November 10, 2026

To,

Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Tower, Dalal Street,
Fort, Mumbai-400001
Scrip Code: 513509

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Symbol: **KALYANIFRG**

Dear Sir/Madam,

Sub : Transcript of the Analyst/Investor Conference Call held on November 06, 2026.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the Analyst/Investor Conference Call held on November 06, 2026.

The same is available on the website of the company www.kalyaniforge.com.

Kindly take the same on record.

Thanking you,

For **Kalyani Forge Limited**

VIRAJ GAURISHANKAR KALYANI

Digitally signed by VIRAJ GAURISHANKAR KALYANI
DN: c=IN, st=Maharashtra, 2.5.4.20=5a340863f0bd2b6c0933288f5c1fe7cb0d04d2298827 4b3b3d15c0196f511d726b, postalCode=411006, street=SO Gaurishankar Kalyani 221D PARVATI NIWAS KALYANI NAGAR YERWADA KALYANI NAGAR Pune City, pseudonym=d9e07a6aed2e43f9a89dc4612720bc41, title=4972, serialNumber=0439528cd0faabe0b7716e813fa6087edbd70d845084397d1e2bb2640715185c, o=Personal, cn=VIRAJ GAURISHANKAR KALYANI
Date: 2026.11.10 10:55:10 +05'30'

Viraj G. Kalyani
Managing Director
DIN: 02268846

Encl: As Mentioned Above

KALYANI FORGE

KALYANI

KALYANI FORGE LIMITED
ANALYST / INVESTOR CONFERENCE CALL
QUARTER ENDED ON SEPTEMBER 30, 2026 RESULTS

The company has hosted an Analyst / Investor Conference Call (Virtual - Mode) to discuss the financial performance for the quarter ended on September 30, 2026. Details of the conference call are as follows:

Date: Friday, November 06, 2026
Time: 11:00 AM to 12:00 NOON IST

The Management team represented by **Mr. Viraj G. Kalyani,** Managing Director.

E&OE - This transcript is edited for factual errors and formatting. In case of discrepancy, the video recording available on the website of the company will prevail.

Moderator: Mr. Shivkumar Gawhankar (Secretarial Department).

INTRODUCTION:

Moderator: Good morning, ladies and gentlemen, I welcome you all to Kalyani Forge Limited's Quarter 2 Financial Year 2026-27 Investor Conference Call. I'm Shivkumar Gawhankar from Secretary Department. Before we start the meeting, I would like to you, to all, to know that all participant lines are currently in listen-only mode, and there will be an opportunity for a question-and-answer session after the presentation concludes.

We hope you have received our Q2 financials and press release that we sent out, which are also available on our website. Please note that Our remarks today include forward-looking statements regarding strategic incentives and business performance, Actual results may vary material from these projections. and uncertainties, Kalyani Forge undertakes no obligation to publicly update this statement to reflect future events or circumstances.

With that I will hand over to our Managing Director, Mr. Viraj Kalyani, sir, for further business insight. Please, sir.

Mr. Viraj Kalyani, MD Kalyani Forge: Alright, thank you, Shivkumar. Very good morning, all participants Shareholders and investors and, interested people. And thank you for attending our Q2 Investor Call. Without any further due, I'll begin with our Usual investor presentation. And we shall then move on to the Q&A. So, Shivkumar, can you confirm the screen is visible, the presentation?

Moderator: Yes, sir. It is visible.

Mr. Viraj Kalyani, MD Kalyani Forge: Alright, so this is our investor presentation for Q2, FY27. And our theme for this year, based on our recent annual report that we had published in August, is refining the edge and strengthening the Core.

Safe Harbour Statement

So, this is a safe harbor statement. This presentation contains forward-looking statements regarding Kalyani Forge's outlook, strategies, business plans, expectations, and potential growth. Forward-looking statements are inherently uncertain and subject to risks. So, while Kalyani Forge endeavors to ensure accuracy. In its statements, the company assumes no obligation to upgrade any statements as a result of new information or future events. So please keep this entire safe harbor statement in mind as you are, evaluating our business. And this, investor call.

Q2 FY27 Highlights

So, these are the highlights for Q2. First and foremost, **a major milestone is that our board has approved a Rs.45 crore funding plan**. With an indicative mix of equity around 10 crores, debt 20 crores, and non-core asset and inventory monetization up to 20 crores. To strengthen liquidity and fund, the order book ramp up. This is historic milestone, and we are now becoming much more structurally, Strategic about funding. Which is logically the next step in our transformation roadmap.

So going forward, more and more funding is going to be a core discussion point in the board, and top management level at Kalyani Forge. H1 FY27 PBT was 9.39 crores, up 118% YOY. PAT is, 6.64 crores, up

86% YOY. Earnings per share, 18.25. EBITDA is 18.67 crores up 38.8%, at a 15.3% margin against 11.1% in H1 FY26, which is the same period last year.

Now, coming to Q2, the EBITDA margin was 14.2%, up 158 basis points year-on-year. This is the fourth consecutive quarter above 14%. And PBT, 3.24 crores, is up for 42.9% YOY, PAT, 2.16 crores, and earnings per share, Rs.5.94. The drug segment has been up 75% year-on-year to 23.3 crores, now around 43% of sales.

There's a big market pull from the truck segment, and it is going to continue. Over, foreseeable future. Cars, trucks, and industrial are 97% of sales against 82% a year ago. And this, lines up with our strategic market segment and customer mix targets planned transitions absorbed in Q2.

So, we had 2 months of reconditioning of a 2,500-ton press, and relocation of the driveline machining plant to MCD1. This was a major, operational initiatives that were taken as part of the Vriddhi Council projects. But due to these planned initiatives, there has been a reduction in sequential revenue to 54.4 crores, that is, quarter on quarter. About 18% compared to Q1 FY27. However, margins have still been held above 14%. Receivables have also increased. This is a point I'd like to clarify up front, as some of you may go through our balance sheets of the half-year results.

So, this is primarily due to remittances which are delayed during a banking changeover. So, we have changed, That old CC bank account, from one bank to another, for better interest rates and more of a strategic change. And, that's why the transition process caused some delays in receivables coming in. And legacy, last time lifting has been slower than planned.

So, going forward, collections and export credit lines are now being normalized. And, this will get smoothed out over the year. H2 priorities, CV, OEM ramp-up programs, and machining de-bottlenecking, as well as expansion in machining within a 30 crore FY27 CAPEX plan. 8 crores of which is deployed in H1. And new engine and wheel hub orders are ramping up.

Product Portfolio

For those of you who are new to the company or attending for the first time, this is our product portfolio. We have 3 main product groups, engine, driveline, and axle. Engine is our core cash cow business, particularly connecting rods. Driveline is a fast-growing segment for particularly in the passenger car area. And the axle business is also a fast-growing segment, both in commercial vehicles and passenger cars.

Growth Formula

So, our growth formula is strong execution, business development, and capex, which leads to growth. now I would like to add a third or a fourth ingredient that is funding, or capital. And, we would probably update this formula, combine it with CAPEX, Capex and capital, and share that in the next call. But this is an evolving, playbook. Over that we have been honing over the last several years now.

Strong Execution – Financial Performance

So, coming to strong execution, these are our financial performance, numbers. Total income is 54.69 crores. PAT is 2.17 crores. EBITDA 7.79 crores, and EBITDA margin is 14.2%. As I said earlier, the major reason for the revenue being lower than previous quarter. It's because of the planned interventions that we've done in terms of shifting an entire plant, machining plant, to the first machine shop. Thereby, we have expanded, I mean, unlocked more shop floor space, and we have made our machining lines more

compact. More, all in one, under one roof. And easier to manage, control, and coordinate amongst all the, team members of that plant. So, this will increase efficiencies, going forward, and hence we have taken these steps.

Along with that, the reconditioning of a major press, required some downtime, due to which we had to plan lesser production. And that's what's reflecting in the revenue figures. However, I would like to highlight that our EBITDA margins have been consistent for the last 4 consecutive quarters, and at a step up above the previous year's trend. And, we will continue to grow. This margin going forward.

Coming to the ratios, key ratios, there's been a Q2 impact of plant transformation initiatives, as I said, so the ROCE is at 13% on an annualized Q2 earnings. On an H1 annualized, calculation, the ROCE is 17%. Which is more in line with expectations. Profit margin, is 4% for Q2. H1, FY27 PAT margin is 5.5% up from 3% in H1FY26. Cash conversion cycle and debt to EBITDA, these have also been, impacted due to the revenue shortfall, which was due to planned downtime. Particularly the 2,500-ton press reconditioning and MCD3 plant relocation. Delayed customer receipts during the banking changeover.

And slower legacy last time by lifting. These have also caused the receivables to Climb up in the last quarter. And we have now completed the transition of the banks. With some minor steps remaining banking facilities, because they require more permissions or processes to complete.

However, recovery on these fronts is on track. The press and MCD lines are back in operation, collections and bank facilities are being normalized, and a board-approved 45 crore funding plan is in place to strengthen liquidity So the important point is that we continue to Keep track of these key ratios, to ensure better returns, as well as sustainable growth of the company.

EBITDA Margin expansion

Now, coming to the EBITDA margin expansion, Q2 FY27 EBITDA margin of 14.2% is up 158 basis points year-on-year from 12.7% in Q2 FY26. The H1 EBITDA margin, that is Q1 and Q2 put together, is 15.3%, vs 11.1% in H1 of FY26. This is an expansion of 420 basis points. And, H1 EBITDA it's up 38.8% in absolute terms to 18.7 crores. So, EBITDA growth over last year is, very, positive result. Which is something we are prioritizing this year. As we have been talking about it over several quarters now. And that's what makes the business stronger, more predictable, more reliable and scalable. And this is the fourth consecutive quarter with EBITDA margins above 14%. The margin has held up, in spite of the planned disruptions that we've spoken about. The press reconditioning and driveline plant relocation had cut sequential revenue by 18.5%. However, our margins have absorbed on a largely fixed cost.

Structural gains continue, cost optimization with the Vriddhi Council initiatives, and improved operating efficiency. These have been major factors for EBITDA margin sustains and as a path to recovery on the top line, press and consolidated MCD1 plant restored. And new engine and wheel hub orders are ramping up to rebuild volumes and margin towards Q1 levels.

Sales by Product Group

Now, this is the sales trend by product group. So, we have the engine, driveline, and axle sales. The charts are on top and the product mix for each quarter for Q2 FY27 and FY26 at the bottom.
So, as we can see, engine remains strong and growing 40 crores in Q2 FY27, up 46% year-on-year and steady, sequential despite the press reconditioning that we did. Engine is now 73% of sales against 55% a year ago. This is in line with our OEM and core business strategy. However, the growing segments of

axle and driveline continue to maintain their share of business, particularly the Axel Group. Axel is up 16% year-on-year to 5.9 crores, now 11% of sales. And here, the 2,500-ton press, impacted the overall sales, or production output. Driveline moderated to 6.6 crores due to low-volume parts consolidation. And machining plant relocation from MCD3 to MCD1. With 2 months of production disruption. The plant is now consolidated with a compact layout and room for expansion. Legacy non-fit business cut from 15% in Q2 last year to 4% of sales this year, which can be seen in the Yellow Segments of the chart. So, the core, engine, driveline, and axle groups now make up 96% of the business. Product mix is shifting to higher growth and better margin programs. That's the most important takeaway from this data.

Now we come to sales by segment and geography. Trucks was the main standout segment, 23.3 crores in Q2 up 75% year-on-year and 16% sequentially now, 43% of sales against 25% a year ago. And H1 truck sales are up 62%. This is a very healthy sign, and we are prioritizing our investments for this segment as well as our customer outreach and engineering resources. Cars and industrials segments held up through planned downtime. Cars at 15.8 crores steady year-on-year, industrial, 13.5 cores, down 9% year-on-year, because of the, Phasing out of some non-core industrial business.

Cars have moderated from Q1's record of 22.5 crores. There's a sharper focus on core segments, as I've said. And together, cars, trucks, and industrials grew 20% year-on-year 52.5 crores. Legacy and non-core exposure largely phased out. Agro and other segment is down to 3% of sales from 18% last year. And finally, when we come to exports, these are at 14% of sales, that's 7.6 crores, broadly in line with 15% a year ago. But the changes that we have new export programs, which have replaced phased-out legacy businesses. And these have better growth potential and margins.

Business Development

Business development, this is our growth engine. So, as you can see in the graph. OEM sales have been continuously growing for the fifth consecutive quarter. Truck segment demand is rising, capacity expansion is planned for OEM machining business, particularly.

Condor machining capacity has increased by 10%. Further machining capacity expansion is planned for these products. And the new Wheel Hub line is installed up to 30% of the planned capacity. This was completed in the last quarter, and we are continuing further, capacity enhancement on this line.

The large engine conrod, start of production has comments for an OEM for AI data center applications. This is also a growing segment with AI data centers expanding, especially in India. So, they require a lot of power, which typically comes from genset or diesel engines. There's a high runner portfolio focus on top 20 high-value customers.

And we have also started a long-term industrial and defence product roadmap, initiated for high-volume applications. So, this is of course, based on the nature of the business, it's a long-term plan. But it's important that we start, taking some concrete steps from now on. While we are focusing on our core business and expanding that.

This is the business mix optimization progress update. So, a very big part of our transformation has been making sure we are working on the right business, and we have the right business in place, and we remove or phase out non-fitting businesses. So, many of you would have seen these this slide, and I won't explain all the detailed phases of this transformation, but we are currently in phase four, resource reallocation to the core business to the high-growth customers, to the high margin, high-volume product lines.

And, as you can see, the OEM revenues, which are in blue here on the chart, have increased to 41 crores in Q2 FY27. This is a 41% year-on-year growth and the fifth consecutive quarter of OEM revenue growth. During planned recon and machine shifting, OEM revenue was not compromised, and this is something we, took as a strategic decision, so that we keep our market share growing. Phase 4 of the business mix optimization, now the focus is on capacity ramp-up for key customer and a lot of management time is focused on strategic accounts. That is strategic customer accounts.

Capex

And finally, I'll talk about our CAPEX, which is fuelling the growth. FY27 CAPEX plan of 30 crores is largely directed at growth, ramp-up programs of around 10 crores, new business 10 crores CAPEX, and future business 5 crores. And existing business, 5 cores. So that's the overall mix.

H2 priority is now commercial vehicles, OEM wrap-up programs, with truck sales up 75% year-on-year in Q2 and now 43% of sales. And we have a forecast of truck sales continuing to Increase. So, our CAPEX is getting prioritized for this segment.

Particularly, machining CAPEX has stepped up in H2. It targets de-bottlenecking and added capacity, in line with high machining utilization of 85-90%. That we currently have.

And the order ramp-ups from key customers 8 crores is the total capex deployed in H1 FY27.
We have been conservative in Q1 and Q2, as we prioritize more of our, overall funding for day-to-day business requirements. And taking a more prudent call on CAPEX. So that we can catch the best opportunities as the market evolves.

As you know, that Q1 and parts of Q2 were filled with global market disruptions based on the Middle East war and supply chain ripple effects. So, with that in mind, we went a little conservative on Capex, and therefore I have shown the quarterly capex expenditure this time. Which is on the top right chart.

And, coming to funding, the CAPEX is supported by new term loans, as well as partly by the board-approved Rs.45 crore funding plan and internal accruals. So, that's the overall overview for CAPEX.

So that's all for the Q2 highlights. The remaining slides are about the company, company stats, our market segments, milestones, board of directors. So, you can all go through it. At your own leisure. And especially those who are new to us joining today.

So, thank you once again, and I look forward to your Questions and having a Lightning discussion.

Question and Answer Session

Moderator: Thank you, sir. Thank you so much. Ladies and gentlemen, we would like to begin with our question-and-answer session. Please use the chat box or raise your hand for your questions.

SAKET KAPOOR: Yeah, Namaskar Viraj Ji.

Viraj Kalyani, MD Kalyani Forge: Yeah, Namaskar, how are you?

SAKET KAPOOR: I'm fine, sir, okay, sir

Viraj Kalyani, MD Kalyani Forge: Very good. How are you?

SAKET KAPOOR: Sir, you have given a very exhaustive understanding of what we have executed, what are we planning to do. So, if you would like to just summarize it so that we can get the key point correct, what would be the key deliverables in terms of, firstly, the operational efficiencies for H2 and the incremental or the set of EBITDA which we have been reporting for the last few quarters, how is that going to trend up, giving it taking into account the efficiencies?

Particularly with this press part of the story. And then giving us an understanding what is our road ahead for 28 and 29, since the next time when we will be meeting in month of, I think so, probably Feb, post the budget. So, we will be very busy with, our schedule for the year. By that time, you should have more colour on it, but that understanding would suffice to it, and I'll have just one, two, three questions. Once you answer, sir, then I'll move to, the queue.

Viraj Kalyani, MD Kalyani Forge: Okay so, your two questions are key deliverables on operational efficiencies for H2 and FY28 and FY29 outlook.

So, EBITDA margin is really the key metric that we are keeping track of, and particularly when we decompose that, we look at material cost, power cost, employee cost and then all the other indirect manufacturing costs or overheads.

So, we have been keeping material costs, under control, even though the steel prices have been shooting up. We had almost 3 price revisions in the last quarter, which have passed on to customers. But at the same time, we have to coordinate that pass-on, with suppliers and customers.

And look at our material consumption, material yield and we have, especially some Vriddhi Council projects dedicated to reducing this material cost.

Coming to power cost, we are taking a lot of initiatives on, working with the utilities, with the electricity boards. We may be consolidating some of our sanctioned power. In some plants we have historically taken some larger sanctions, and as we have improved our operations, we would not need that kind of load. So, we would optimize that, get the power cost down as well.

And similarly, coming to the manpower, there are productivity improvements going on. Our engineering team is working on shifting a lot of manual processes into the machines through better machine programs, better design of fixtures and tooling and so on.

So, all these initiatives would be accretive to EBITDA margin. And, we would definitely maintain this 15% level.

And as I've said before, our efforts are to climb towards, possibly 18%. At some point in this year but I cannot, guarantee that.

And, from next year onwards, we would Look at 20% margins. So, it's a continuous process. But of course, key is at least 6 quarters we want to maintain this level and then step off the next milestone's 18% then 20%. Because each percentage point we may be consolidating some of our sanctioned power.

And coming to the FY28 and FY29 outlook. We are looking at; we would Start tracking revenue growth as a key metric. It is something we are not reporting currently, and that is deliberate, because we don't want our, shareholders or investors to speculate too much on revenue growth in a hurry. As we may have done that in the past, but we really want to go in a very sustainable way. So, we are now tracking revenue growth at a customer account level. We've started doing that, and we are targeting 15 to 20% revenue growth. On our strategic customer accounts. We have achieved this on, probably 30% of these customers. So, we would, continue to Look at all the strategic accounts, look at their demand forecasts, look at the new products that are coming in there, launch plans, and make sure we are part of that business and part of their production ramp-up.

So, at this point, I would say we are targeting 15-20% revenue growth on strategic accounts. So, over the next year, in FY28. And I think that's a good enough indication of, as far as a forecast is concerned. I don't want to give a direct, top-line forecast at this point.

SAKET KAPOOR: Sir, secondly, if you could just give us some colour on the, order booking part also. What is the current order book and the program? How many years the program has been answered? I think so. We have mentioned about this wheel hub order and some 20 crore part. Yes, that has come into play for execution, or that has been scheduled for later part.

Viraj Kalyani, MD Kalyani Forge: Yes, so the order booking is now at, around 60 crores of remaining order book to be executed.

Earlier we had 90 crores, of order book, new product orders, and 30 crores is moved into production over the last 3 quarters. Then the shift we are doing in terms of business development is that many of our existing products themselves can increase significantly in terms of volumes.

So, we have not counted that increase in the new business order book. But we would try to quantify that for next time.

I would say, just to give a ballpark figure, such programs where it's just existing parts, existing customers, and ramping up. The value could be around 20 crores on an annual level. And therefore, we have planned expansion in the Machining capacity for the same.

And coming to the Wheel Hub, new orders, we have, completed the sample development. And, it is now with the customers, and we have also established, 30% of the new capacity and started the sample production there. So, it is on track. And the existing we have Business is also ramping up.

SAKET KAPOOR: Last point, and I'll join since the queue is now built up.

Viraj Kalyani, MD Kalyani Forge: Yeah.

SAKET KAPOOR: The point is, sir, that for H1 said, we are flat on revenue, because of the press part of the story also, and now the ramp-up, which we are anticipating in H2. So, considering the orders in hand, the efficiency metrics that will come into play. And the capex that we have done already 8 crore and I think so further is on the way.

Viraj Kalyani, MD Kalyani Forge: Yup.

SAKET KAPOOR: First half to second half growth minimum on the basis of the work which you have done, and on the closing order book, we should anticipate barring unforeseen circumstances.

Viraj Kalyani, MD Kalyani Forge: Yeah, so our endeavour is to bring back the quarterly revenue to Q1 levels and so we would look at about 10% to 20% growth over H2.

SAKET KAPOOR: Okay, sir. I think I said, for follow-ups and all.

Viraj Kalyani, MD Kalyani Forge: Yeah.

SAKET KAPOOR: Because of the propositi of time, can we please provide opportunity to.

Viraj Kalyani, MD Kalyani Forge: Yes.

SAKET KAPOOR: I will get in touch with the team, sir. And we have done very good job sir, the press release part, presentation, and also your opening remarks, so kudos to the team, sir.

Viraj Kalyani, MD Kalyani Forge: Yes.

SAKET KAPOOR: We'll get printed. Thank you. Okay, thanks a lot.

Moderator: Thank you, Sir. Now we're moving with the second question from Naman Kasat.

Naman Kasat: Yeah, Hello, good morning, sir. So, sir, my first question is so for, Q2, in the Q1 call, we have guided that we would like to repeat the performance of Q1 in Q2, but due to reconditioning and relocation of all activities, we have been a little far. So, from Q3 and Q4, can we expect that, same kind of run rate we can clock, in Q3 and Q4?

And also, the EV cycle is Q3 and Q4 heavy, so we can easily, like, even if we not increase our wallet share, then we can increase revenue based on that only. That's my first question.

Viraj Kalyani, MD Kalyani Forge: Yes, so You have correctly identified the focus areas. So, definitely we are looking at, growing the EV business, ramping up in our production for these businesses. In terms of quarterly performance, I cannot give you an exact outlook, but we would look at something close to what we've established in Q1. And our priority is to make sure our press reconditioning work is more aligned to the revenue plan as well.

And, when it comes to the banking changes, we are now reviewing that closely to make sure all the operational hurdles are removed, so that our entire fund flow cycle also comes on track which will help in speeding up the revenue growth.

Naman Kasat: Okay. And so, my second question is regarding the fundraise utilization for the 45 crores.

Viraj Kalyani, MD Kalyani Forge: Yup.

Naman Kasat: So, like, where we plan to invest, and how will we utilize that?

Viraj Kalyani, MD Kalyani Forge: Yes, so from the fundraise, the application areas are to fund revenue growth. So, we have calculated short-term debt or working capital required for revenue growth that we have planned for this year.

This was something we had not calculated in a similar way in the past but as we started benchmarking with our competitors or with the industry at large, we saw ratios of debt to sales, is much less than our competitors. So, one big area is to utilization of the funding growth is for
incremental revenue. That would be around say 20 to 30 crores. And the remaining would be for CAPEX, as well as some general administrative purposes and contingencies.

Naman Kasat: Okay, and sir, and one more question. So, sir, with this recent strategic exit from the legacy low margin operations, and we are pivoting towards high margin segment. So, how does management outline the investment thesis for the existing and prospective investors?

Like, specifically. I'm not asking specifically about the exact projection, but for the next 2 years, where do you see our company in terms of revenue, profitability because EBITDA margins, we have done fantastic job, and getting right back onto the 15 to 20 marks. But now, as an investor, we want that revenue growth to be a little higher, considering the auto cycle. So, where do you want to see our company like, one or two years down the line, in terms of revenue growth and everything.

Viraj Kalyani, MD Kalyani Forge: Yeah, so as I said, revenue growth, we are now tracking at a customer level and we are targeting 15-20% revenue growth for our strategic accounts.

And this will come from ramping up existing product lines, starting new Products, in terms of gaining market share, or completely new launches, of the customers. So, that should give an indication of the growth trajectory over the next 2 years. Where We will, both we would look at, growing revenue in the core areas of the business first.

Naman Kasat: Okay. And sir, last thing, last question. So, sir, we wish to connect with you like in person, but the contact details given on the website seems to be unreachable. So, where we can connect you and meet like and all…

Viraj Kalyani, MD Kalyani Forge: Yeah, so we have some members from our investor relations team. So, there is Yash and Kushi. They're on this call, if you can just see them.

Naman Kasat: Yes, I can see them.

Viraj Kalyani, MD Kalyani Forge: You can reach out with them, we'll share the contact details. Offline or if you can chat with them, you can exchange details. Our team has taken your name as well, so we reach out.

Naman Kasat: Sure. Yash and…

Viraj Kalyani, MD Kalyani Forge: Khushi...

Naman Kasat: Then we can connect.

Viraj Kalyani, MD Kalyani Forge: Yeah, so either one of them, yeah.

Naman Kasat: Thanks, thanks a lot sir.

Viraj Kalyani, MD Kalyani Forge: Yes, thank you.

Moderator: Thank you, Naman, sir. Now we're moving with third question from Suman.

Suman: Hello, Viraj ji. Thank you for walking us through the Investor presentation. So, my question is regarding the trade receivables. So, they have increased to 141 crores. So, what is the actual collection trend post-quarter? And what is your target day sales outstanding by the end of this FY27?
Viraj Kalyani, MD Kalyani Forge: Yes, so our collection trend is largely in line with our sales. We do not disclose the collection figures, but what had happened in Q2 was that as we changed the banks, we had to get a lot of customers to change our banking details in their system, which takes, approvals and you know, some transition time. So, that is the one major factor why, some of the collections got delayed. And that's getting back on track in Q3.

Suman: Okay, sir. So, how much of these 141 crores is tied to the legacy phase-out customers? Who are slow in lifting the quarter.

Viraj Kalyani, MD Kalyani Forge: Yeah, to the legacy customers around 10 to 15 crores.

Suman: And one more question, sir, regarding the 10 crore equity component. So, I just wanted to know who are the target investors, and what is the plan? Like, how are we going to raise that amount via preferential allotment or rights issue? How are we going about that?

Viraj Kalyani, MD Kalyani Forge: Yes, so the, equity raise is going to be largely from the promoters, through a preferential allotment. That's the first step and then going forward we would further open up for a larger equity raise.

Suman: Okay. One last question regarding the revenue part. So, we can see it is dipped, 2%, year-on-year in Q2, as it is because of 2,500-ton press reconditioning and plant relocation, which is understandable. So, I just wanted to understand, are these activities fully completed now, and should we expect the volume growth to resume in Q3 and Q4?

Viraj Kalyani, MD Kalyani Forge: Yes, these activities are fully completed. I mean, it has they have been completed up to, to some part of November as well some part of Q3 also went into this transition, but now that it is completed, there will be much better restoration of production levels.

Suman: Oh, ok sir, so one last question regarding the revenue I mean, like, the margins, EBITDA margins, which are expanded by, 1.5% year-on-year. So, how sustainable is this margin profile going forward? I know that we are repeatedly, I mean, like, targeting the 15% EBITDA margin bank. So, are these going to be sustainable going forward?

Viraj Kalyani, MD Kalyani Forge: That's a beast. That is our yes, that is our, top priority. Make it sustainable and make it grow. Make the margin, expansion, Continue. So, we have established four quarters of this level above 14%. So, it is definitely we all the initiatives that have gone into it, into improving it have been sustainable initiatives. That means when we take those actions, it is a recurring benefit that continues, throughout as long as that business continues.

Suman: Okay, sir, thank you so much.

Viraj Kalyani, MD Kalyani Forge: Yeah, thank you.

Moderator: Thank you, Suman. I would like to go with the next question from Taksh. I would also request, another our Investor to please concise your questions, due to the time limitation, we had to take some questions. So, please proceed with your question.

Taksh Gaur: Yeah, hi, sir. Hello sir, good afternoon. So, congrats for the good set of numbers and Shashikant this side from brighter mind AMC. So basically, my question is about the working capital cycle, or better say to cash conversion cycle. So, that has eliminated this, quarter. So, what could be the normalized reason going normalized days that we are expecting going forward?

Viraj Kalyani, MD Kalyani Forge: Oh Yeah, so we would first look at a level of 140 days or 140 to 150 days and then the next milestone is 120 days.

Taksh Gaur: Okay.

Viraj Kalyani, MD Kalyani Forge: So, and this is a quarterly figure, so we so there's a quarterly Annualized figure based on one quarter. So, it's not a very smooth number. So, please take it into.

Taksh Gaur: And the next second is as you have mentioned, that we are consistently, you know, clocking 14% plus margin since last four quarters. So, do we expect that this should work as a floor, for our EBITDA margin? And, what should we expect for FY28 and FY29? I mean, what peak level that we can achieve with all for the programs, optimization and all.

Viraj Kalyani, MD Kalyani Forge: Yes, so we would like to look at this as a floor as I have stated earlier as well, it is something it is a sustainable EBITDA margin improvement. going forward, first step would be to get to 18%, and then to 20% EBITDA margin over the next year and or I'm not sure if it'll take 1 year or 2 years. Of course, we would like to achieve it in one year time itself.

Taksh Gaur: Yeah, that's great, I mean, that's amazing to hear. So then, I mean, do we, have in, you know, do our do we are getting inquiries from, you know, new sectors that are emerging into, you know, forging and casting segments from defence, aerospace sort of things from European players, or from domestic players also?

Viraj Kalyani, MD Kalyani Forge: Yes, we do get inquiries for defence business in some aerospace applications as well as industrial, off-road applications. We are very selective in terms of these opportunities, because we don't want to repeat the choices that we had made in the past, where we used to Say yes to a lot of opportunities. And then we ended up having a lot of variety of parts and businesses and variety of customers and manufacturing processes.

So, we have taken a lot of efforts to simplify and consolidate our business, and focus on fewer, opportunities. So, as I've stated in my business development slide, we have made a product roadmap for the defence, industrial, and aerospace sectors. Where we have identified certain products which align well to our existing capabilities, and we can extrapolate those capabilities into the, defence sector as well

So, that's where we will be putting our efforts on. We will have hopefully we will have more to talk about on this in the next quarters. So, I don't want to give away too much at this point.

Taksh Gaur: Okay, sir. So, actually it's a humble, I mean, request that we, we intended to visit the plant, so should we coordinate with the, you know, IR, or…

Viraj Kalyani, MD Kalyani Forge: Yes, so Yash has just shared his contact details on the chat. So, anyone who wants to further, contact us, or come and meet us, or visit our plant. Please get in touch with him and, we'll get it organized. Could you share your background? Like, you said you're from.

Taksh Gaur: Yeah, Shashi Kant, yeah, Brighter Mind Asset Management Company, AMC, yeah.

Viraj Kalyani, MD Kalyani Forge: Where are you based?

Taksh Gaur: We are based in Noida.

Viraj Kalyani, MD Kalyani Forge: Okay.

Taksh Gaur: Right after this, yeah.

Viraj Kalyani, MD Kalyani Forge: Okay, great So, we look forward to, welcoming you.

Taksh Gaur: Thank you, sir. Thank you, and all the best, and happy Diwali, and Happy New Year.

Viraj Kalyani, MD Kalyani Forge: Thanks a lot. I wish you very happy Diwali, and a prosperous Kenya.

Moderator: Thank you, Taksh Now we left with, CA Vansh.

CA Vansh: Yeah, so thanks for the opportunity. So, my first question is, on a similar basis that our previous participant discussed. So, are we looking to diversify beyond our existing business domains, like, you know, space defence because we have the capabilities, right? So, are we looking, for more presence in these segments?

Viraj Kalyani, MD Kalyani Forge: Yes, as I said, it is definitely part of our long-term plan. We have made a product roadmap for this segment, and we will start with a few opportunities step by step and this is coming with a lot of careful filtering of all the business opportunities which are out there in this space. So, we will share more updates next quarter hopefully.

The only, sort of, criteria that we look at is how can we enter these areas with our existing capabilities, with our existing infrastructure and machinery. Particularly, so that we don't need to do too much of upfront investment as we have to be very prudent on our ROCE and sustainable growth as well as capital allocation. So, it is a very long-term view. Even the defence sector is a long-term effort. It's not something that can be done in one year or two years. It takes several years to fructify. But there are opportunities, there are low-hanging fruit as well in the related parts in these areas, which currently may be, catered by through exports. and we have identified such products, where Kalyani Forge has supplied in the past but in the years in between this the customer sort of, had to shut down. because of external factors and complications. So, we may re-enter this particular application area in the defence and industrial space. but it's too soon to share specifics.

CA Vansh: Got it, sir. And so, my next question is on the EV side. So, as we are doing some products in the EV, So I write in driveline and Axle components. So, how should we see this segment emerging going forward, or how much revenue do we expect is coming from EV, maybe in FY28 and FY29?

Viraj Kalyani, MD Kalyani Forge: So, a lot of our products are common for both EV and ICE engines the Axle and, driveline parts so we would expect, as the growth would be more in line with overall passenger vehicle growth. and not really tied to, specifically EV segment, sub-segment growth.

Viraj Kalyani, MD Kalyani Forge: So, what I mean, though we're not making any product which is only, suited for an EV application like, some companies are making motor parts, which are scaling up with EV. That's not our focus at this point.

CA Vansh: Okay, so, do we have some, kind of number? How much, revenue are we getting currently from EV side?

Viraj Kalyani, MD Kalyani Forge: I would say it's close to the overall EV market share. So, possibly 5 to 10%. I don't have a specific number but in that range.

CA Vansh: Thank you, sir, for the answers, all of us, for future.

Viraj Kalyani, MD Kalyani Forge: Thank you.

Moderator: With this, I think we done with all questions.

Viraj Kalyani, MD Kalyani Forge: I think, some Mr. SAKET KAPOOR wants to his hands raised, I'm not sure if he's on the call and Taksh as well.

Moderator: We done with the quotient with them.
I thought they are…

Viraj Kalyani, MD Kalyani Forge: Thank you.

VOTE OF THANKS:

Moderator: So, thank you, sir. Thank you, ladies and gentlemen. On behalf of Kalyani Forge, we conclude this conference. Before that, I want to let you know that if anyone wants to visit our plant or have a one-to-one conversation with our senior leaders, you may contact with our Investor Relation teammate, Yash Dabgar and Khushi he has also given his contact details in the comment box, and you may visit our website they're also given the details about the contact view you can have. And thank you for joining, and You may now disconnect.

Viraj Kalyani, MD Kalyani Forge: Thank you, and wish you all a happy Diwali.