Date: 18-05-2026

BSE Limited
Department of Corporate Services,
P. J. Towers, Dalal Street,
Mumbai - 400 001
Scrip Code: 544244

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Scrip Name: GALAPREC

Dear Sir/Ma'am,

Sub: Transcript of Earnings Call held for the quarter and year ended March 31, 2026

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Earnings Call held on March 31, 2026, regarding discussion on operational and financial performance for the quarter and year ended March 31, 2026 (Q4 & FY26) is enclosed herewith.

Please take the same on your records.

Thanks & Regards,
For Gala Precision Engineering Limited

POOJA LADHA
Digitally signed by POOJA LADHA
DN: c=IN, o=PERSONAL, pseudonym=c0f66915b1494a399f469ab74552698c, 2.5.4.20=c60964b3436e63c116983b2e2c67c22f49e096ce26c80d4b711e98ad8ac268dc, postalCode=400610, st=MAHARASHTRA, serialNumber=2b122bd2c557885cddb303d2f7b0b82b6f904c9e93faf000009770ad01cb6f2e, cn=POOJA LADHA
Date: 2026.05.18 15:29:41 +05'30'

Pooja Ladha
Company Secretary and Compliance Officer
Encl:

"Gala Precision Engineering Limited

Q4 FY26 Earnings Conference Call"

May 15, 2026

MANAGEMENT:	**MR. BALKISHAN JALAN – WHOLE-TIME DIRECTOR – GALA PRECISION ENGINEERING LIMITED** **MR. SATISH KOTWANI – WHOLE-TIME DIRECTOR – GALA PRECISION ENGINEERING LIMITED** **MR. SRINIVAS GIRIDHAR – CHIEF FINANCIAL OFFICER – GALA PRECISION ENGINEERING LIMITED**
MODERATOR:	**MR. ROHAN BARANWAL – ARIHANT CAPITAL MARKETS LIMITED**

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Moderator: Welcome to Gala Precision Engineering Limited Q4 FY26 Earnings Conference Call hosted by Arihant Capital Markets 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 then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Baranwal from Arihant Capital. Thank you, and over to you, Mr. Rohan.

Rohan Baranwal: Hello and good afternoon to everybody. On behalf of Arihant Capital Markets, I thank you all for joining into the Q4 and full year FY26 earnings conference call of Gala Precision Engineering Limited. Today from the management, we have Mr. Balkishan Jalan, Whole-time Director; Mr. Satish Kotwani, Whole-time Director; Mr. Srinivas Giridhar, CFO.

So, without any further delay, I will hand over the call to Mr. Balkishan Jalan for the opening remarks. Over to you, sir.

Balkishan Jalan: Yeah. Thank you. Good evening, everyone, and welcome to our earnings call to discuss the performance of the fourth quarter and financial year ended 2026. In the interest of some of the people who are new to the company, let me first give a brief overview of the company. Gala Precision is a preferred manufacturer of the high-quality precision components. We serve various sectors like renewable energy, industrial, and mobility.

Geographically, we are diversified across sales in India, Europe, and USA. We supply to OEM, Tier 1, and channel partners We manufacture customized products of over 800 SKUs to serve almost 175 active global customers across 25 countries. Our facilities are fully equipped with advanced technologies and integrated capabilities for design, development, and manufacturing of diverse product portfolio.

To further strengthen our manufacturing footprint and expand our product offering, we have established a new fastener manufacturing facility in Chennai with installed capacity of 4,600 metric tons. The plant is focused on manufacturing high-tensile fasteners, including bolts, complement our existing product portfolio and enhancing our ability to cater to growing customer requirement.

During FY26, the plant operated at around 35% utilization and we expect utilization level to improve meaningfully in FY26. We also commenced Phase 2 capex at Chennai facility to support future growth opportunities.

From the revenue mix perspective, for the year, DSS remained our largest contributor at approximately 49%, providing a stable base of recurring business. SFS contributed around 34% and continued to be the fastest-growing segment driven by strong OEM traction and expanding customer programs.

During the year, SFS revenue crossed INR100 crores milestone, reaching INR108 crores, and registered a strong growth of 64% year-on-year. CSS contributed approximately 17%, supported by the steady demand across industrial and mobility application.

During the year, we successfully entered into offshore wind turbine segment through the development and supply of critical fasteners for global OEMs, making an important expansion of our addressable market. We also commenced supply of the high-tensile bolt to a global wind OEM in India from our Chennai facility during Q4.

From an operation perspective, we continue to focus on productivity enhancement and digital transformation initiatives, including implementation of IoT solution on the shop floor and commencement of SAP S/4HANA and the implementation as part of our broader digitalization journey. On a sustainability front, we align to our business objective with long-term ESG global goals by placing an order of 1.8-megawatt open access solar power plant for captive consumption.

With that, I will now hand over to our Chief Financial Officer, Mr. Giridhar, who will take you through the financial highlights for the period under review. Thank you.

Srinivas Giridhar: Thank you, Mr. Jalan. Good evening, everyone. Welcome to the earnings call today. Let me provide a brief overview of the financial performance of the quarter and financial year ended 2026. For the quarter under review, consolidated revenue from operations stood at around INR95 crores, reflecting a growth of 26% year-on-year.

EBITDA for the quarter stood at around INR17 crores, up 31% year-on-year with EBITDA margins at 17.57%. Net profit stood at INR12 crores, representing a growth of 22% year-on-year with PAT margins at 12.9%. For the full year FY26, revenue from operations stood at INR314 crores, reflecting a healthy growth of 32% year-on-year. EBITDA for the year stood at INR52 crores, up 27% year-on-year with EBITDA margins at 16.51%.

Net profit before exceptional items stood at INR37 crores, registering a growth of 35% year-on-year, PAT margins at 11.64%, and net profit after exceptional items stood at INR36 crores, registering a growth of 32% year-on-year, PAT margins at 11.29%.

With this, we can now open the floor for Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have first question from the line of Lakshminarayan KG from Tunga Investment. Please go ahead.

Lakshminarayan KG: Yeah. Thank you. Just want to understand in terms of wind energy, I think we have a strong presence there and I understand that the growth has been very strong. So, just want to understand as we look into the forthcoming year, what kind of order book we have on that and what kind of revenue visibility as well as the growth visibility we have on the wind energy front?

Satish Kotwani: Okay. So, for wind energy, of course, the market situation is positive and because of Gala's strong base in this sector, we are seeing good growth. In wind energy, approximately 60% to 65% of our sales is coming from India market and about 30% to 35% is export. And as a company, we are looking to grow 20% to 25% sector in overall revenue term and in wind also we are looking to grow around 25% to 30% in short term for our fasteners and spring category.

Lakshminarayan KG: Got it. So, another question is in terms of your Chennai ramp-up. Just want to understand, you know, what kind of revenue ramp-up we have done in Chennai facility and what do you expect that for the forthcoming year?

Balkishan Jalan: Sure. Yeah. So, actually we started the trial run in last year and customer visits, audit, all this started in the beginning of the last year. And July end, we made a first dispatch to Vestas as a PPAP lot. And from August, we started ramp-up, 1 crores, 2 crores, 3 crores, 3 crores, 4 crores, and 5 crores. So, we reached to almost a 5 crores Phase 1 capacity per month, which is approximately 60 crores annually.

And now we are seeing the similar runway as of now we will going to have in April, May, June. And parallelly we started the Phase 2 capex, which should be completing by June end, July. And that again will add another 5 crores per month capacity or annual capacity of additional 60 crores.

And the ramp-up of that similar fashion we are planning to do in August, September month. And in this current year, we are seeing that by 9 crores or 10 crores we will be reaching in last quarter per month. Then overall capacity, annual capacity is 120 crores per annum.

Lakshminarayan KG: Okay. And in Chennai, what are the products that we actually manufacture?

Balkishan Jalan: Yeah. So, basically fastening division, studs we manufacture and we developed the bolt from M27, M32 to M72. And that bolt also we got approval from different customer and that product also we started manufacturing there.

Lakshminarayan KG: Okay. So, another question in terms of growth and I think last time when we spoke, you said that there has been additional stock we need to keep in Chennai, therefore our cash flows were a little constrained in the first half. So, just want to understand from a cash flow point of view, though we generate a very healthy growth in top line as well as in terms of bottom line, what will be your view on higher cash flow in terms of higher cash flow conversion or because of higher inventory which we need to keep and in terms of exports, this would continue to remain at this level?

Balkishan Jalan: See, basically in Chennai, when we are ramping up from 0 to INR5 crores or INR5 crores to INR10 crores, during this period, we are seeing we will be going to have a some additionally inventory in Chennai during this ramp-up. Otherwise, overall inventory level are at 103 days and we see it should not go above 103 days and we were trying that we can reduce this inventory days by some 10 days or so.

Lakshminarayanan KG: Okay. And in general, what is how are you view this cash flow, sir? Because it’s a balance between revenue growth and providing inventory as well as managing it. So, what how are you thinking about you know increasing the cash flows to EBITDA?

Balkishan Jalan: We as of now our guidance is we will maintain or we will try to improve by 10% or 10% or so on year-on-year.

Lakshminarayanan KG: Okay. Thank you, sir. I’ll come back in queue.

Balkishan Jalan: Yeah.

Moderator: Thank you. The next question from the line of Arpit Jain from RRR Investment Advisory Private Limited. Please go ahead.

Arpit Jain: Hi, sir. Thank you for the opportunity. Am I audible?

Balkishan Jalan: Yeah. Yeah.

Arpit Jain: Yeah. So, my first question is as in Q3 con-call you had mentioned that we are looking for acquiring 5 to 10 acres of land either at Wada plant or for Wada and or any other location. So, could you please share an update on whether the land has now been finalized and by when the next expansion can start?

Balkishan Jalan: Yeah. So, good question, Arpit, and nice that you remembered and this is a good follow-up question. The land is one important thing on which we are working very aggressively. We shortlisted few land parcel in Wada and we are in advanced discussion, commercial discussion and with the two or three plot, rather than three plots.

And it may get finalized in a month's time. Parallelly in Chennai, we are in touch with the SIPCOT authorities and we are seeing in very near future they will be opening some more land parcel in SIPCOT. So, our preference is to get some land parcel in SIPCOT rather than a ownership basis. So, we are quite close to in closing this land, but still not close, that is the fact.

Arpit Jain: So, by we can expect by May end or June?

Balkishan Jalan: At least at least June. Because land, apart from closing, then we need to do some due diligence and some paper notice and closing the deal at least take a 45 days minimum. So, maybe June end earliest or maybe July, not before June.

Arpit Jain: Okay. Okay. Understood. And my second question is on Chennai plant. As in Q4, I think, means we have achieved our monthly run rate of INR5 crores per month, right?

Balkishan Jalan: Yeah.

Arpit Jain: So, when we will means when the Phase 2 will commence, means our Phase 2 full facility will get commenced, then after that after that also you are saying that INR5 crores per month will be achieved from that also, right? So, after that once everything will be fully utilized, so we have land in Chennai facility for further expansion or we will look into it afterwards? So, what is the scenario if current if capacity utilization will peak out then?

Balkishan Jalan: Yeah. So, at earlier call I mentioned, the overall the land parcel what we have, we are utilizing the same and we will be having a maximum capacity of INR120 crores annually. And after this expansion, we will not left with the any land, but as a backup plan, we have option to move out the stud facility to any long-term lease-based facility and do continue expansion of the bolt manufacturing in the current facilities.

So, that backup plan is there and as we see the progress, we may go with this option for immediate one or two year requirement.

Arpit Jain: Sir, sir, I missed you. So, please can you please repeat the same thing again?

Balkishan Jalan: Okay. So, we don't have any land after yeah, we don't have any land after we complete the Phase 2 expansion, that means the INR120 crores per annum. Number two, as a backup plan, we have so this in '26, '27, we are targeting approximately INR80 crores something from the Chennai.

So, next to next year again, we have scope to achieve INR80 crores to INR120 crores from Chennai. This is one. Second thing, for expansion, we are looking for land, but otherwise a backup plan, we can have a long-lease place there we can shift the stud manufacturing and we can do in-house capacity expansion for the bolt manufacturing.

Arpit Jain: Okay. Okay. Understood. Understood. That's it from my side. All the best.

Balkishan Jalan: Sure.

Moderator: Thank you. The next question from the line of Rudraksh Gupta from Navneet Investment Trust. Please go ahead.

Rudraksh Gupta: Very good evening. Thank you for the opportunity. I wanted to understand, sir, on the Wada utilization. I think we still have some space there to be able to utilize that facility better according to the presentation. So, what is your limitation there to be able to achieve optimized utilization, if I may ask?

Balkishan Jalan: Okay. So, basically we don't have additional land there in Wada. We already constructed what is the FSI available. Number two, we have some capacity in terms of plant manufacturing capacity. Again, that capacity vary from product to product. So, we have some capacity in coil spring division, so for say.

And in disc spring, we are more or less optimum utilized, which is almost 80% approximately. And same for the fastener division at Wada, number one. Number two, but in again, there is always scope two way. One way is the productivity improvement and second way is some line balancing and adding the some machine or adding some outsourcing option, we can free up some capacity. So, with combination of this all, we are seeing that the current year whatever number we are targeting, we should be able to optimize our capacity utilization in Wada.

Rudraksh Gupta: So, so assuming that you are actually able to grow on your target of 20% to 25% next year, even Chennai will get optimally utilized by then. Is that is that a fair understanding?

Balkishan Jalan: No. So, Chennai we are seeing that current year, for first four five six month, we were going to use more a capacity of Phase 1, which is INR5 crores per month. And the second half will be start touching 6, 7, 8, 9 number per month month-on-month we will be increasing our load. And overall we are seeing INR80 crores something from Chennai.

And by end of the year, we will going to have a capacity of INR10 crores per month or INR120 crores per month. Then we are going to have a spare capacity for next year, which is approximately INR40 crores plus minus.

Rudraksh Gupta: Okay. So, it should be good for us till FY28 as well.

Balkishan Jalan: May not be complete year. Yeah. Not may not be the complete for the complete whole year. That's why I mentioned that if required, we have a backup to by the time. So, if we able to control on some land and yeah, so otherwise, yeah, we can shift the fastening on the long lease and we can do expansion of bolt manufacturing in-house. So, that is a some backup plan which already there. So, we will not miss on any order, that is our strategy.

Rudraksh Gupta: Okay. And so this land that we are targeting to get, is there a certain kind of an predetermined capex directionally that we have in mind and also, you know, how early can we get the facility up and running if we are able to let's say acquire the land over the next couple of months like you are indicating?

Balkishan Jalan: Correct. So, apart from land, normally the time horizon is at least six months or something for getting the initial approval. Parallelly we can start the land development and land filling and boundary work and for that you don't need any approval. And complete construction and taking approval take at least a 9 month to 12 month.

So, you can fairly estimate one year to one, 15 month something you can fairly estimate and parallelly we are ordering for the plant and other machinery, erection of something happening and taking the final approval. So 15 month something plus minus three month we have to consider safely. And as far as the Capex is concerned, yes, we already planned in our internal budget and considering our internal accrual and the borrowing capability capacity, we will be funding from our internal accrual and from the bank borrowing.

Rudraksh Gupta: So, what's the total, sir, if you can give me a sense of the whole capex over these 15 to 18 months on the new plant that we are targeting?

Balkishan Jalan: For the approximately you can say very rough figure, that depend upon when we get the land and when we start the complete development of the building and the plant and machinery. So, for the current year, we are seeing approximately INR50 crores something we may be able to deploy plus minus depend when we finalize the land or able to start the construction of the building.

Rudraksh Gupta: Okay.

Balkishan Jalan: Normally the broadly the ratio of sale to turnover, we have to keep approximately direct, direct machine 30% and the other utilities and all something 5% to 10%. So, 40%, 35% 40% something which we have to make investment in the capex.

Rudraksh Gupta: Okay. And so on the margin if I may, we are almost at a five-year low on EBITDA margins at 16.5% for this year. Is this a combination of the mix, is it this underutilization at Chennai still, how would you want to really quantify that or is it the current inflationary pressure on raw materials?

Srinivasan Giridhar: No. Basically, see, if you compare it with last year, the EBITDA margins is 17.1% or something. The drop is essentially mainly is on account of the forex loss, which is almost 1%, which is around INR3.23 crores. So, that has impacted the EBITDA margins. Otherwise, there is not major change in the product mix or in the RM contribution.

Rudraksh Gupta: Okay. And so how are we currently being able to deal with the inflation that's happening in the underlying commodities because we must be reasonably impacted, I guess, from what we are seeing. Is there a sense of where we are in terms of impact on margin, how much are we absorbing, how much are we able to pass through?

Srinivasan Giridhar: See, so basically raw material is 100% pass through. So, and of course, currently because of gas and some other issues, this process costs have also increased. So, with the lag effect, we are confident to get this price increase from our customer and for which we already started discussion since beginning of April itself. So, there will be some lag effect, but whatever costs are increasing, particularly commodity and some extraordinary impact in gas cost, we will be passing through the same to our customer and get the price revision.

Rudraksh Gupta: Okay. So, there could be quarterly volatility in the pass-through, but we are reasonably confident of the system accepting it eventually.

Srinivasan Giridhar: On the annualized basis, we will definitely see that whatever is been incurred is recovered. Same situation happened at the time of COVID also. With the lag effect, we could get all the price increase related to the different cost increases at that time also.

Rudraksh Gupta: Absolutely. Absolutely. Thank you, sir. Thank you.

Srinivasan Giridhar: Thank you.

Moderator: Thank you. The next question from the line of Lakshminarayanan KG from Tunga Investment. Please go ahead.

Lakshminarayanan KG: Yeah. Thanks again. Sir, in terms of the different product groups which you which you have, is it fair to assume that the SFS has the highest margin followed by CSS and followed by the next one?

Srinivasan Giridhar: I think on margin front, broadly all the products are at the similar profit margin in terms of EBITDA level. I think because all the products like particularly SFS and DSS, we have exports also, domestic customer also. In coil springs, in the past we have done lot of import substitute, so there also the margins were good. So, in general, I think broadly margins are at the same 17% to 19% for all the product group currently.

Lakshminarayanan KG: Okay. And so, the growth you have got, is it because you got it from some other competition that you actually got the revenue growth from? Can you just explain how you managed to you know show a good growth for the last two years and how the growth has become of course you go deeper into the existing company and also you win new business from the existing as well as new business or new clients all together. Can you just explain me the journey, sir?

Satish Kotwani: Yes. So, I think the growth is combined effect of all the areas if you mentioned. So, definitely every year we are seeing at least 10% to 15% growth coming purely from the new customers. So, we still have lot of unexplored and potential customers globally. And we are seeing addition of new customers happening for the fasteners and spring commodities.

Secondly, particularly in fasteners and in disc spring family, we added new product like Gallock wedge lock washers in disc spring family and bolts and nuts in the fastener family. So, we are seeing good interaction from the existing customer where we were supplying them disc springs or studs and there is a keen interest on adding new products like bolts and Gallock wedge lock washer for this category of product.

And of course, organic growth is happening particularly in India, which is also helping us to grow the existing customer, existing parts business. So, I think 10% of new customer addition, about 10% to 12% of new parts from existing customer like bolts or Gallock or even retractor spring, and organic growth of 5% to 7% happening in the organic business with the existing part has resulted is this 30% growth last year. And same way we continue to focus on business development and increasing wallet share with existing customer to grow 20% to 25% in coming years as well.

Lakshminarayanan KG: Got it. And in terms of CSS business, right? Who are the key competition you have either in India or outside?

Satish Kotwani: For which product group?

Lakshminarayanan KG: For the CSS which is a spring group.

Satish Kotwani: In CSS, we have mainly two competitors. There is a Japanese company NHK Spring, which is having manufacturing plant in Aurangabad and Gurgaon. And there is a Indian company Stumpp, Schuele and Somappa, which is having manufacturing plant at multiple locations with major head office in Bangalore. And still there are some imports happening which we are focusing on import substitute which are mainly happening from European market still in the Indian market.

Lakshminarayanan KG: Got it. Fine, sir. And in terms of you know growth, right? Is there a particular product group you are actually seeing higher growth among these CSS, SFS, and DSS which you expect to grow faster this in the next one to three years?

Satish Kotwani: I think in fasteners we are seeing comparatively larger growth or faster growth compared to DSS and CSS because as the fastener market size is really very large, is 100 billion market of course at the global level. And Gala is focusing on increasing the addressable market since we started this journey.

So, with studs we were addressing approximately US$1 billion of the global market in US$1 billion. And now with bolts and nuts, we are addressing US$2.5 billion of the global market and our fastener sales is approximately INR100 crores we crossed in FY26.

So, fasteners has of course much larger application, much larger value potential for each customer. So, compared to DSS and CSS, we are seeing faster growth in fastener. But at the same time, we are seeing really good opportunities in DSS and CSS also to grow in future as well.

Lakshminarayanan KG: Got it. And one last point which you had touched upon in the introduction of new products. Just want to understand at a company level do you actually track it that you know we need to we need to bring out X new products every year because all the products go through testing etcetera. So, can you do you have a number and what is that if I may ask?

Satish Kotwani: I think in terms of new products basically of course there are two angles to this. One is whatever existing products we have developed, we still have lot of opportunities to grow. But we are more customer driven. For example, when we started this studs manufacturing, we understood that most of the stud manufacturer in renewable energy including wind and hydropower segment, they are using lot of bolts.

And similarly when we were developing our market for studs in industrial application, we identified that potential for studs is very less in the industrial application, but their requirement is coming more from the bolt side. So, based on the customer situation and our market study, we are adding new products within the existing family of product. And at the end of the day, we are looking every year or every two three years we have to add some product family in each our product category so that we are increasing the addressable market size.

For example, disc spring is a very niche category of market and addressable global market size is only about INR2,000 crores. But five years back we added Gallock wedge lock washer, which has additional 1,500 of the global market and we are competing mainly with European producers. So, we'll continue this focus of adding new products within the existing product family and see that this growth and higher addressable market objectives are categorized.

Lakshminarayan KG: Got it. And do you also have some...

Moderator: Sorry for a sorry for interruption, Lakshminarayan. Sir, please come in queue for follow-up question. The next question from the line of Arpit Jain from RRR Investment Advisory Private Limited. Please go ahead.

Arpit Jain: Yes. Hi. So, thanks for giving me opportunity again. So, there is one suit filed regarding wedge lock washer. So, could you please give an update regarding that?

S Giridhar: Can you repeat the question?

Arpit Jain: Yes. So, there was suit filed regarding wedge lock washers.

S Giridhar: Yes. This is the regarding the patent case. So, the case is still going on, still the arguments have not taken place. We've been getting only adjustments. The next hearing itself is dated in June only. So, not much more movement has taken place, only submissions have been going on, but no arguments have taken place at all.

Arpit Jain: Okay. That's it. Thank you.

Moderator: The next question from the line of Danish Shah, who is an Individual Investor. Please go ahead.

Danish Shah Good evening, sir. Congratulations for a good set of numbers. I had few questions to ask. So, first is, sir, this SFS, which is special fastening solutions business has crossed INR1,000 million revenue in this year with 64% year-on-year growth. So, just wanted to know, sir, what are the key growth drivers expected for this segment over the next two to three years?

Satish Kotwani: Sure. So, I think the there are two three growth drivers in SFS business what is being done. So, of course, with most of the customer still we have between 10% to 25% market share. And this share of business can be increased to 25% to 30%, 35% because they will always keep couple of sources to diversify the supply chain risk because of very large buying.

So, there is a still room to grow with the existing customer for existing product. Second important point is we just started plant in Chennai where we are manufacturing high-tensile bolts, which are also used in wind turbine sector. And we started getting approval from the Indian OEM and we started supplies in quarter four.

So, we just started this journey and we see next two to three years ramp-up happening in the bolt business growth. And once we stabilize the supply chain in India, we'll also focus on the global OEMs for Europe and US market where we are already supplying the studs. Most important is till now our major growth was driven by the renewable energy business.

But because of bolts and nuts, we are seeing lot of opportunities within industrial sector where we are seeing opportunities coming from gas turbine sector. We are seeing opportunities in railways, construction equipment, mining equipment, and agriculture equipment where we already started the market development and already started getting really interesting inquiries and some orders have been frozen recently.

So, with industrial sector where Gala has very strong track record of customers because of distinct relationship for over 25 30 years, we are seeing this bolt addition as a product will really help us to grow. So, I think SFS growth journey definitely will continue at a good pace because of the three reasons mentioned.

Dhanish Shah Okay, sir. Thank you, sir. It was a really good answer from you. Sir, as you said regarding the wind turbine fasteners, I can see that wind turbine fastener supplies have actually commenced for global OEMs. So, just wanted to understand the scale of opportunity which is expected from the offshore wind over the medium term for the company.

Satish Kotwani: Yes. So, we just entered offshore last year, which is FY26 with the global OEM in Europe. And in short term in two to three years, we see offshore wind partnership contribute about 10% of our fastener sales. So, that is the visibility as of now we have, but of course we are working internally to add more offshore wind customers and see this business to continue to grow as well.

Dhanish Shah Okay, sir. Noted. One last question, sir. Sir, like what is a target export contribution you are expecting for the company over the next two to three years? Currently we are having something around 35%. So, like...

Balkishan Jalan: Yes. So, I think export will continue to be between 35% to 40% of our sales. And depending on the new product addition, new customer addition, this may vary on year-on-year basis, but broadly this will remain between 35% to 40% of our total sales.

Dhanish Shah Okay, sir. Got it. Thank you so much, sir. All the best.

Balkishan Jalan: Thank you.

Moderator: Thank you. We have next question from the line of Lakshminarayan KG from Tunga Investment. Please go ahead.

Lakshminarayan KG: Thanks again. I just want to understand in terms of metallurgy, do you also do powder metallurgy or you do the regular one in terms of making fasteners or do you intend to also get into powder metallurgy?

Balkishan Jalan: No. So, we basically buy material in a sheet, coil, or wire form or rod form and from there our all the production manufacturing process start. We don't use powder metallurgy.

Lakshminarayan KG: Okay. That's all. Thank you.

Moderator: Thank you. Next question from the line of Tanya Arora, who is an Individual Investor. Please go ahead.

Tanya Arora: Hello. Hi. Congratulations on your results. Just had a few questions. So, the first one is on the hedging policy. So, for our Euro and USD exposure. So, I just wanted to know what percentage of our exports are naturally hedged and what is the current hedging policy like?

Srinivas Giridhar: See, basically for as far as hedging is concerned, earlier we used to cover 70% of the total estimated export collections we used to undertake forward covers. But now we have there has been a change in the methodology, we have reduced that to 40%. So, up to 40% of the total estimated export collection we are undertaking forward cover.

And there is -- as far as -- this is as far as -- US also we follow the same methodology, but we also have imports which has got a natural hedge. So, net of the US exports and net of imports, we again the policy we follow up to 40% of the total estimated collection we undertake forward covers, which is covering a period of 12 months from now.

Tanya Arora: Okay. Got it. And sir, on the recent tariff changes, have they created any opportunities in terms of exports or any additional customer engagements?

Satish Kotwani: You are talking about EU-India FTA or any other tariff?

Tanya Arora: Yes. Yes. EU-India.

Satish Kotwani: Yes. So, I think for Gala products which we are exported to Europe, currently 3.7% is the import duty which is paid by our customers. And I think that FTA will be implemented in early FY27 or sorry, in Jan 27. And by this implementation, the import duty will be zero on our products in Europe. But on other side, there is an impact possible of CBAM on which European countries are working on.

So, we see this benefit what will come as a FTA will get nullified with this CBAM additional cost which our customers have to pay for imports from India. But during this process, I think there is a very positive feeling for European countries towards India. So, that should definitely help Indian companies including Gala going forward in mid to long term.

Tanya Arora: Got it, sir. And lastly, just on the Chennai plant utilization. So, I guess we were at almost 35% for FY26. So, do we expect this to move forward to let's say 70% in this FY27?

Balkishan Jalan: Yes. So, as I mentioned, our overall capacity is going to be INR120 crores by year end. And this gradually we will be utilizing our Phase 2 capacity and hence we are seeing approximately INR80 crores something will be achieving the manufacturing or sale value in next year, which is going to be approximately 67% 70% of INR120 crores.

Tanya Arora: Perfect, sir. Thank you and all the best.

Balkishan Jalan: Thank you.

Moderator: Next question from the line of Raj Shah, who is an Individual Investor. Please go ahead. Mr. Raj Shah, your line is unmuted. Please ask your question. Sir, we didn't get any response from the line of Mr. Raj Shah. We'll take the next question from the line of Arpit Jain from RRR Investment Advisory Private Limited. Please go ahead.

Arpit Jain: Yes. Hi. My last question from my side. As you have mentioned in starting of the call that you are looking for two three plants sorry, two three plots in Wada, right? So, that plots will be on lease basis or it will be in the name of Gala only? Means we will own those plots or we will lease it?

Balkishan Jalan: Yes. So, basically, we are evaluating which are in the final stage, these are the two three plots which are under evaluation and we will finalize one or two plots depend upon the overall size of the plot which we able to finalize. And these are going to be on our own plot. So, in Wada basically there is -- industrial plots are there which you can you can buy from the seller.

Arpit Jain: Got it. And in Chennai, the backup plan we will lease if we will need the plot, right?

Balkishan Jalan: Correct. So, in Chennai basically the SIPCOT is very good authority and they provide a very good developed plot with the lot of infrastructure. And there we have plan to take the SIPCOT long-lease plot or as a backup plan, we can use an already developed plant and building where we can move the stud manufacturing facility.

Arpit Jain: Okay. And as our margins saw a bit of dip this year from 17.5% to 16.5% this year, right? So, when can we expect our margins to get back to 18% 19% kind of number?

Srinivas Giridhar: Arpit, basically this dip primarily the dip was only because of this forex loss of 1% which is around INR3.23 crores, which has impacted the current year's margin. But going ahead considering there is no further volatility, we expect the margins to stabilize between 17% to 19%.

Arpit Jain: By FY27 end, right?

Srinivas Giridhar: Correct.

Arpit Jain: Got it. Thank you.

Moderator: Thank you. We have next question from the line of Sujal Jain from Wallfort PMS. Please go ahead.

Sujal Jain: Yes. Thank you, sir, for the opportunity. I just had one question. Did we get any benefit from currency depreciation or any currency impact in our numbers for quarter four?

Srinivas Giridhar: See, as I said, we normally -- see a currency where currency depreciation is concerned that we got that a benefit of the top line also. Definitely there benefit is there. But at the same time, it also because we undertake forward covers also, so it resulted in an non-cash loss also. But benefit is definitely there in the top line because of the currency depreciation.

Sujal Jain: Okay, sir. So, any number that you can share in terms of the benefit if you can quantify?

Balkishan Jalan: I don't have the exact numbers; I will just answer that separately. So, basically there is a currency depreciation which give the benefit in a short term. But that again order to order we have to -- in a mid to long term we have to keep reviewing with the customer. So, other side there is a inflation and cost increase also, like for example diesel got increased or other raw material cost got increased.

So, there is always a time lag gap like a quarter to quarter is very difficult to say that there is a net-net profit or loss because of the currency and overall cost. But mid to long term we see, because we keep on passing the cost to the customer. They also keep on considering the foreign exchange gain or loss also while readjusting the prices. So, net-net we see that overall, we should be able to pass the cost to the customer.

Sujal Jain: Okay, sir. Got it. Thank you for answer and all the best for future. Thank you.

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

Srinivas Giridhar: Thank you all for participating with this earnings con-call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR Manager at Valorem Advisors. Thank you.

Srinivas Giridhar: Thank you all of you. Thank you.

Moderator: Ladies and gentlemen, on behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.