Simplex Castings Ltd.

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

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CIN:L27320CT1980PLC019535 **GSTIN: 22AABCS4650E1ZT**

The Cast Master

NABL Approved Laboratory for Chemical & Physical

ISO 9001:2015 & ISO 14001:2015 Certified Company

Complete Machining (with CNC) & Equipment / Fabrication Solution

Date: 21.11.2026

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

Sub: Submission of Transcript of Earnings Conference Call held on 16th November, 2026

Dear Sir

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on 16th November, 2026 in relation to the financial results of the Company for the Quarter ended 30th September 2026.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR, SIMPLEX CASTINGS LIMITED

KETAN MOOLCHAND SHAH

Digitally signed by KETAN MOOLCHAND SHAH
Date: 2026.11.21 10:18:25 +05'30'

Ketan Moolchand Shah
(Whole-Time Director)
DIN- 00312343

SIMPLEX CASTINGS LIMITED

Q2FY27 Earnings Conference Call

November 16, 2026

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

MODERATOR: **MR. GULSHAN SINGH – SUNIDHI SECURITIES**
MR. AYUSH DIVECHA – MERLIN CAPITAL ADVISORS

Moderator (Akash): Good afternoon, ladies and gentlemen. I am Akash, moderator for the conference call. Welcome to Simplex Castings Limited Q2 FY27 Earnings Conference Call. As a reminder, all participants will be in 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 "*" then "0" on your touch-tone telephone. Please note this conference is being recorded. I would now like to hand over the floor to Mr. Gulshan Singh from Sunidhi Securities. Thank you, and over to you, sir.

Gulshan Singh: Yeah. Thank you, sir. Good afternoon and a very warm welcome to everyone. On behalf of Sunidhi Securities, I welcome you all to Simplex Castings Limited Q2 FY27 Earnings Conference Call. Today we have with us the management, represented by Mr. Ketan Shah, Chairman and Director, and Mr. Avinash Hariharano, Whole-Time Director. We thank Simplex Castings Limited for giving us the opportunity to host the call. Now I would like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thank you, and over to you, Ketan sir.

Ketan Shah: Good afternoon. I am Ketan Shah. Good afternoon, everyone, and welcome to this Q2 and H1 earnings conference call. Thank you, I personally thank you for joining us and for your continued confidence in the company.

Last year, we set out in Simplex Castings to build a larger, more profitable company and a more capable Simplex. Today, you will be happy to know that this ambition of ours is taking shape on the ground. It is reflected in our earnings, which Mr. Avinash will be discussing, and we will be there; we will listen to what he has to say. The investments are underway at our facilities and are going up. We are just trying to grow our ability to take more infrastructure projects, larger and bigger.

This quarter, we delivered the highest-ever quarterly PAT in the company's history. You will be very happy to know that it is almost ₹7.64 crores, a growth of nearly 37% year-on-year. EBITDA margin crossed 20%, and in the first half—the half-year—PAT grew by over 40%. These results strengthen our confidence in the turnaround we set out to achieve and give us greater conviction to pursue our next phase of growth.

As you are fully aware of our opportunities that we have been discussing and been talking to everybody, we are working in steel, power, and railways, and this sector is supporting us, and this is substantial. Within steel, for the coke oven doors that we are very good at—that our company is very good at, and we are the largest manufacturer in the world—we still have a more or less monopolistic market share. Almost in the current projects of coke oven batteries across various steel plants, private and public, we hold about almost 90%–95% of the market share. Similarly, in the power sector, and similarly things are happening in railways also.

We expect this demand to remain strong over the next 3–4 years, 5-year period, and we are investing. The CAPEX is in line with our thinking to be maintaining our position in these three priority sectors: steel, power, and railways. And CAPEX we are pursuing in those sectors only.

So, for the financial part, I would like Mr. Avinash to take it over from me, and I am available for the conference. Mr. Avinash.

Avinash Hariharano: Thank you, sir, and good afternoon, everybody. Our Q2 H1 FY27 performance reflects continuous growth in revenue, stronger profitability, and ongoing investments in the company's manufacturing capabilities.

Our Q2 FY27 revenues from operations stood at ₹63.01 crores, up by 13.71% year-on-year. EBITDA increased by 32.12% to ₹12.75 crores, with EBITDA margin expanding by 282 basis points to 20.23%. Profit before tax increased by 37.41% to ₹10.24 crores. Profit after tax reached ₹7.64 crores, up by 36.98% year-on-year basis, marking our highest-ever quarterly PAT margin. PAT margins improved by 206 basis points to 12.13%.

The first-half performance also demonstrates the progress in profitability. Revenue from operations increased by 23.21% to ₹123.96 crores, while EBITDA grew by 29.05% to ₹24.26 crores. EBITDA margin stood at 19.58%, an improvement of around 89 basis points. First-half PAT increased by 40.55% to ₹14.5 crores, with PAT margins expanding by 145 basis points to 11.7%. Across both the quarter and half-year, profit growth exceeded revenue growth.

Turning to the balance sheet, capital work-in-progress increased from ₹12.38 crores to ₹36.77 crores as on 30th September 2026. These reflect the investments underway to support larger projects and future expansion requirements.

Ketan Shah: Avinash, yeah, we are happy to share that we have received approval of ₹100 crores—funds to raise the funds of close to ₹100 crores—bringing premier Indian funds onto our cap table. Their participation is an encouraging expression of confidence in Simplex's capabilities and growth plans.

We are also strengthening the experience and oversight supporting our growth. We are pleased to welcome Mr. Rao, N.V.S. Reddy / V.J. Rao (Note: audio unclear on initials), as a Non-Executive Independent Director. Mr. Rao has worked in Railways for the last 36 years and 10 years in Metro Rails, including serving as Managing Director of Andhra Pradesh Metro Rail Corporation. His understanding of railway projects and all that will help the company, so now we have also taken him on the board.

Our priorities are clear: we will win large orders, commission capacity, deliver on schedule, and protect profitability. We believe Simplex has the opportunity to achieve a meaningful increase in scale, and our efforts are firmly directed towards converting this opportunity into sustained earnings growth.

So, with this, we will be now happy to take your questions.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press "*" and "1" on a telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing "*" and "1" again. Ladies and gentlemen, if you have any question, please press "*" and "1" on your telephone keypad.

The first question comes from the line of Mr. Garvit from Serene Alpha. Please go ahead, sir.

Garvit: Hello, am I audible?

Management: Yes, sir.

Garvit: Hi, good afternoon and congrats for good numbers. I have a few questions. One is on the guidance for this particular year. Earlier we had guided for ₹300 crores top line. In the first half, we have done close to ₹125 crores. Is that target intact, number one? And what is the outlook on margins for the second half, specifically considering the commodity inflation witnessed in H1?

Avinash Hariharano: Very nice. Third—only two questions, sir, Garvit sir?

Garvit: I will be asking after this.

Avinash Hariharano: So, we are still on target of achieving the first guidance that you said, that we should be around ₹300 odd crores.

Garvit: Sir, your voice is a little low. Can it be louder?

Avinash Hariharano: Oh, yeah, sure. Is it better now?

Garvit: Yes, sir.

Avinash Hariharano: ₹300 crores we are in line; we are still continuing our efforts towards that, and we are confident that we should be as per guidance, around ₹300 odd crores, ₹300 plus.

Garvit: And margins?

Avinash Hariharano: Margins, we will—the margins should be almost similar to what we have achieved in H1.

Garvit: Okay, got it. And secondly, I am still seeing...

Avinash Hariharano: What happens in the second half of the year—the second half of the year, traditionally, historically also, is slightly better because most of the projects that we do, most of the players have the budgets. So the speed of dispatch also and the turnover also increases in the second half. So that is why we are confident of achieving those guided figures.

Garvit: So, how did October and almost half of November go? Is it in line with the ₹300 crore target?

Avinash Hariharano: Yes, it's growing better than the first half.

Garvit: Okay, okay, understood. And secondly, I am still seeing that CWIP number in your balance sheet. By when should we expect this project to be completed and start contributing to the revenue, sir?

Avinash Hariharano: Actually, our estimate is it will take another five to six months. Part of it will get commissioned in March, but something will get spilled over because, you know, certain projects, certain things that we are doing in the CAPEX, that itself—the gestation time is five to six months now.

Garvit: So if it takes another five to six months, then how are we going to achieve the ₹300 crore target? Do we have sufficient capacity for that?

Avinash Hariharano: Sir, actually, we are not doing CAPEX on one project. The project is like increasing the capacity in the fabrication shop. So a few of the sheds will get commissioned, so we will start getting benefit in this year also. But final completion of everything in place will be about six months.

Garvit: Okay, so we can expect it by March or April?

Avinash Hariharano: Yes. Part of the facilities will get commissioned and the benefit will accrue in this year only, but part of it will go—50% almost—will go for the next three more months after this financial year.

Garvit: So ultimately, it is not going to impact this year's target, that's what you are saying?

Avinash Hariharano: For this year's guidance, it will not impact.

Garvit: Understood. And what about the next year, sir? That railway order which you mentioned last time, which is expected to materialize by September—where are we on that? And also you mentioned about some concrete announcements on defense and shipbuilding...

Moderator: Garvit sir, I'm sorry to interrupt you. I would request you to join back the queue for more questions, sir.

Garvit: That's one question, then I will join back.

Moderator: Yes, sir, just for the participants, for all the participants to have a fair chance, sir.

Garvit: Okay. Thank you.

Moderator: Thank you, sir. The next question comes from the line of Mr. Ishit Desai from Forge Family Office. Please go ahead, sir.

Ishit Desai: Yeah. Thank you for the opportunity and congratulations on a good set of numbers. So, continuing on the previous participant's question regarding this year's guidance: given that we are largely into heavy fabrication equipments, typically the lead time is also 3–4 months, and in your presentation you have mentioned an order book number of close to ₹150 crores. So I just wanted to understand the guidance of ₹330 crores mentioned in the presentation—how are we looking to bridge that gap of another ₹60 odd crores? And second, also to achieve that target, given that this number is almost two times what we are doing on a quarterly run rate, the working capital requirement will also be a factor to look at till the time we receive

the issue from preferential allotment. So I just wanted to understand from a Q3 perspective on the liquidity and overall for this financial year, how are we looking, from where this gap will be bridged of additional ₹60–70 crore revenue? Where is the visibility coming from?

Ketan Shah: Absolutely. Avinash.

Avinash Hariharano: Sir, to bridge this working capital gap, we have already informed you that we have participated and registered ourselves on some of the platforms which are readily available. Like we are having these thermal power projects from L&T and BHEL, and we have arrangements with both of them to get these bills discounted. So till we get the preferential money, these options will be supporting us to achieve the target of ₹300 crores for this financial year. Also, as boss said, we are increasing the shed and these capacities, and we already have the inbuilt capacities with us, and improving on that for the next year—that will help us to achieve the next financial year target, which is of ₹500 crores. And having long-term orders with price variation clauses is also helping us to mitigate the inflation of raw material prices.

Ishit Desai: Sure, sir. So the order book position, I mean, if you could help us understand...

Avinash Hariharano: We have a pending order book as on date also of roughly ₹150 crores, and in pipeline of another ₹100 plus crores. So this is how we are going to achieve the ₹300 plus targets which we have targeted for this year.

Ishit Desai: Understood, sir. And the second question again is on the FY28 guidance which you have mentioned. So earlier there were other optionalities which you were looking at to achieve that target given the constraints around capacity and working capital. So how are we looking, given that we are now almost just like 16–18 months away from the next financial year—is there another part we are also looking to achieve, or only the base business plus railways should be able to help us achieve with the current CAPEX which we are doing?

Avinash Hariharano: Yes, sir. With the current CAPEX we are doing, we are targeting to achieve what we have thought for Indian Railways. Apart from them, for the casted one, we have already done the CAPEX part. And we are not targeting the fabricated railways for this financial year.

Ishit Desai: Yeah, but I mean whatever we are doing right now should be sufficient for us to achieve...

Avinash Hariharano: Yes, it is sufficient, sir.

Ishit Desai: Thank you, sir. I'll join back the queue. Thank you.

Moderator: Thank you so much, sir. The next question comes from the line of Mr. Darshil Jhaveri from Crown Capital. Please go ahead, sir.

Darshil Jhaveri: Hello? Yeah, good afternoon, sir. Thank you so much for taking my question, sir. Firstly, congratulations on a really great set of results, sir. Sir, I just wanted to know in terms of our order book—like I think you mentioned ₹150 crores order book, right? So what is the execution period for that and what's our current capacity utilization?

Avinash Hariharano: Major part of this ₹150 crores will be executed in this financial year only, sir. And current capacity is slightly increasing, and we are targeting to achieve by next financial year around 80 plus percent—it will be between 80% to 90% of the existing capacity.

Darshil Jhaveri: So the existing capacity by next year will be utilized by 80%, right? So we have enough headroom for additional revenue. Okay, that's great to know, sir. And sir, I just wanted to ask in terms of our costs. So I think our other expenses have reduced significantly on a slightly higher revenue base also. So could you help us out with what led to such a reduction?

Avinash Hariharano: Majorly it has been done—we have started getting manufacturing of smaller castings, which are a few kilos, done outside. So that is one of the main reasons why the other expenses have reduced.

Previously, we were targeting and getting all the child parts also manufactured in our company, in our premises. So that has led to this reduction in other expenses.

Darshil Jhaveri: Yeah, that's okay, fair enough. And sir, I just wanted to know—like I think in the PPT we mentioned 10% PAT margin, but I think in Q2 itself we are at 12%, right? And if I have to see H1 also, we are at more than 11.5%. So is it fair to assume that this rate will continue, because I think in the PPT we've been a bit conservative, sir?

Avinash Hariharano: Well, this is basically market-driven, and we are currently in the best scenario of what we haven't seen in the last 40 years. So hoping to get this maintained by the next financial year also.

Ketan Shah: Historically, PAT for the company, even in the best of the years, has been a maximum of 7% to 8%; that is the history of the company. This is definitely a blip which is a little outside. It is at the moment basically because of, you know, the kind of orders we are having in hand. But to maintain it at plus of 10%, that will be difficult. We should be conservative; between 8% to 10% is what normally would happen with a company like us.

Darshil Jhaveri: So okay, so right now is a bit of an anomaly, but 8% to 10% is the fair estimate?

Ketan Shah: Yes, that is the target that we have, and that is what we would like to maintain. And that is what the whole CAPEX is towards—the heavier fabrication and increasing capacities on the equipment side. Those things we are trying to do only to keep that, that we should not go below; we should be in the range.

Darshil Jhaveri: Okay, that's really helpful, sir. And sir, I just wanted to double-click on this part about our guidance, right? So if we have to meet around ₹330 crores, we'll have to be 50% higher than H1. Though seasonality has always been more towards H2, I don't think we've done 50% more than H1 in H2. So are we on track for that, sir, or is there some risk that we could see maybe a delay from a customer or any other risk that you see?

Ketan Shah: No, no, no. Fortunately, these projects, you know, they have taken their own time in getting finalized. So now the customer is in a hurry to get these castings and get these fabricated items so that he doesn't delay his project. So we are not expecting any delay from the customer. It is how fast we are able to—and normally our H2 is always higher. So we are confident that ₹300 plus is the guidance that we should be in a position to do that.

Darshil Jhaveri: Okay, fair enough. I just wanted to understand in our bid pipeline, right...

Moderator: Darshil sir, I'm sorry to interrupt you. I would request you to join back the queue for more questions, sir.

Darshil Jhaveri: Yeah, okay. Thank you, sir.

Moderator: In the interest of time and fair chance for all, we request the participants to restrict to two questions in the initial round and join the queue for more questions. The next question comes from the line of Mr. Dhaval Pandya from Ariza India Strategy Partners. Please go ahead, sir.

Dhaval Pandya: Hello, am I audible?

Management: Yeah, yeah, sir. Yes, sir.

Dhaval Pandya: Good afternoon, sir. First of all, congratulations on a good set of numbers.

Management: Thank you, sir.

Dhaval Pandya: So I have a couple of questions. So, as you mentioned that you have received the RDSO approvals, have you received any railway bogies order yet?

Ketan Shah: That's a question that Garvit also wanted to know. Sir, this bulk order, the mega order that everybody has been talking about that was supposed to come in between July to September—and in the last conference, in the last call also, we were saying that, you know, we will see this definitely in September,

September-October—I'm sorry to inform you that it has been delayed and now it will be in the next quarter. So despite having an approval for railway bogies, we are looking at private players for smaller orders; for the mega order, we will have to wait for the next quarter.

Dhaval Pandya: Okay. And since we have done such a humongous fundraise, where do we see Simplex Castings positioned?

Ketan Shah: So we are very, very clear that we are concentrating at the moment on the three basic growth engines that are happening in the economy, which are: one is power, second is steel, and third is railways. And we have charted out a very clear-cut program to get into those kind of items which we were not doing earlier also. Like fabricated bogies—we were not doing fabricated loco bogies and fabricated metro bogies. Incidentally, Mr. Rao joining the board is also towards that end, that we get into that and we get into railways, which is repetitive and which gives us a stable load of 30%–40%. That is where we want to be.

Steel, we want to capitalize on because for the last 60 years the company has been making various spares, equipments, and complete plants for the steel plants. And once this kind of a CAPEX is happening in the country, we do not want to lose the opportunity, so we are concentrating on that. And see, the only thing that we are not doing what we were doing earlier is the EPC part, which we have kept at a very low key. Apart from that, we are trying to partner with all the OEMs, the plant builders, and till now the results have been extremely good.

As I mentioned earlier, sir, out of all the coke oven batteries that are getting made—four of them, four or five of them in India at this moment—all four or five, the castings have come to Simplex Castings, all of them. Next year, again four batteries—for Bokaro, for Bhilai, and two for IISCO—are planned. Again, the whole focus of the company is to get those four batteries. Each battery is like ₹25 to ₹30 crores, so about ₹120 crores of coke oven doors. Similarly, on the fabrication side in the power plant, where we are putting the CAPEX, what we are trying to increase—we are wanting to do a turnover plus of ₹150 crores in that area alone: fabrication of heavy structures for power plant equipment, for power plants.

So our focus for the next 3–4 years is very, very clear: that we will concentrate on steel and power, meanwhile get into railways in a big way, and that too in newer items—things that we were not doing. Start with something which we were doing, which is the casted bogie, get into other areas like couplers which we have not done, other castings also like suspension tubes, and there on the fabrication side in the railways, and make that around 30%–40% of our standard output. So we are concentrating on that area and looking at various technology and designs and that kind of collaboration to enhance value addition. That is the plan of Simplex Castings.

Dhaval Pandya: Okay, and one last question, sir. What is the update on the defense order from Gun Carriage Factory?

Ketan Shah: It is very small. It is going on; developments are going on, and we would never say that we would be in defense in a big way. Every time we have been talking about shipbuilding and defense, we would like to keep it to 10%–15% because at the moment, for the next one, one and a half years, putting focus in defense... Defense is that, you know, most of the items that we need to develop in defense are traditionally used to come from Russia, and they had some exotic material, a lot of R&D, no indigenization has happened, nothing has happened, and the designs are 1970s, 1990s—very, very old. So it needs a lot of effort. A small portion of the company is trying to do that, but not all of us; it's not on the major side. But yes, it will be done in a very small way.

Dhaval Pandya: Okay, understood. Thank you very much. That's it from my side.

Moderator: Thank you so much, sir. The next question comes from the line of Krish Jain from NAFA Asset Managers. Please go ahead, sir.

Krish Jain: Yeah. Hi, good afternoon, Ketan ji, Avinash ji.

Management: Good afternoon, sir.

Krish Jain: Congratulations on another good quarter. So first I'll start off with the EBITDA margin gain of, you know, 280 bps both sequentially and year-on-year it has improved. So I wanted to understand what is the reason that it has increased—is it because of mix, volume leverage, or pricing? And the second question is regarding the inventory buildup. If we compare the FY26 balance sheet and this half-year balance sheet, there has been a significant inventory buildup. So if you could help us bridge that gap, please.

Avinash Hariharano: Basically, the EBITDA margins have improved because of the niche products which we have already got, sir. Like boss told you, all the four coke oven doors or spares orders have been bagged by Simplex only. So these niche product orders are directly contributing to the increase in the EBITDA margins. And certainly, the increase in inventory has been there, but it will be liquidated within a few—it is there because of some of the inspection and other things, not majorly has contributed. It will get cleared, sir.

Krish Jain: Okay, sure. And it's not a question, just a clarification before I get back in line. You did mention—Ketan ji did mention—that the railway order is delayed till next quarter. I just wanted to clarify whether the order placing is delayed to next quarter or deliveries will be delayed to the next quarter?

Ketan Shah: No, see, we are the consequential people. See, the order is for wagons. The order that everybody is discussing is basically not affecting Simplex directly. It is affecting people like Texmaco or Titagarh, Jupiter—those kind of people get affected because they get the wagon orders, and as a result, from the trade, they buy those bogies, Casnub bogies, and that is how we get affected. So the main order has not been released, which everybody was waiting for. The whole wagon-building industry was waiting, and this mega order was supposed to—it was actually for about 1 lakh wagons to be given over a period of two and a half to three years. So it's like 30,000–35,000 wagons that was supposed to come, and that was to be distributed to all the wagon builders. So that is what we are waiting for, and that has gotten delayed. So it is a delay from Railways for wagons, not for bogies, and once that order gets released, we will get our bogies. That's what we are waiting for.

Krish Jain: Okay, sure. I have a few questions; I'll just get back in line. If I don't get the opportunity, I just wanted to wish you all the best for the future. Thank you, sir.

Moderator: Thank you, sir. The next question comes from the line of Mr. Darshil Pandya from Finterest Capital. Please go ahead, sir.

Darshil Pandya: Hello, hi, am I audible?

Management: Yes, sir, yeah.

Darshil Pandya: Yes, Ketan ji, how are you?

Ketan Shah: I'm good, sir.

Darshil Pandya: Thank you. Sir, congratulations on coming up with the results in these tough times, and we hope that this continues forever now. Sir, my primary questions are with regards to our fundraising part, which has been done already. Just to understand, sir, this fundraise is precisely for working capital and CAPEX only, or is there something else also that we'll be looking at?

Ketan Shah: No, sir, this is—and we were lucky that we are getting a slightly higher fund than... A lot of questions on the working capital side were asked, on the CAPEX side were asked. CAPEX, even after the increase, we are not increasing the CAPEX; we are just keeping at our original. The additional funds will go into helping, as people had pointed out earlier in the conference, that there would be a sufficient requirement of working capital. There was a question on inventory buildup; this will keep on happening because as we are trying to move up from ₹300, ₹330, ₹350, ₹400 crores, our in-process inventory, there will always be a slight increase going forward. Going forward, it will slightly increase because normally, you know, whatever is in process, that is what gets dispatched. So process, if I take two and a half or three months of in-process, work-in-process, so that itself should be about ₹80 crores. So that is what will happen now. So this working capital requirement and this CAPEX is only for touching ₹500 crores, the guidance that we had. That is what

the plan is, sir. And CAPEX we are not increasing; with the extra money we'll be putting more on the working capital side.

Darshil Pandya: Understood. And this CAPEX amount is?

Ketan Shah: Sir, we have planned a total of ₹25 crore rupees. When we had asked for ₹50 crores, ₹25 crores was for CAPEX and ₹25 crores was for working capital.

Darshil Pandya: Fair. And sir, just to understand—I know there have been a lot of questions on guidance, so I'll not get into that—if we achieve the numbers that we are discussing today, will we also see some operating leverage that can help even get more margins than where we are today?

Ketan Shah: It should happen, it should happen, sir. I am also—I am also thinking exactly what you are thinking; that is what I am also confident of: yes, we should be getting that margin extra.

Darshil Pandya: Understood. And this is not a question, but Ketan ji, just to know where and what is happening in the industry currently, looking at the cycle, what are your thoughts today? Because, you know, every quarter we get to know a lot of things from you with regards to the industry. If you can just help out to understand what is happening currently, if there is any push or something from the government side also for infrastructure development?

Ketan Shah: Yeah, I will tell you very clearly about steel and power. Railways you are well aware of—all of you are on the railway side, so the railway side I will not touch more. But on steel and power: steel is doing wonderfully well, and a lot of activity is happening despite the fact that people are taking a look back, and for further expansion they are looking at letting all those expansions that they've announced get settled, and then they will go for further. But whatever has been announced is sufficient for the next three years, and that is huge, and what we are looking at is only ₹200–₹250 crores of Simplex's portion out of this ₹20,000–₹30,000 crores that is expected every year. So that is not a challenge at all.

The power sector is steady for the next 3–4 years; that is not a challenge at all.

Railways—we need to be faster in our development and to catch up in the next two-three years to a level of 30%–40% of what the company has planned. So the various products that we are talking about, which we have not done earlier, that needs to be focused upon and that needs to be worked upon, and then we need to get those approvals as fast as possible—approvals not for development, but for bulk. That has to happen in the next one and a half, two years; that is where we should be focusing, and we should be good, sir, for ₹500 crores.

Darshil Pandya: Fair, fair. Understood. Thank you so much for answering my questions, Ketan ji, and all the best to you and your team. We hope that by FY30 we even touch a very big number looking at the opportunity size that we see today. Thank you.

Ketan Shah: Thank you, sir.

Moderator: Thank you so much, sir. The next question comes from the line of Mr. Hemant Soni, an individual investor. Please go ahead, sir.

Hemant Soni: Sir, thank you for providing me the opportunity. I am new to the company, so I just wanted to understand the capacity expansion which you are doing right now. You have told in this call that the capacity expansion which you are doing is sufficient enough to take your revenues to ₹500 crores. So I just wanted to understand what kind of capacity expansion we are doing.

Ketan Shah: Very simple, very right, sir. Sir, what was required—so we have two units: one is the foundry, foundry setup with the extensive machine shop, CNC shop, and then we have a fabrication equipment shop. Each is on 15–15 acres of land. So whatever was required for the foundry, that we did in the first phase. And from there we are going on, and that is where we started talking about the Casnub bogies, the casted bogies for wagons. Now we have also gotten an order of development for fabricated loco bogies; that is for the

fabrication equipment shop. And all the structures that we are talking about—we are talking about heavy structures which are required in power plants—that is also in the fabrication shop.

So the second phase of CAPEX that we are looking at is the addition of machines and sheds with cranes, and that too heavy sheds and heavy cranes in the fabrication equipment shop. We are utilizing only maybe 20%–25% of the area; we would like to use almost 50%–60% as a covered area with cranes to do about 1,000–1,500 tons of structural fabrication along with equipments, along with machining, at the fabrication shop. Am I clear, Hemant sir?

Hemant Soni: Sir, I just wanted to understand, I mean, what is the current capacity right now and post-expansion what will be the capacity?

Ketan Shah: Okay, I can do that. Current capacity, we are doing 500 tons of structure there. After CAPEX, we will be doing 1,500 tons of heavy structures in that unit. And at the moment, we are doing 200 tons of equipment. After addition of machines and sheds, we are planning to increase it to 300–350 tons of equipment.

Hemant Soni: Per month? So sir, structures will move from 500 tons to 1,500 tons, and equipments will move from 200 tons to, I guess, 300 tons, right?

Ketan Shah: Yes, per month.

Hemant Soni: And sir, it will be live by, I think, latest by Q1 of FY28, right?

Ketan Shah: Fully it will be operational because sheds are like—we have planned in the CAPEX three sheds. So all three, it will be one by one. So the plan is that a couple of sheds—out of the three, two sheds—will be completed in this FY only, in this financial year.

Hemant Soni: So are we going to get some additional revenue from the two sheds which will be commissioning in this financial year?

Ketan Shah: That is the plan, sir—that the guidance that we have given was considering that we will be in a position to commission and we would be adding capacities there. Without it also, it can be done in the open, but sheds are always useful because utilizing cranes and the facilities makes it much more efficient.

Hemant Soni: So sir, can we expect the commissioning of these two sheds in Q3?

Ketan Shah: No, Q4.

Hemant Soni: Q4. So there will not be much of revenue from those two sheds, I guess?

Avinash Hariharano: Sir, it won't affect, because we are doing the work with existing gantry facilities, which does not require the shed. So we have planned the working in that way also. Already rains have passed on, so that problem is over. Even if the sheds are not commissioned in this third quarter, we will be producing; we will be getting the increased turnover, sir.

Hemant Soni: Okay, sir. Okay, okay. Thanks a lot.

Management: Thank you.

Moderator: Thank you, sir. We have a follow-up question from Mr. Garvit from Serene Alpha. Please go ahead, sir.

Garvit: Hi, thanks for the follow-up. Sir, looking at H2 execution, how should we look at or project that number between the quarters—like what kind of run rate we should expect in Q3 and what kind of run rate we should expect in Q4?

Ketan Shah: I would say about 40-60: 40% in Q3 and 60% in Q4.

Garvit: Okay. And secondly, you mentioned very well about the drivers of the business over the next couple of years, including thermal power, steel, and railways. While I am seeing that the risk part is in railways—

we have been hearing for quite some time that orders are not there, we are hoping for that, but that thing is not getting materialized—what kind of risks do you see which will basically prevent you from achieving the target of ₹500 crores in FY28, or maybe higher in FY29? What kind of risks are you seeing in achieving those numbers, sir?

Ketan Shah: Let me not talk about all the other risks, you know, war and political and those kind of things. Other than that, see, we always work with a Plan A and Plan B. Plan B is very simple. I mean, nothing will happen to my steel plant business, nothing will happen to my power plant business, and railway, as it is, I am saying that we need to develop in the next one and a half, two years—develop a lot of new castings, new areas, and we have to make it not in development stage; we have to develop and we have to get into bulk stage so that we make about 30% or 40% of our dependence on railway in the next two years, three years.

So what we are referring to is that only 25%–30% of railways which was supposed to happen in the ₹500 crores, that getting disturbed because of development, not because of anything outside. We need to focus on what we need to do. And in Plan B, we have taken out—we are focusing on certain railway items which are not driven by this kind of a wagon behavior or wagon order behavior, but which are required by Railways on a regular basis. I mentioned like couplers, I mentioned suspension tubes, I mentioned ADI wedges earlier in the call. Those are normal castings which are required on a day-to-day basis in Railways, and they are not driven by some order from Railways for wagon builders, and consequentially it will be directly to Railways. That is the Plan B that we have for supporting our railway business.

Garvit: Okay. So when you say the products will be developed, how are you seeing—like let's say this wagon order is not there, or gets delayed maybe by one or two quarters—how do you see this ₹500 crore target at risk just because these products are not developed?

Ketan Shah: See, as it is, there are a lot of positive things. Let me just go back to the risk by telling you what is in favor of that. Number one in favor of the wagon order is that wagon orders have not happened to the wagon builders by Indian Railways for the last three years, four years. So that is number one. Number two, the requirement of wagons is there. Number three, to kick-start the economy in West Bengal, the Center has to release the railway order because a huge amount of wagon-building capacity is available only in Kolkata. So whether you look at Jupiter, whether you look at Titagarh, whether you look at Texmaco, you look at HEI, you look at Braithwaite, Besco—all these wagon builders are in Kolkata. So to jump-start that economy in West Bengal, the Center has to release that.

So I am not saying that looking at this, the chances that this wagon order does not happen are high—they are very bleak, very small. It has to happen; it is a matter of time. Yes, everybody has been waiting for the last six months. If I look at it, it was to happen between July to September. Okay, it's not happened; it will happen till March, but it will happen.

So I am not saying there is a risk, but assuming there is a risk: an item which is developed, which is ready for us to start production—I mean, we have RDSO approval, we have everything to start—if that gets delayed, so this part of the business, yes, it looks at risk if this does not happen despite all the positive things. So for that also we have Plan B—meaning Plan A. Smaller quantities are still available at the moment; we will look at that. I told you there are certain wagon builders who are getting from private sector certain small rakes and that. Say, for example, Modern in Delhi—they do not have a foundry, and they have recently got an order for two rakes from Jindal. So we will approach them; instead of 200 numbers, we would be in a position to make 100–150 numbers and sell. So that is part of Plan A. Plan B is the other items. Yeah, Avinash, now you can add.

Avinash Hariharano: Sir, we are not only dependent on Railways. That was the capacity we have already built in our Unit 1, and we have got Unit 1 approved for fabrication equipment orders also from BHEL. That is the Plan B if we do not get or any railway items get certainly delayed. So the company has already geared up in getting the thermal fabrication orders, and that will fill the gap. Also, as already informed, till 2032, these thermal power projects are already there, and we want 40% of our business to shift from thermal to

railways. For that, we are entering into new metro bogie coaches, couplers, strikers, and these will be operational. So this is not a part of the ₹500 crore target which we are having for the next financial year.

Garvit: Okay, got it. Thank you very much, sir, and all the best for the future. Thanks.

Moderator: Thank you, sir. We have a follow-up question from Mr. Darshil Jhaveri from Crown Capital. Please go ahead, sir.

Darshil Jhaveri: Hi, thank you so much, sir. A lot of my questions have already been answered, but sir, I just wanted to know in our order book scenario, we have majorly a short-term order book, right? So is that an industry norm, or can we translate it to a long-term order book? Can you help in that, like even the pipeline that you are saying is for what period would that be, sir?

Ketan Shah: Normally, if you look at this, let's split both the units separately. Both have certain equipment orders, and both have short-term orders. When we talk about any fabrication, though the order would look bigger, like ₹20–₹25 crores, we have to give it in a scheduled manner, and we still would consider it short-term because the total cycle time is low. So when we are talking about structural fabrication, I would say the orders can be big, continuation can be for six months, maybe a year, but we will still call them short-term orders because every month the working capital requirement and every month the cycle from procurement of raw material to dispatch is one and a half to two months, and collection is another 15 days. A two to two-and-a-half-month cycle is the fabrication shop.

Similarly, we have certain annuity products in Simplex Castings which we have been doing for the last 30–35 years for companies like Viraj, Musco, Mahindra Ugine, Arcelor—people who are needing those ingot molds. Ingot molds are simpler castings; they go in the month they are casted, you just have to machine the bottom and you dispatch. So these are very short-term orders that we have in both the units.

Long-term orders normally are equipment orders in both the units. Like coke oven doors is a slightly long-term order because to manufacture and dispatch, it takes almost four to five months. And any equipment order that we are taking in the fabrication shop—like any ladle car, transfer cars, torpedo ladle cars, any of these cars—normally takes six to seven months for us to manufacture and dispatch. So if we look at equipment orders in both the units at the moment, they are the most remunerative, but they have a longer cycle, and there we would call them long-term or longer orders, where anything between four months to seven months is the time. And both the units have certain short-term orders where we are able to dispatch and collect the money within a period of one, one and a half months to two and a half months.

Darshil Jhaveri: Okay, that's great to know. So from what I understand, the average period would be around three months, four months for the order book, right? Like that would be the average execution period?

Ketan Shah: If we do an average, it will be three to four months, sir.

Darshil Jhaveri: Okay, that's helpful, sir. And sir, I just wanted... Hello?

Management: Yes, sir, please continue.

Darshil Jhaveri: Yeah, yeah. So I just wanted to know, when we are doing our bid pipeline, that's majorly private players, right? Currently, our bid pipeline will have—what would be the split in terms of government and private players? And are we having some part of exports, or is that a place that we are exploring, sir?

Ketan Shah: Exports is difficult in fabrication because fabrication is not so polluting, so normally structures and all that, it's very, very difficult to export. They are voluminous, do not have weight, and they are not something which is not possible locally, whether it's the Middle East or Europe. Normally fabrication per se is difficult to export from India unless and until it's a completely machined, assembled equipment, which we were doing for some cement plant manufacturer in Germany—we did it for 10 years. Those kind of things at the moment are not in the pipeline.

And in the steel sector also, if you look at it, things have changed. People are looking for decarbonization, so the expansion that's happening in India—that's more on integrated steel plants; that is not happening

anywhere else in the world. Integrated steel plants need coke oven batteries, coke oven doors, but you would be happy to know the other country which is doing some integrated steel plant business is South America, Brazil. And I mentioned that in the last conference call also, and today also: yes, we are expecting a coke oven door order from Brazil for two batteries.

Darshil Jhaveri: That's really great to know, sir. And sir, just one last question from my end, sir. On margins, I'm getting a bit confused. I think you were talking to one participant where you were saying your higher revenue should lead to a bit of operating leverage and margin improvement, but you said that historically our PAT margins are 7% to 8%, and maybe we are trying for 8% to 10%...

Ketan Shah: We are trying to be conservative. It was not regarding that; it is the working capital once we have—definitely there has to be a positive impact of the enhanced working capital that we will have. That is where we see it. Historically, what I said was correct, and we would like to keep it conservative.

Darshil Jhaveri: Okay, fair enough. That's it from my side. Thank you so much and all the best.

Ketan Shah: Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, if you have any questions, please press "*" and "1" on a telephone keypad. There are no further questions, sir. Now I hand over the floor to the management for closing comments.

Ketan Shah: Okay. So it was very, very nice, and as I always say, once we get connected, I also learn, and it is always my pleasure to learn from all of you. Definitely it's my pleasure to inform you about what's happening in Simplex Castings, but always I've been learning in such interactions from all of you also. So thank you, everyone, for your participation and your very thoughtful questions.

So, I'm reiterating what we have discussed: we started with coming out of the woods and we started dreaming about what we should be doing, and it's been a journey, and it's because of you that things have started happening in our company. And all of us are committed to deliver what we have discussed earlier, and we are going and we are working in that direction—what we have discussed.

With record quarterly profits, stronger margins, and investments underway in our facilities that demonstrate the progress we have made, we now have greater responsibility to build further progress and deliver consistently. So again, I am saying our leadership is in the critical steel components, power sector; in railways we need to be focused, we need to develop things fast, and our ambition is to take Simplex to a substantially higher scale of operations and profitability.

Thank you once again for your continued trust and support. We look forward to sharing our progress in the coming quarters also with all of you. Thank you so much, sirs and madams.

Moderator: Ladies and gentlemen, this concludes your conference for today. On behalf of Simplex Castings Limited, we thank you for your participation and for using Chorus Call's conference call service (Note: audio muffled on service provider name). You may disconnect your lines now. Thank you, and have a pleasant day.

Management: Thank you. Thank you, sir.

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