in the world, somewhere or the other there is need for a bag production unit, and we are one of the preferred suppliers to those machines. So, the order traction from the export side is good.

As far as the domestic is concerned, domestic Indian market is concerned, currently we are seeing a heavy traction after two, three years of low investment in this segment. We are seeing a heavy investment happening from middle of last year and it is continuing. The inquiry and the

demand seem to be on the upward side and we see this traction continuing at least for the next five, six months.

Rushil Selarka: Okay. Last question, sir, what is the sustainable EBITDA margin and gross margin we should look?

Anupam Agarwal: So, see, gross margins will be dependent on how geopolitical situations pan out because of commodity prices. See, raw metal price -- we generally tend to keep some inventory levels to take care of the increasing price trends. So, as far as the EBITDA margins are concerned, we should look at somewhere in the range of 19% to 21%. I mean, I'm not giving an exact number because things can go differently because of certain situations. Otherwise, at a sustainable level, we internally take 20% as our EBITDA margin.

Rushil Selarka: And, sir, in terms of recycling product, how are we seeing the demand traction over there? Are we getting good order inflow or good inquiry in recycling machine?

Gaurav Lohia: Yes, we are seeing a good traction also in the recycling machinery segment. We recently introduced two other recycling machinery technologies as well. One was for post-consumer recycling machinery, more mother-baby type of machinery, which is a two extruder combination recycling machinery, as well as we are increasing our capacities of recycling machinery, as well of our ReclaMax series.

Also, we have ventured into washing lines as well. So, we are seeing a good inquiry movement in the recycling machinery segment as well, but it's a fairly new segment for us as an overall machinery segment.

Rushil Selarka: And how soon we can expect it to convert this into an order book?

Gaurav Lohia: The inquiry part?

Rushil Selarka: Yes.

Gaurav Lohia: Yes, it's already getting converted. It's not that -- it's just an introduction that is happening. We are executing one to two recycling machineries a month.

Rushil Selarka: And sir, how long this demand can go, because since this is a need of an hour because the industry dynamics are changing, so how do we see that, how this big it can go for us also and…?

Gaurav Lohia: So, we've just taken -- we've just entered the industry per se, you can say recently, and we have a long way to go in this industry. As a demand, we expect that the recycling machinery segment will continue to grow decently. It will have a good growth. The industry segment will have a good growth, especially because of the government impetus, and self-awareness as well.

Rushil Selarka: Right. Okay, sir. Got it, sir. Thank you, sir, answering for all my questions. Thank you. I'll be joining on the line.

Gaurav Lohia: Thank you.

Moderator: Thank you. The next question comes from the line of Akshay with Can Mutual Funds. Please go ahead.

Akshay: Yes. Thank you for the opportunity, sir. Congratulations on a great set of numbers and festive greetings to the company. Sir, my two, three questions. So, first is on the revenue breakup. So, typically, if I'm not wrong, our revenue breakup is in a split of 45:55 1H versus 2H. I mean, 2H is little on the higher side. So, would that be a fair assumption for FY27 also?

Anupam Agarwal: Yes, that would be more or less the same, similar kind of 45% and 55% would be the breakup It could be -- but it's same range bound, Yes.

Akshay: Okay. And, sir, just on the order book side only, I mean, obviously we are at a record high order book. So, how should we understand this order book? I mean, can it go up from here, or, I mean, what is the maximum order book that we can support with the existing infrastructure?

And on the inquiry pipeline, if you could give some number, like, what is the inquiry pipeline looking like as of now? Yes, so this was my second question. Thank you.

Anupam Agarwal: Okay. So as far as our current capacities are concerned, our current capacities are good to serve us to a revenue of, let's say, INR2,500 crores. So, there is still room to grow from here as far as the order book is concerned. This current capacity may require some amount of balancing of equipment in one or two plants.

But we feel, we believe that INR2,500 crores is the maximum revenue that we can do with the current capacities. We definitely have land available in our Kanpur premises, and so what we need to maybe a shed and few machines to add to go to the next growth cycle. That's number one.

And number two, you asked about the inquiry pipeline. So, I mean, in capital goods, inquiry pipeline happens at two, three different stages. The largest amount of inquiry book starts when we participate in exhibitions, some are repeat customers who know us, but some are new customers who are entering this business for the first time. Both internationally and domestically, we tend to participate in all exhibition and then the industry shows.

So, the biggest inquiry pipeline gets generated on these shows. And we have seen over the years conversion of between 15% to 20% of the inquiry pipeline getting converted into firm orders. So, I mean, today we would be -- if I don't have the numbers right now, but I believe we would be sitting at around INR13,000 crores inquiry pipeline for all the machines put together.

They would be in different stages of conversion, but that's the inquiry pipeline. So, I believe that between 15% to 20% is the right amount of inquiries that get converted into the orders. That's the historical data.

Akshay: Got it, sir. And just a last question, sir. We have taken this price hike that you all mentioned about. I mean, just trying to decode this INR2,000 crores of order. I mean, what could be the volume and the value growth? I mean, obviously, because of this some inflation, we would have taken price hikes. So, if you could bifurcate the value versus volume?

Anupam Agarwal: Between the quarters?

Akshay: I mean, the order book that is…?

Anupam Agarwal: You are talking about the price hike that we've taken from the customers?

Akshay: Correct, sir.

Anupam Agarwal: Right?

Akshay: Yes, sir. Price hike only. Yes, sir.

Anupam Agarwal: So, what happens is depending upon each product profile, as I mentioned for the earlier caller, that we did a price hike in our list prices in February of '26 and July of '26. These will differ from product-to-product, and we also have to look at the competitive landscape before we can decide on the price hike. That's number one.

So, this is the list price that we keep on increasing. Beneath the list price and the negotiated price, there is a discount margin, which my sales team has. And they generally tend to tighten the discounts for some short-term price increases. But when the discounts become unmanageable, then we definitely have to go for a price hike in the list prices.

As far as your second part of the question regarding quantity and price, I would not be able to give that data. It's not handy with me right now.

Akshay: Thank you so much, sir.

Moderator: Thank you. Your next question comes from the line of Viraj Mehta with Enigma Investment Partners LLP. Please go ahead.

Viraj Mehta: Hello, sir. Good afternoon. Sir, first of all, congratulations for brilliant set of numbers. Sir, my first question is on the capex piece. Provided that we have already done INR1,100 crores in H1, and you're saying 55/45 split, we'll probably do INR1,300 crores in H2. That means we are already at INR2,400 crores, and you are saying that we can only do INR2,500 crores. So, what is the balancing equipment that we need to grow next year of 15%, 20%? Have we started some capex, can you talk a little bit about that, sir?

Gaurav Lohia: Yes, good afternoon. So, yes, we started some capex. We do maintenance capex and some balancing capex every year. So, this year the figure is something like INR75-odd crores, which is to add some capacity of new introduction of machines that we have done, especially on the conversion and recycling machinery side, as well as some maintenance capex as well. And we intend to start building a new shed in times to come, in near future, in time to come to add more assembling capacities.

Viraj Mehta: Sure, sir. So, sir, given that we are already at INR1,900 crores of order book, and provided we'll probably execute in the range of INR1,200 crores, INR1,300 crores for the rest of the year that provides a very good head start of INR600 crores or INR700 crores remaining for next year. What kind of order book that you think we're looking at by the inquiry that you have end of the

year? And if you can just give a -- based on the inquiries that you have today, what kind of revenue growth you're kind of okay projecting for next year?

Anupam Agarwal: Good afternoon, Viraj ji. So, currently we are sitting at around INR2,000 crores. We believe that it will grow a little bit from here, and to best estimate by March end it should be in the same range-bound INR2,000 crores to INR2,200 crores types of order book.

So, next year we are looking at a 10% to 15% growth from this year's growth, '27, because '27 the base would already be very high this year. We have already grown by around -- more than 40%, which will get some tapering towards the end because of the H2 base effect.

But for financial year '28, we believe that we should be growing at around 10% to 15% because of other, you know, the new initiatives that are kicking in, the spares growth that we are seeing, the recycling business, and the monofilament piece of the machinery that we make.

Viraj Mehta: Sure. So, roughly you're saying INR2,400 crores this year and closer to INR2,750 crores, INR2,800 crores next year? Is kind of the base case, obviously, business can change, but I'm just saying as of today, that's what you're comfortable projecting?

Anupam Agarwal: Yes, Yes, INR2,500 crores, INR2,600 crores types of number. 10% to 15% would mean that much.

Viraj Mehta: Okay, thank you. Thank you so much.

Anupam Agarwal: Yes, Yes.

Moderator: Thank you. The next question comes from the line of Nishita with Sapphire Capital. Please go ahead.

Nishita: Yes, hello. Am I audible?

Anupam Agarwal: Yes, Yes, please go ahead.

Nishita: Yes. So, I just wanted to understand, it's again on capacity only. So, what is our current capacity utilization?

Anupam Agarwal: Okay. So, ma'am, the capacity utilization in terms of units is a bit -- because we make heterogeneous products, and the capacity is a bit fungible between our in-house capacities and the vendor capacities. So a lot of parts are made by a vendor base, which is around Kanpur, Faridabad, and Bangalore. So, these are places where we get material from, manufactured by vendors.

So, capacities of vendors and us, there's lot of time very -- I mean, it can move from rental capacity to our capacities, and the reverse can also happen. So, getting exact number of capacity utilization would be a bit difficult, and also because of the fact that we make heterogeneous product ranges. So, one product could have a lot of standard bought-out items, and another product could have a lot of machining parts. So, that changes the economics for each and every product differently.

Nishita: Okay, understood. And another thing I wanted to ask, so you just mentioned that we do a maintenance sort of, capex of INR75 crores to add some machinery. So, these machineries, they are majorly adding on the recycling side only?

Gaurav Lohia: Sorry, ma'am, can you repeat the last sentence?

Nishita: So, are we adding this machinery on the recycling segment of our product?

Gaurav Lohia: So ma'am, we have, apart from maintenance capex, we have added some new machinery, and we are adding some new machinery as we speak along to add manufacturing capacity of recycling machinery, for conversion machinery, and coating machinery, etc.

Nishita: Okay. And, like, even with the 15% capacity…

Gaurav Lohia: Recycling capacity is being added, to answer your question.

Nishita: Okay, understood. And, like, even with a 15% growth for next year, we'll still be exceeding our peak capacity revenue. So, how do you think we'll be able to reach that? Are we planning some capex and capacity expansion in FY28? If you could give some sense on that.

Gaurav Lohia: Yes. So, we do a decent amount of capex every year that way. And apart from that, we have plans to add a big, large assembly space within the complex, within the manufacturing complex, as well as -- that will add certain assembling and manufacturing capacities for us. Apart from that, we are also augmenting -- we have asked our vendors to augment their capacities to be able to meet a growing demand.

Nishita: Okay, understood. And my last question would be from our current revenue, how much does the recycling machines contribute to the current revenue?

Anupam Agarwal: So, currently, it is very, I mean, minuscule. This year we expect that the total revenue from the recycling piece of machinery would be around in the range of INR30 crores to INR35 crores.

Nishita: Okay. And how -- what sort of growth can we see in this? Like next year, what sort of revenue can you expect from this segment?

Anupam Agarwal: I mean, we are very confident of doubling that revenue next year.

Nishita: Okay, understood. Yes, thank you.

Moderator: Thank you. Your next question comes from the line of Pankaj Saraf, an Individual Investor. Please go ahead.

Pankaj Saraf: Hi, I would like to understand, for the domestic growth this quarter has been 83% year-over-year. So, if you can please double-click on where this growth has come from, what kind of product lines, what kind of customer segments, and why do you believe this will slow down to 10% to 15% next year?

Gaurav Lohia: So, the domestic growth is growing in the fabric applications as well, in non-bag application as well, such as wrapping fabric, specialty fabric, etc. We have seen a healthy order book in the cement bag sector as well. With the shift from pillow bag to block bottom bag, as well as we are seeing a decent order book in the BOPP bag segment as well. Hello?

Pankaj Saraf: Yes. Hi, we're listening. So, this was the growth levers for this quarter and, so I mean, the number seems very large. Is it because you've taken market share, or is it because we found new applications? And then why do you believe this will slow down to next year so significantly?

Gaurav Lohia: So, we have added new segments as well in conversion machinery, and some segments where we were not strong earlier. So, some amount of growth has come from those segments, especially block bottom bag application.

In the fabric application, the conversion rates, which the processors get based on raw material plus conversion, that has cooled a little vis-à-vis the peak rates. It is still healthy, so to say going forward. But, of course, as capacities are added in the industry, we foresee a little slowdown in the order book. I'm not saying that there will be a complete slowdown, but little slowdown we see in the order book going forward in next year.

Pankaj Saraf: Got it. Okay, thank you.

Moderator: Thank you. The next question comes from the line of Saket Kapoor with Kapoor Company. Please proceed with your question. Mr. Kapoor, your line has been unmuted. Please proceed with your question.

Saket Kapoor: Yes, hello?

Moderator: Hello. Please go ahead, sir.

Saket Kapoor: Yes, Yes, sir. Namaskar, sir. Sorry, sir, for the mistake. So, just looking into the closing order book of closer to INR2,000 crores, sir, what will be the split for the recycling part of the mix in this, and how much would be machines, and the spare business?

Anupam Agarwal: So, number one, this is only the machinery business. This does not have the spare business, which is on top of it around INR30 crores, INR35 crores is spare business, which is not in the order book. We don't generally give away the spares order book alongside the machine. This is purely machines.

As far as the recycling machines, as I mentioned to an earlier caller, this year we are looking at revenue of around INR35 crores. So, the order book will be also in the similar range in the total, between INR30 crores to INR35 crores would be recycling machines.

Saket Kapoor: Yes, okay. Out of INR1,994 crores, it is INR35 crores is worth of recycling?

Anupam Agarwal: Yes, Yes.

Saket Kapoor: And, sir, the execution, I think, so you mentioned is nine months for -- as on…

Anupam Agarwal: Yes, six to nine months. For smaller machines, six months, and for larger machines, nine months.

Saket Kapoor: So, the order book of -- closing order book will get done by the first quarter?

Anupam Agarwal: By the, let's say, by the first and second quarter, because if you look at run rate, currently, we clocked INR600-odd crores this year, this quarter, second quarter. So, at that run rate, three quarters, 3.5 quarters would be a fair estimate

But there is sometimes a tendency of the customers to lift machines a bit late. When I say six to nine months, you have to appreciate that domestic and exports have to be looked at differently. Domestic, generally customer places an order, then goes on to build its site, expands its plant, takes clearances, gets finance tied up. So, it will all depend on those things.

In the international markets, since we serve the developing world more than the developed world. So, we often face this situation of LC not coming through before the dispatch, and therefore, things get delayed. So, I think four quarters should be a fair estimate to take for the order book to get executed and then the new orders fill in that space.

Saket Kapoor: Yes, Yes. Sir, new orders will be there to replenish it?

Anupam Agarwal: Yes, Yes.

Saket Kapoor: So, taking into account, what we did for last year on a top line of INR1,770-odd crore, and we have already done closer to INR1,097 crores for the first half. So, we will be flattish in -- what should be the trajectory going ahead? I think the last year, your H2 was on the higher side, or much similar to what this time H1 is? So, what should we look forward for H2 in terms of the order execution, and how are the margins likely to shape up, sir?

Anupam Agarwal: So, generally we have seen historically that H2 is stronger than H1, generally we have seen, it may change in one year or two years. But generally, we have seen that between 45% to 47% gets executed in the first half and the remaining gets executed in the second half. This year also, we seem to be going on the same kind of a trend. So, we did around INR1,100 crores in first half. So, we believe that INR1,200 crores to INR1,300 crores would be the fair estimate for the second half.

And see, it all depends on our ability to manufacture the complete project on time and deliver. You just cannot send a tape line to a customer where the looms are pending, or you cannot send the looms to the customer while the winders and the other machines are pending. So, the project has to be planned across all units in a manner that the complete project gets executed well within time. So, some hiccups are there, but we see that we have the ability to deliver the orders, subject to customers not delaying those orders. So, this is the first part of your question.

You talked about margins. So, unless, we see further headwinds on the commodity prices, we believe that, 19% to 21%, internal target of 20% of EBITDA is a doable target for us.

Saket Kapoor: Correct, sir. And, lastly, sir, on the defense part, what are we exactly trying to explain when we mentioned about some South Korean order also and what is the piece currently for today's -- Yes, Yes.

Anupam Agarwal: So, generally, we export to around 100 countries in the world. In the last three years, we would have sold our machines to around 100 countries outside India, and generally our customer base is in the developing world. And this is the first time we got an order from a Korean company, and that was a big highlight. That's why we wanted to put it in the opening remarks by Gaurav-ji. Otherwise, this is a first order, and we keep on looking at opportunities to expand our footprint globally. This was around the new geography that we mentioned.

And as far as the new material, I will request Gaurav ji to explain to you a bit on this.

Gaurav Lohia: So, this machine that we made for certain defense application It's a little confidential project by the customer. We have an NDA, etc., signed. But what we did was we made the machine as per the customer's requirement, right? And jointly helped develop that process further. It was -- end application was for bulletproof vest, etc. Not completely, but one of the earlier components of it.

Saket Kapoor: Right sir. And, sir, just coming to your slide number 20, sir, therein you have given us the advanced manufacturing infrastructure and in-house training center, and therein it is mentioned that we have an FIBC unit for 8,000 tons of FIBC. So, this is the forward integration exercise we do. We manufacture bags or what are we trying to explain in the…?

Gaurav Lohia: You can say that it's a kind of forward integration that we have done, but the idea is not to compete with our customers, right? This is a showroom or a demo unit per se to say, this is where we showcase all our machines in a factory-like running conditions, where we showcase these machines to new customers, to current customers, people entering this industry for the first time, as well as we also do long-term validation development of machines in this facility.

Saket Kapoor: Sir, my point was we have mentioned here a tonnage, 8,000 tons of FIBC. So, what are we trying to explain by this sir?

Gaurav Lohia: This is the capacity of the FIBC unit, that amount of FIBC bags that this facility can make.

Saket Kapoor: Okay. But we are not into the chain. We are not manufacturing FIBCs.

Gaurav Lohia: No. What we make, we sell, right? But this is like a, you can say it is a mix of a marketing center as well as an R&D center. But what we produce, we sell. So, we have tied up with certain four, five customers, right, we don't go chasing our customers for this application, but we have tied up with four, five customers to cater to their small requirements.

Saket Kapoor: Correct, sir. Lastly, sir, we are seeing that some of the FIBC manufacturers are also coming up with technical textile with needle punch technology. So in our sphere of things, do we have that technological advantage of our machines, wherein, this needle punch part goes into, or how should we read when they expand, when we hear expansion from, say, FIBC player in your vicinity only coming up with the needle punch?

Gaurav Lohia: I know who you are reading.

Saket Kapoor: Yes, sir, your neighbour only.

Gaurav Lohia: Sir, what they have ventured into is a completely different segment of industry, right. So they have ventured out of woven as well to some non-woven applications into needle punching. So, that is not in our scope as of today. Do I see it as a scope going forward? I don't think so.

Saket Kapoor: Non-woven, yes, sir, you are correct. Thank you for correcting me. Sir, when we look at the balance sheet part, we find these other current liabilities to the tune of INR478 crores, sir. What would we attribute to it?

And sir, just to add to one point, when we represent our numbers to the exchanges, they are in millions, wherein, in your press release, I think so, we speak in crores. In con-call also we are speaking crores. So, kindly, make it uniform so that our interpretation and getting down to work is easier, sir, rather than putting millions and crores into confusion. Sir, we are used to speaking in crores. So, keep it in that, sir. Earning is also in that, sir.

Anupam Agarwal: Thank you for this recommendation in fact we have been trying to request all our capital market constituents to have everything in crores, but we are always told that stock market and NSE, BSE and SEBI all they understand that rupees in millions that's the reason why all our presentations are in millions and we speak in crores But, nevertheless, your point well taken. We will try to see what we can do best here.

Saket Kapoor: Okay, sir. Now, tell us, sir, what is the representation of this figure, other current liabilities? INR478 crores.

Anupam Agarwal: Basically, the customer advances that we have, generally we create an order in our books only when it is backed by sufficient advance. So, generally we tend to take around 20% advance from the customer at the time of booking. So, this represents as a liability in the books of account. So, if you take INR2,000 crores, if there is an order book of INR2,000 crores, then we will have customer advances of around INR4 crores, INR4.5 crores.

Saket Kapoor: Okay, okay. This will get sir adjusted. Sir, lastly, we are very new to the capital market just got listed. We had a very good listing also and there was a very humble purpose by the promoter also, wherein it was for, I think so, for some CSR commitment that the issue came.

So, currently with the type of turbulence we have in the capital market, what could be the one of the reasons why has that market suddenly turned negative on our stock? It is not there for you to comment, but it is very much visible that after reporting strong set of numbers, coming up with your guidance in the investor presentation. We are seeing a decline in your stock price that is not to be taken, why should you comment? But this is an aspect since today also you are the largest shareholder. So, it's just a cause of concern, or it's just a market dynamic coming into play, a very small understanding I had?

Anupam Agarwal: I would not call it as a cause of concern. This is some market dynamics because of elections or American elections results, or I do not know. I am not even the right person to comment on it,

but we don't read too much out of it. You have given us the mandate to work efficiently in manufacturing machines, which we are doing efficiently, rest is up to you all to see that this stock goes up.

Saket Kapoor: Okay, sir, I'll join the queue, and all the best. Hope for plant visit and other activities going ahead to have better understanding. Thank you and all the best.

Anupam Agarwal: Yes, thank you.

Moderator: Thank you. Your next question comes from the line of Srikanth Reddy with PinPoint X Capital. Please go ahead.

Srikanth Reddy: Thank you for opportunity. Sir, can you give overview of the demand happening in technical textile industry, because we have some customers in that segment.

Gaurav Lohia: Sir, I cannot comment on the whole technical textile industry. It's a very large field. We are in a couple of segments of technical textile industry, but to give a generalized statement, technical textile industry is going to grow. We feel it's -- or I personally feel that there is immense potential in the technical textile industries for production in India and for exporting from India.

Srikanth Reddy: So, we are adding any new machineries to capitalize that growth in the technical textile industry?

Gaurav Lohia: So, we recently ventured into monofilament machinery and medical technical textiles like medical sutures, etc., as well. Recently we acquired -- last year we acquired these companies in Europe and Americas. So, what we are trying to do is indigenize these technologies for production, introduction in India as well.

Srikanth Reddy: Sure. And coming to recycling, whether we do PET recycling and rigid plastic recycling, sir, our machineries?

Gaurav Lohia: Yes. So rigid can be done in our machinery but not PET. PET is a different segment altogether. That is not a focus area as of now for the company going forward. Maybe in future it might be a focus area, but that I cannot comment now. But rigid and flexible is what our machines can do.

Srikanth Reddy: So, whether we have some order book in hand to these two segments?

Gaurav Lohia: Flexible, yes, we do. Rigid, not at the moment. We just did an open house recently for our post-consumer recycling machinery. This quarter we did, right, an open-house. So, we got good appreciation from the people who visited the open-house. But we just entered the post-consumer recycling machinery segment.

Srikanth Reddy: And in your opening remarks, you are speaking about the polylactic acid framework. Can you give overview, what is the discussion happening, sir?

Gaurav Lohia: So, the bioplastic is something that is getting introduced slowly and very slowly. So, one of my director of my technical training and research center, he was the convener of this body of BIS, and, he was one of the persons instrumental in framing the standards etc., right. Bioplastics is in

a very nascent stage as of now, but what we have done is what we have tried processing it on our machines and it works.

Srikanth Reddy: So, whether this is an inquiry stage, or we have some solid pipeline going forward?

Gaurav Lohia: No, no, it's not in inquiry stage. We are not in the bioplastic sir. My director of TTRC, our training institute is the convener of the BIS body for bioplastics.

Srikanth Reddy: Sure, sure. Thank you, sir.

Moderator: Thank you. Your next question comes from the line of Bajrang Bafna with Sunidhi Securities. Please go ahead.

Bajrang Bafna: Congratulations for very strong set of numbers, sir. Sorry, if I'm repetitive. So, if you could, you've guided in some of the questions answered that next year you'll be a little slowing down. So, if you could broadly guideline what sort of growth -- your second quarter numbers are pretty robust.

So, overall basis, how do you see '27 and '28 in terms of growth? And order book, you have already indicated, you see little slowdown next year. But broadly, what are the numbers on the top-line growth that you are seeing this year and the next year?

And any other segment, where you could see the growth opportunities apart from your existing business? Thank you, sir.

Anupam Agarwal: So, as I mentioned to the earlier caller, we are currently sitting at a INR2,000 crores order book. And success lies in our ability able to dispatch the order to the satisfaction of the customer in the next two quarters. That will determine my top line for this year. We have historically seen that.

Generally, our H1 and H2 ratio is 45:55. So, we are kind of confident that we'll be able to deliver this number in the next two quarters. And achieve a top-line growth of, I would say, in the range of, let's say, 30%, 35% this year approximately.

As far as the next year numbers are concerned, there is a fair amount of chance that depending upon domestic or exports mix, some orders can get spilled over to the next year for sure. And the buildup of the order book from now to March will also determine the next year's turnover.

But we are confident of this year -- even if you consider this year as an outlier in terms of heavy revenue growth, the next year would be more moderate. But we still do not see that coming down less than between 10% to 15%. We definitely would be growing between 10% to 15% next year, because of our new offerings, because of the demand of the output that gets developed, generated from our machines. That demand of that output determines our machines.

So, because of so much investment by the government in urbanization, road building, and different applications, the transport sector uses our products. So, depending upon the versatility the product that our machine makes, we believe that this kind of a growth is doable.

Bajrang Bafna: Got it, sir. Done. And, sir, any other segment that you would target to basically for the long-term structural growth apart from the existing businesses that you are into?

Gaurav Lohia: So, we are looking at adding, we are looking at working on recycling machinery segment to grow our portfolio in that segment. In our presentations earlier, we did mention that we intend to introduce shredder, granulator, etc., as well in the recycling machinery portfolio. Apart from that, we are always on the lookout for opportunities, which can add value to our product portfolio, and look at adjacent businesses as well in terms of acquisitions or joint ventures, like, how we entered monofilament machinery and technical medical suture machinery as well. It was done end of last-to-last year, and so we are always on the lookout for new technology segments.

Bajrang Bafna: Got it, sir. Thank you, and all the very best, sir.

Gaurav Lohia: Thank you very much.

Moderator: Thank you. Your next question comes from the line of Rishabh Aggarwal with Suraag Capital. Please go ahead.

Rishabh Aggarwal: Yes. Hi, good afternoon, sir. Sir, I wanted to understand, have you started working upon a further vendor onboarding, because based on your address, it also seems like there might be -- as we continue to grow, there might be more constraint on some of the vendors' side as well. So, how has that work been? Would love to understand your thoughts there.

Gaurav Lohia: Sir, I think by vendor onboarding you mean adding new vendors or augmenting vendor capacity?

Rishabh Aggarwal: Both.

Gaurav Lohia: Both. So, right, so we at times add new vendors as well depending on capability as well as capacities, right. This year also we added some vendors to our vendor family, as well as in our current vendors also, vendors are augmenting their capacities. So, cater to our growing requirements. So, with three dedicated ancillaries in Kanpur, they have added capacities to their current manufacturing capability.

Rishabh Aggarwal: So, if I talk about you along with the vendor ecosystem, which you have created, because you always said like INR2,500 crores is like the peak revenue for this combined ecosystem, and we've done around INR600 crores, so it's almost like we are operating at peak utilization. And should I really think that the bottleneck has been maybe on the vendor side, wherein, they are not able to maybe supply all the components on time for this fast-growing order book.

Anupam Agarwal: So, generally, see, what happens is that we try to make all functionally critical parts in-house, and the components for machining, fabrication, etc., which are not so functionally critical they are generally given to the vendors.

So, with this philosophy in mind, we, we also are able to keep control over our quality. So, when you say that we are reaching our peak capacity, so I would like to mention here that, see, capacity or the revenue number that I keep on mentioning in my statements earlier, that INR2,500 crores,

it is a function of the units that we manufacture, the diverse product profile that we manufacture, as well as our ability to get price increases from the customers is concerned.

So, those three factors will pan out differently in different years. For a moment, you have to appreciate that our earlier years, we are selling more machines on the -- which with higher rated capacities now than earlier.

So, I mean, if you look at my unit economics, you would find that the numbers would have come down from, let's say, three, four, five years back. But my peak numbers in financial year '22, but my sales revenue has grown.

And number two is that the machineries are also with higher rated capacity. So, let's say, for example, the tape line machine, which was maybe sold at 600 kg per hour output five years back. Today, we normally ask from the customer would be in the range of 1,000 kgs or 1,200 kgs.

So, in terms of the extrusion capacities, we may be adding more capacity in the market with lesser number of machines to be supplied. So, all those factors go into considering that fact of peak capacity, etc.

So, my sense would be that the dedicated ancillaries, they are quick to expand. Onboarding of vendors keep on happening on a regular basis. We are finding new customers in Gujarat and NCR region as well as in Bangalore. Sorry, suppliers, I mean suppliers.

And we always are on the lookout of also seeing that whatever capacities inside we can free for volume parts, which can be given to vendors, and our internal manufacturing capabilities can focus more on different critical parts and other items. So that's how we -- it's more or less fungible actually between us and vendors.

Rishabh Aggarwal: Okay, sir. The question is strategically -- sorry, go ahead.

Gaurav Lohia: Just to add to it, let's say machine tool can produce variety of parts, right. So, suppose we are making X-amount of parts in-house and I feel that that can be sent to my vendor and I can make more critical new part introductions in-house. So, we do that as well.

Rishabh Aggarwal: Yes. The reason why I was asking you is because we are making an estimate of how the demand will come for our customers in the coming quarters, obviously, one can never pinpoint. If in case, the demand inflow is higher than what we predict, then could there be a situation, wherein, essentially our execution timelines get extended, maybe because the demand intensity is higher?

Gaurav Lohia: It can be. So, today also when we say six to nine months execution cycle, It's on an average. Some machines we are able to deliver quicker, some machines a little longer. So, just because I cannot pinpoint, let's say if I have like 200 projects, right, to pinpoint exact delivery schedule or cycle of that each number. So, that's why we say the ballpark figure, but you're right in what you're saying.

Rishabh Aggarwal: I see. The other question was on margins. Our domestic share has increased materially in the revenue or in the P&L, but your gross margins have been fairly consistent at 41%. But if I

compare it, sequentially still there is a fall of 3%. So, is that more because we focused on domestic, or is it more because of input cost inflation?

Anupam Agarwal: No, no, it is largely because of input cost inflation, but some amount of geography mix will also pan out here, because domestic market is a bit heated this time around. And also, as I probably mentioned in my last call, that outside India, India is the cheapest market. Outside India, starting from, east in, let's say, Bangladesh, Vietnam, to all the way to the west, depending upon, which geography is performing, in which year it will also determine how my margin mix would look at. But this time around, if you were to select one big reason for the input cost, so it could be because of the input cost of commodity prices getting inflated rather than the other way around.

Rishabh Aggarwal: Very helpful. Sir, just last question, based on just the current market scenario, the incremental market share, not the existing machines, which are already installed but the new machines, which are getting installed in India where would you guesstimate your own market share to be? New machines installed?

Anupam Agarwal: What happens is that unfortunately the market share, again, is a function of how my competitors are also doing, right? So, many of the companies are in -- in fact, all the companies other than us are in the unlisted space. We don't really get data from there unless, you commission a study to get hold of how many numbers got sold.

But our intelligence from market intelligence tells us that in the conversion space, I mean, the tape line loom winder, other than those three pre-fabric machines, our market share would have grown. This is my best case estimate today.

Rishabh Aggarwal: Any numbers you would like to associate, like what percentage? I was asking, is there any absolute market share percentage number?

Anupam Agarwal: I don't think so.

Gaurav Lohia: In converting machines, sir, you can take our market share as around 25% to 35%, depending on different converting machines.

Rishabh Aggarwal: Got it, sir. Thank you. All the very best for the coming quarters. Thank you so much.

Gaurav Lohia: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take this as our last question for today. I now hand the conference back to the management for closing comments.

Anupam Agarwal: Hello. So, thank you, investors, for joining this call. From the management side and from Lohia Corp Limited, I convey my best wishes for the festive season ahead, and thank you for joining us.

Moderator: Thank you, members of the management. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines.