To,
Department of Corporate Services
Bombay Stock Exchange Limited
25th Floor, P. J. Tower, Dalal Street,
Fort, Mumbai- 400 001.

Date: 21st November, 2026

Dear Sir/Madam,

Subject: Transcript of the Investors' Earnings Call held on 18th November, 2026 on the Unaudited Standalone Financial Results for half year ended September 30, 2026.

REF: Scrip Code: 544826

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on 18th November, 2026, with respect to the Unaudited Standalone Financial Results for half year ended September 30, 2026.

The transcript of the aforesaid earnings call with Investors/Analysts is available on the Company's website and can be accessed on the following link: https://millworksindia.com/investors

Kindly take the same on your record.

Thanking you,

FOR Millworks Technologies Limited

SRIDHAR ACHARYA
Digitally signed by SRIDHAR ACHARYA
Date: 2026.11.21 16:35:48 +05'30'

SRIDHAR ACHARYA
MANAGING DIRECTOR
DIN: 05341880

Date: November 21, 2026
Place: Bangalore

“Millworks Technologies Limited

H1 FY26 Earnings Conference Call”

November 18, 2026

MANAGEMENT: **MR. SRIDHAR ACHARYA – PROMOTER AND MANAGING DIRECTOR – MILLWORKS TECHNOLOGIES LIMITED**

MODERATOR: **MR. SRI SURYA – PHILLIPCAPITAL PCG DESK**
MR. LAKSH BAIRY – KIRIN ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to the Millworks Technologies Limited H1 FY27 Earnings Conference Call, hosted by PhillipCapital PCG. 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 for an operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded. And now, I hand the conference over to Mr. Sri Surya from PhillipCapital PCG desk. Thank you, and over to you, Mr. Surya.

Sri Surya: Thank you. Good afternoon everyone. On behalf of PhillipCapital Private Clients Group, I welcome you all to the maiden H1 FY27 earnings conference call of Millworks Technologies Limited. Today, we have Mr. Sridhar Acharya, the Promoter and Managing Director, along with Laksh Bairy from Kirin Advisors. I now hand over the conference to Mr. Sridhar Acharya for his opening remarks and then we will open the floor for the Q&A session. Over to you, sir.

Sridhar Acharya: Thank you very much, Surya. Good afternoon to all of you, and thank you for joining us. This is our first earnings call as a listed company, and it is an important moment for all of us at Millworks. I want to begin by thanking every shareholder who placed their trust in us at the IPO in July. Our issue was subscribed 219.54 times and we do not take that confidence lightly. Running a listed company means being accountable to you every half year, and today is the first time we are doing that.

Today, I will cover three things: first, what happened to revenue in the first half; second, what we did with your money; third, where the business stands today and how we see the months ahead. The first half was a question of timing. Orders worth about INR30 crores were executed in September under the applicable accounting standards. Revenue is recognized when the risks and rewards pass on to customer.

For these orders, what happened in October, so the revenue falls in the second half. The work was done, the goods were made, and they were moved to the customer. Only the accounting date sits on the other side of 30th September. A few other orders planned for the first half, including a Indian defense order, moved into the second half because customer and regulatory approvals took longer than expected. And defense approvals and inspections are part of the process, and they do not run to our calendar.

I want to be very clear on one point no order has been cancelled. Every one of these orders remains with us and work on them is progressing. Our business has always been weighted towards the second half traditionally. Last year, about 70% of our revenue from operations came in H2. Many of our customers plan their programs and approvals around the financial year, and our billing tends to follow that pattern.

So, a lighter first half is not new for us, though this year the shift was larger because of the timings which I have just described. You can see this work on our balance sheet. Inventory rose from INR11.47 crores in March to INR28.34 crores at the end of September. The whole of that increase is in finished goods and work-in-progress goods which was made in the half, carried at cost waiting to be billed. In other words, the effort and the cost of the first half are already in our books. The revenue of that work will follow.

When we came to the market, we said that we would use the IPO proceeds for three important things. First one is machinery, working capital, and general corporate purposes. That is exactly what we have done and the utilization is reported in our results, which are available on the exchange and on our website. Of the INR81.50 crores set aside for working capital, we have utilized INR61.94 crores.

The most important use was this. The last year we executed a large defense program order and we owed our suppliers for that work. Our customers' payments depends on its own defense customers' approval, which takes time. We did not make our suppliers wait for that, we paid them. Our trade receivables came down by around INR27.5 crores in the half. Our suppliers are partners in our ability to deliver precision work on time and keeping that relationship strong matters for every future program we take on.

We also advanced money to suppliers for materials for our second half orders and we built the inventory as I described. These are exactly the uses that working capital is meant for, carrying the business through the gap between doing the work and getting paid for it. On machinery, we have spent INR28.73 crores of the INR61.03 crores earmarked and the expansion of our Unit 4 is underway.

New machines are being installed and commissioned in stages. When the program is complete, it will significantly increase our machining capacity and allow us to take on more complex, high precision jobs. As we speak, we have installed more than 17 new machines in our Unit 4. The balance of the IPO proceeds, INR59.03 crores, is held in fixed deposits and bank accounts and will be deployed for the purposes stated in our offer document.

The result is a strong balance sheet. Our net worth is INR232.79 crores, our debt to equity is 0.15x, and we hold more cash than debt. This gives us the room to execute larger order book without stretching ourselves. I want to address receivables directly. In our results release, I said we expected to realize these amounts in the third quarter as approvals came through. That remains our expectation. We are in regular contact with our customer and we will keep you informed through the exchange.

Our order book stands at INR230 crores, 1.5x last year's revenue. It includes a new export order of INR111 crores from a defense sector company. This is the largest single order in our history and it reflects the trust our international customers place in our quality systems and our ability to deliver. Exports are already more than a quarter of our revenue last year and this order strengthens that business further.

The defense sector continues to offer significant opportunities for a company like ours. The government's push for indigenization and growing global demand for precision components from India, both work in our favor. We intend to keep building our position with both domestic and international defense customers. All four of our manufacturing units are operational. At Unit 4, the new machines are being installed and commissioned.

During the half, we also made Vidwan Aeronautics a subsidiary, which strengthens our capabilities in aero engine components. We set up a 3D printing centre of excellence with

Markforged, USA, which allows us to produce prototypes, fixtures and toolings much faster for our aerospace and defense customers. And we have signed a MoU with TridenTech to co-develop UAV engines, a fast-growing area where we can bring our manufacturing and export strengths.

Now let me take you through the numbers. Revenue from operations for H1 for year '27 was INR17.37 crores. Gross margin was about 37%, close to around 38% we earned in the second half of last year. Higher raw material prices driven by the geopolitical situation and its effect on global supply chains compressed it modestly. So the underlying economics of the work we do have held up.

The loss comes from operating leverage; our fixed cost ran in full, employee costs of INR4.46 crores, finance cost of around INR1.81 crores and depreciation of INR1.46 crores. We have also been adding people ahead of the new capacity because skilled machinists and engineers take time to hire and train. But these costs were set against a half in which most of the revenue moved to October.

EBITDA was INR1.81 crores and a net loss was INR1.83 crores. As the deferred revenue is recognized and the new capacity is utilized, we expect this operating leverage to work in our favor and margins to improve. As we speak, we are also having process audits done by major aerospace companies in our factories. This will actually open up for Millworks being a Tier 1 at present we are Tier 2.

My commitment to you is very simple. Anything material will reach you through the exchange first. We will not give you numbers we cannot stand behind. We will let our second half results speak for the first half. With a strengthened balance sheet, a healthy order book and a new capacity coming on stream we are confident of a significantly stronger second half. We remain committed to disciplined growth that creates sustainable long-term value for all our stakeholders.

With that we open the floor for questions. Moderator please go ahead.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of [Yogesh Patil from Parami Financial 0:11:51]. Please go ahead, sir.

Yogesh Patil: Thank you very much, and good afternoon, sir.

Sridhar Acharya: Good afternoon, Yogesh ji.

Yogesh Patil: Sir, my question is -- sir again, you rightly mentioned because of it is built in inventory and obviously it deferred, it picked up in October, right? Or already picked up. And it is not that, so basically, it's Q3, since we are reporting on half yearly basis, it is the H2, right?

Sridhar Acharya: Correct.

Yogesh Patil: That is my assumption. And second sir, how do you see sustainable receivables in days, basically? Because these defense businesses and other business also come with a lot of lumpy receivables. So how do you going to manage and how do you see going forward, is there any

internal check or any strategy that we can control it? Because beyond a point if revenue continue to grow, at this ratio that it could be a very big for our kind of company?

Sridhar Acharya: Yogesh ji, there are two aspects here. One is defense for the Government of India and defense for the exports. Okay? So now, when it comes to defense of Government of India, it's a long-driven process. It's a calculated risk Millworks has been taking. Now, there are many processes, you know, there is a stage-by-stage process for the approvals and release of these products and to get the cash from the defense, it's a process.

Many times what happens, in Indian government, processes cannot be circumvented in Army. No officer will do that. There's a process. And the defense area where we are right now, those processes are really written down in their own manual. And if there is that the time, you know, it's very difficult to say when you will be getting. So now, coming back to the international defense sectors, here we have a clear mandate where we closely work with Europe and this thing where the receivables are under control.

So, as part of strategy and as part of our organization this thing, we need to balance between an export defense orders and an Indian defense orders. We need to balance between those aspects. So, we have to spend now more time, more this thing on export orders in order to get faster cash. Export defense orders comes along with an advance amount, and it can be released where we know very clearly when the money will come.

Indian defense orders is, you know, it's subject to, as I mentioned, it's a process. It takes time. And many of the projects in our experience in last couple of years, it has been a longer time. But as a management this thing, we continue to pursue, closely work with all the stakeholders in the Army once the products are delivered, ensure that it is cleared and even the payments are processed at the defense accounts committee and we receive at the earliest. We continue to do that process.

But your second part of the question where you want to do the strategy, I want to spend a minute on this. We want to spend more on the export defense potential as we have been working so far, we will spend more, but it is not that we will go away from the Indian defense. We will have to manage what percentage of business we have to focus on Indian business that we will be taking a decision.

Yogesh Patil: Okay. And in semiconductor basically, how do you see what is the opportunity? And is there any competitor near us in terms of machining and all this process?

Sridhar Acharya: Semicon machinery parts, we have been working with two large customers in Millworks. We see their potential but then our order booking and the capacity which we have built in right now for the aerospace and defense, we are focusing on those. The semicon machinery, this thing, all the approvals and all the things have complete. There is a catch here in semicon machinery parts.

One is that -- in the pre-IPO this thing also I mentioned that we will require a dedicated factory, an air-conditioned, class 10,000 clean room facility with all the machines in place for this business for this disburse. At this moment, we don't have it and it's in a process right now. And the machines what we have ordered, all will start coming in December and in January.

Those machines can be used for semicon machinery parts as well as aerospace and defense parts. So, we will be getting into those details. Right now, we are doing a small value of components to the semicon business, but we see that that's a big potential coming in. At this moment, we are not focused on it. When our facility is ready from January or February, after, in the last quarter of this financial year, we will work on these opportunities.

Yogesh Patil: Sure, sir. The last question from my side, sir. Since we discussed receivables and inventory also. So, how do you see the mix of build-to-print and build-to-spec, currently 70/30? So, just to optimize the maybe cash conversion or whatever is pricing, better pricing for to compensate the high receivables, how do you see this mix going forward? I know we can't drive it, but because our future strategies will definitely change this mix and improve the profit equity.

Sridhar Acharya: Exactly. Yogesh ji, you are right on this thing. There are two in build-to-spec, you are aware that the customer gives us a specification to make a prototype and then scale up to the production. So, our idea is to spend some money on the R&D activities, what we call as R&D activities. In, post our IPO, in our recent press release also, we have invested some amount of money on metal 3D printing facility.

Apart from this, we have added some softwares, which is required for the design as well as the scanning facility of the components. Now, the customers, the present customers, they are giving us projects for build-to-spec. So, now this infrastructure when in place now, this will give us more leverage to start working on build-to-spec projects. In the coming days, we will be working on more and more of build-to-spec, and, if you -- the future is build-to-spec, it moves something like this, you build a prototype, get it approved, and then this entire prototype is moved into the production area.

So, it's a chain, where you can get a final product manufactured by doing a little bit of R&D and give value to the customer. So, in future days, we will be changing this scenario to 50% to 50%, and build-to-spec will also move towards 70%. There'll be a point in 2 years' time that we'll be doing more of build-to-spec rather than build-to-print.

Yogesh Patil: Okay. Thank you very much, and all the best, sir.

Sridhar Acharya: Thank you, Yogesh ji.

Moderator: Thank you. The next question is from the line of [Atharva Kolvankar from Spangle Advisors LLP 0:20:20]. Please go ahead.

Atharva Kolvankar: Sir, what is the margin? Could you address? I know it's a large product mix. But what is the margin on the build-to-print side versus the build-to-spec space?

Sridhar Acharya: So there will be 3% to 5% more than the build-to-print. Build-to-spec, I will tell you about the positives and the negatives of both of them. Build-to-print is a straight away drawing and a 3D model given by the customer. I do exactly as per the drawing. Now, build-to-spec, the gestation period of the product coming out is slightly higher. Sometimes it takes from 3 months to 6 months and sometimes longer also.

So, we are investing our engineering time over this, and then the prototypes are made and then the product is getting ready. So gestation period is much higher, so we charge them a higher profitability, higher margins for this and which customer is okay with this. So it will be around 5% more than the build-to-print. Build-to-spec will be a higher margins.

The only thing, the only catch is gestation, approvals from the customers to move into production is another thing, and changes in those specifications happens a lot. So, that's the only catch. Otherwise, build-to-spec is a higher high margin. It's 5% higher than the build-to-print.

Atharva Kolvankar: Understood, sir. Yes. So sir, one more thing. So I -- what I understand is build-to-print is like a trial sort of thing for your clients. So are we expecting any major customer who is working in -- working with build-to-print with us and who is going to transition into the build-to-spec space? And next part of my question is, are we any -- are we pursuing any certifications, etcetera, that will open up doors for a more diverse client base in aerospace?

Sridhar Acharya: Yes. I will answer your question. I am -- we are pursuing two customers in Israel, one in Germany, a global multinational companies. They have been working with us last 3 years to 5 years on build-to-print. Very recently they have transitioned to build-to-spec. As we speak, our nine metal 3D printers are just installed and ready to give prototypes at a faster rate. Earlier we had not given the timelines to make the prototypes faster.

Right now, I will be able to give prototypes within 4 weeks of the concept design, some of them we have taken more than 3 months earlier. Now, with the software in place with me then I have the metal 3D printers, I will be able to deliver them at a must faster rate. So to answer to your first question, yes, I -- we have transitioned some of the customers from giving only build-to-print to build-to-spec and that will go fast as we are going to make some major announcements to them that we are now ready fully operational with timelines and people and other things.

So this we will open up, we will have to do a little bit of marketing which we have not done so far we will be doing that now. Second question which you asked for the certifications, all our four factories are now certified for AS9100D revision D and this validity we have till May 2027. There are multiple other certifications which are required specific for the requirements. One of them is called as IRIS certification for the rail industry.

So we are pursuing an IRIS certification for one of our plant where in which this will give up open up additional orders from Europe as well as the US if I get a IRIS certification. IRIS certification is a railway products dedicated to the railway product supply that certification, which we will be -- at this moment the training and other things is going on. We will be going ahead with the certification in May 2027. This is number one.

Number two is there is a certification for welding called EN Certification. This as we speak we are training some of our welders to get certified. It is an important training to get global sheet metal and assembly orders these is called as the EN Certification as we speak we are getting our welders certified for this certification.

The third thing is there is something called as a special process or NDT process. After a component is made there is a coating. The coating is called as anodizing, black anodizing,

passivation and such type of processes it is called as special process. As we speak as part of our expansion plan, we are installing an anodizing plant in our unit four and this will be operational in January 2027 as we speak that installation and trials is going on.

With this installation we will be able to give our customers a complete end-to-end solutions from a component, sheet metal and the special process in which is all built inside our own facility and we control the entire process.

Now this anodizing facility will require a certification called NADCAP. We will be going for this certification after six months of the installation. So that should come up in July or August next year.

Atharva Kolvankar: Okay, sir. Thank you. And my last question, sir, how do you expect the revenue mix to evolve in the next couple of years? Like, I know there's a there's been a recent MOU signed with TridenTech and the 3D Printing Centre. So, I expect the aerospace you know, to contribute more to the revenue in the next few years. Am I correct?

Sridhar Acharya: Yes, see, in the last part of my talk, I mentioned about, you know, you know, getting qualified for the big two aerospace customers. Now, as we speak, you know, we have tier two. We work with companies in Bangalore and Hyderabad who are supplying to the big two aerospace companies. There are there are some prerequisites to get it qualified.

One is that I also mentioned an air-conditioned factory and you know, there are some systems process and all which includes information security guidelines, to keep all the software. So as we speak, we are making all those infrastructure in place. And we also had an initial round of audit where they highlighted us to correct all these things, that's part of the prerequisite to get an audit.

So our idea is, you know, the next audit which is scheduled for February 2027, we should get you know, clear from at least one of the big European aerospace company to clear us and we should be getting at least some parts, you know, for the trial orders in February.

So, we will continue to pursue this option, but then we didn't have this dedicated cleanroom facility with all this -- these are all being put in place. Now, we will be ready for their audit with all the details.

Atharva Kolvankar: Okay, sir. But that still doesn't answer my question. Like how do you expect the revenue mix to evolve, like where do you see more contribution, the big segments?

Sridhar Acharya: Yes, number one will continue to be the defense. Number two will be the rail, number three is aerospace and the four is the semi con machinery parts. So aerospace we want to move ahead of rail. And you know, that is the thing, what we are presenting, we are trying to make an effort here. This is where -- this is very important for us to put the infrastructure in place to move up the ladder.

Atharva Kolvankar: Understood, sir. Okay, thank you so much, sir and all the best for the future.

Sridhar Acharya: Thank you, sir.

Moderator: Thank you. The next question is from the line of [Shivam Virmani from Asset Management Private Limited 00:30:45]. Please go ahead.

Shivam Virmani: Hello?

Moderator: Yes, please.

Sridhar Acharya: Hello, Shivam.

Shivam Virmani: So my first question is regarding the R&D expenditure the company is expecting to incur in the current financial year and any like estimates of the revenues, percentage of revenues what will be contributed to R&D?

Sridhar Acharya: We are working on three specific projects. One is for a specific requirement for a German company where we are going to develop a complete assembly of a product, and we will be supplying entire product. It's like a private labeling of an entire product for the German company.

As we speak, we have completed the design and then prototype is in place. So, prototyping is being placed. So, next three months, this will be put on to field trials. We will be giving this product to the customer. So, all our projects are short-term R&D projects right now, but there are two other large projects which we are working, which is called as an IC Engine Project and also a Jet Engine Project.

So, these two projects which we have just started off, based on the requirements of our existing customers. This project will take a longer time, to complete the entire cycle of development. Now, your specific question, to what percentage of the funds you are allocating for the R&D expense?

Because it has been a very short time now with post IPO and this thing, we have lined up only three projects, very clear projects for our R&D. The first project is funded by our own customer, which I mentioned for the German customer, where he's paying us the entire R&D cost.

So, other two projects are going to be borne by us. At this moment, I don't have any ballpark number, but definitely there will be an expense in R&D which will have a revenue implication in two years time, once the product is ready. So, I am unable to give you an exact number on the R&D expense, but the first one is completely borne by my customer.

Shivam Virmani: Thank you for that information. And my second question is regarding investment in Quick Pay Private Limited. I believe it's also a defense contractor. And what, what is the nature of these investments? And do we seek any further investments in Quick Pay?

Sridhar Acharya: Let me update you a little bit. This company which you mentioned is -- when we thought about investing in this company, they had a large order of around 960 drones of Loitering Munition drones with them. So, we took a stake of around -- 8% stake in this company at that point of time. And then made a backward integration of many of the components we manufactured at Millworks and supplied to them.

So, at this moment, the board or the management has not decided on any additional investments in this company. But they themselves, Quick Pay themselves, they are working on, you know, couple of bigger projects with the Indian Army. And at some point of time, once our receivables are knocked off, we will think about, whether investing or how to support on those projects. At this moment, we are a little bit more exposed to the project which we executed. So, at this moment, I can't take a decision. I can't tell that we are going to take any additional stakes or make any investments at this, it's too preposterous for me today.

Shivam Virmani: Okay, thank you, thank you for your time.

Sridhar Acharya: Thank you, Shivam, sir.

Moderator: Thank you. The next question is from the line of [Ashok Agarwal from Technip Limited 0:35:58], please go ahead.

Ashok Agarwal: Hello.

Sridhar Acharya: Good evening, Mr. Ashok.

Ashok Agarwal: Hello, sir. Yes. Good evening. My question is that, our lot of receivables seems to be held up with some certain vendor. I would say rather our customers, so, are they international or the Indian customers, basically?

Sridhar Acharya: Sir, one of the important major customer is the Indian company where we have stake in this, and this is the same project which we executed, and a large part of money is stuck with their defense order itself, one order itself. And we are expecting those entire money to come in the month of -- first week of or second week of December.

This is where --when we are working, earlier part of my discussion, I mentioned, Indian defense companies, it is very difficult to pressurize them or to fix onto those timelines. Many times, it is that difficult and so that -- see for me also it has been a just two months after the IPO, where my half yearly results have to come.

The defense projects, normally what happens is it is the gestation period is 8 months to 12 months because the inspection criteria are very long. There are around 17 inspections which happened for the order which we just delivered. So 17 inspection is a big time this thing and it is across the country, where the people have to be transported or people have to come to our facility in Noida and then get it approved from them.

So, when we are working with the defense, Indian defense, this is always a difficult this thing, so this is the reason why we want to balance our international exports and the Indian defense work. So, to tell you exactly where the this thing is, majority of -- 70% of the money is stuck in this Indian defense order.

Ashok Agarwal: Yes, it is fully appreciated that kind of constraint. But are we fully sure about getting it? Is there any major hurdle is there? Or is it only a question of passing through various stages of processing this.

Sridhar Acharya: There is no hurdle. See, I'll tell you, as I mentioned to you, it's a process, and the Army has their own standard of working, and they work in that style only. And they know what they want. And then we are working on an electronic warfare. The parts which go into. So they should appoint expert people to actually validate the product itself. And it takes time.

And we should be I wouldn't say this word to any of my investor, but as a promoter of Millworks, I'm having a lot of patience in working with defense projects. So the only thing where the catch is right now, I've been telling this over the call, that we did not balance the Indian defense receivables and other projects. We, we stepped a little bit more on defense projects exposing ourselves, which we will not be doing in near future.

Ashok Agarwal: Okay. My second question is, sir, what is the revenue guidance we have for the full year, because lot of things, lot of funds will be received in the second half. So we want to know kind of what would be the consolidated sort of revenue likely in the FY27 and also the growth you expect for next financial year that is FY28.

Sridhar Acharya: So as I mentioned, I have backlog of around INR230 crores backlog, I already have it. And if you take October numbers into account also, I have crossed the INR50 crores top line. And in November and December both the months, I'm doing at least at least INR30 crores and INR40 crores. I'm trying to push through all those dispatches. The last quarter will be the, as you have seen, it's going to be a major this thing where in which we will be focusing on big numbers. So to tell you exactly or to come around the numbers, we will be crossing 200.

Ashok Agarwal: Thank you for confirming that, and investors will be very comfortable with knowing that, actually. And what about next year, possibly? Is it some percentage growth you expect?

Sridhar Acharya: There will be definitely, 60% to 70% of year-on-year growth we want to do. What happens is in, in our line of business we do a lot of FAI, what we call as First Article Samples. And many of these samples when we make this year, it will get converted to orders only next year. And that is a very important.

So as we speak, we have done so many projects in for Europe. There's one project called Eurotunnel project in the rail sector. There are many components which we have done FAI, First Article Sample parts already. This all will move into production next year. So there definitely, in all the sectors, whatever wherever we are working, there will be growth aspects.

And added to this our focus has slightly shifted from build-to-print to build-to-spec. So you can see better margin products coming in. And it will be more -- you will see more and more of projects, assemblies, sub-assemblies with margins. We can we want to be a different from a build-to-player. Slightly different, rather than a component supplier to an assembler.

Ashok Agarwal: Thank you so much for all this elaboration actually. Thank you so much.

Sridhar Acharya: Thank you, Ashok Ji, thank you very much.

Moderator: The next question is from the line of Niraj Chhajer from Pransh Business Ventures Private Limited. Please go ahead.

Niraj Chhajer: Hi. Thanks for the opportunity. So my first question is with regards to the qualification that the auditor has made, which is INR86.88 crores which is outstanding from Quick Pay for more than six to eight months. Why we have given an advance also to them of INR10.59 crores? Do we procure something from them?

Sridhar Acharya: So there are two aspects of this. We don't provide any this thing. First let me talk about this amount whatever invoices there. This very clearly we have an arrangement with them for the supply of components and other things and it's a defense project itself. Okay, the advances what we have paid to them is specifically for the parts which is not supplied by us for the procurement.

Because it's a small company and we monitor those components and that is required as per the defense license contract. So Quick Pay has a defense license and this needs to be procured in their name. And this is the reason which we have. I can't provide that components, subassemblies or any of them in my name and give them. So, they have to buy those products on their own. These are all related to electronic components like GPS, where specifically they have to buy components and assemble them. This is the reason which we have worked with them.

Niraj Chhajer: It's a quite a strange contract, because I have never seen where people give the advance and also carry the entire risk on their and where the entire profitability apart from the normal profit on the product lies into our balance sheet, the entire profitability goes and the entire credit risk sits on to us rather than on Quick Pay, but it is what it is.

Sridhar Acharya: I know, Neeraj Ji. This is a slightly different, I agree with you. But then this project had to be executed and then this is a very conscious decision which we have taken. We abide by this thing and then this amount also we are expecting to get to Millworks in the month of December and we are on the job to recover that money.

Niraj Chhajer: Yes. Once you get the amount you do notify into the exchange.

Sridhar Acharya: I will. I will make an this thing, I will make an announcement on this.

Niraj Chhajer: Yes. The other question that I have is, if I see your total receivable outstanding is INR142 crores. Out of this INR86.88 is this one. Then there is a INR55.17. Now you have done INR17 crores only in H1 which you have actually booked the revenue.

So close to INR38.11 crores is outstanding from other customer which has been due for more than 6 months. Now your export order needs to come within 6 months. That's the RBI requirement, that within a period of 181 days you need to receive back the full money from the export order. Then how can you have such a large amount outstanding for more than 6 months?

Sridhar Acharya: We received a substantial amount of money in October and in the first week of November also. We will be narrowing down on all this thing in the first week of December. So all these receivables will be closed. And some of the receivables from the export -- this is the reason why we changed our financial terms and conditions to advance amount.

Right now, all our export this thing, from a specific country in Europe, we have moved them to 30% advance along with the purchase order and then also changed this thing to 30 to 45 days

from the date of invoicing, not on receipt and other aspects. So, we have changed all those and we have corrected all these activities. You will see those, change the numbers in the month of December, in the quarter which we release in, which we talk about in January, you will see all those numbers changed.

Niraj Chhajer: The next question is with regards to your…

Moderator: Sorry to interrupt, Mr. Chhajer. I'd request you to join back to queue.

Niraj Chhajer: Yes. Just one follow-up question. Why the revenue target has significantly dropped down from INR247 crores to INR200 crores?

Moderator: Mr. Chhajer, I'd request you to join back thank you for more follow up questions.

Sridhar Acharya: I'll just quickly answer this.

Moderator: Okay, sir.

Sridhar Acharya: I have not revised the revenue target. It will be, I use this word, it will be more than 200 and it will be towards that number. I have not reduced it, sir, because I have backlog of orders.

Niraj Chhajer: Okay. Thank you. Thank you for clarifying.

Moderator: Thank you. The next question is from the line of [Abhinav from Steel Impacts AIS 0:49:06]. Please go ahead.

Abhinav: Hey. So, I wanted to understand what's the kind of timeline that we are following for the recent order that we have received, which was for INR111 crores. So what's the kind of timeline that we are seeing for this?

Sridhar Acharya: This is the first development for this order will take 6 months. This the entire order execution will take somewhere between 12 to 14 months entire order completion. The SAI will be completed within 3 months and post that the production orders will start. This is a component, a sheet metal part, a machine part, bought-out items, if an assembly and a sub-assembly.

Abhinav: Okay. So, we expect this to be done by the end of next financial year?

Sridhar Acharya: Within 14 months.

Abhinav: By the end of next financial year probably the last quarter?

Sridhar Acharya: Correct. Yes.

Abhinav: All right. That's about it. Thank you.

Sridhar Acharya: Thank you, Abhinav.

Moderator: Thank you. The next question is from the line of Chitresh from Ninedot Holdings. Please go ahead.

Chitresh: Hello Sridhar for all the clarification, just wanted to understand one term, like why the auditor have make given a qualified opinion? I still didn't understand after hearing. Can you give me more clarification?

Sridhar Acharya: Yes two important things which my discussion with I have been with the audit committee as well as part of this thing and the board and as well as the audit. The first thing is the qualification has been given mainly because of the uncertainty of the defense order completion.

We asked the auditors to visit the Quick Pay facility, which they did it and they also saw in all the inventories or whatever parts are there, all those things they have done it. They have seen it. Personally they have seen it, but what happens is they also require lot of documentary evidence in terms of the parts are delivered or not delivered. But the entire assemblies and other things are all has to come from the Indian Army.

All the receipts and other things, which we have not received on time. This is number one. And number two is why they have qualified is based only on the number of receivable days. The number of this thing which has gone beyond 180 days. So that is the reason where they doubted the projects itself. Even though we showed them the documentary proof where the purchase orders of the Government of India's entire project report, everything we have given him, there are some things I really can't answer why they have given, but it is like that.

Chitresh: Sridhar, as this is like very important from investor point of view, because it is a very huge amount. Because it has given a qualified placement and normally we have seen a lot of companies trade receivables are even more than that. But still the qualified placement normally as a people what we think is these are like doubtful things which we have supply to the company or not.

And also have Quick Pay showed this particular revenue in their revenue numbers, this particular part which you have supplied, have they supplied it to the defense government and booked the revenue out of it because this whole thing is last year and it's been more than 6 months now and we have booked the revenue last year?

Sridhar Acharya: Chitresh see I have given those components and other things in the month of March end only, I have given those components. They have assembled and made the test reports and other things and all. It's a process which I mentioned to you and that all those is there in their inventory and in their own book of accounts. Now coming back to your question, December month is a month where in which I get back all the money and then I will silence the critics.

Chitresh: No, Sridhar, my question was money, it's fine like if Quick Pay has received this in March itself, why it is taking such high time for Quick Pay to just give a confirmation or a written confirmation to the auditor or everyone that that we have received this material from Millworks, because this is what you know is the major issue here.

Sridhar Acharya: Sir these parts are received by them and then the auditors have gone and seen there. Okay, now this is part of an assembly and other things which they have already, those parts and all have already been done. But I am unable to answer your question because why it is not done and how it is individual people's perception and they would have taken a decision.

I can only at this moment say that you know, once the money is received, my risks and other things are, my investors' confidence and my investors' money is taken care. So, I am making all effort to get back my money.

Chitresh: Sure, Sridhar sir. Thank you for answering these questions patiently and all the best for receiving this money.

Sridhar Acharya: I will do that sir. I will do that.

Chitresh: Thank you. Thank you. That is it from my side.

Sridhar Acharya: Thank you Chitresh-ji

Moderator: Next question is from the line of Vishal Mehta from V M Investments. Please go ahead.

Vishal Mehta: Yes, am I audible?

Moderator: Yes, Vishal-ji, please go ahead.

Vishal Mehta: Hi, sir. So, I think most of the questions are answered, and I would not like to press on the same thing again and again. So, as you also said that Indian Army works in a very different way and our reverse also explained in a very better way. So, I am just for my sake I am just asking you should forget December, but are we consistently will be receiving this amount by Quick Pay by March 27?

Sridhar Acharya: Sir, I will give you some good news in December.

Vishal Mehta: Okay, sir. Great, and final question, in one of the concall you mentioned that we are doing something in France. So, can you throw some light on that?

Sridhar Acharya: We have got some projects from a French tooling company. We are working on those projects. Again, it is – those are all larger projects. As I have been telling earlier in this call, the development what we make now, this will convert into order in 2027. This is going to be one of the major parts of our assemblies and sub-assemblies in aero tooling.

Vishal Mehta: Yes. So, how confident, last question only, how confident are we since you mentioned that you are targeting revenue above more than INR200 crores plus. And as you mentioned that generally H2 plays a larger part of the year, but last year H2 because of Quick Pay, our revenue shooted by almost INR100 crores. So irrespective of Quick Pay this time, will we be able to manage somewhere between INR220 crores, INR240 crores or INR200 crores plus?

Sridhar Acharya: We have other projects in line, sir, and those projects are in advanced stage of deliveries and these are all, most of them are all export projects. They are not on the Indian defense projects. I think we will be -- I am very confident on moving fast on this.

Vishal Mehta: Sure, thank you, and all the best for you, sir. Thanks so much.

Sridhar Acharya: Thank you, Vishal-ji.

Moderator: Thank you. Next question is from the line of [Mayur Parekh from V-Vac Capital 0:57:37]. Please go ahead.

Mayur Parekh: Yes. Hello. Good evening. Can you hear me?

Sridhar Acharya: Good evening, Mayur-ji.

Mayur Parekh: Yes, Yes. I just like want to know that our company has started taking around 30% advanced payments on new export orders. So, how has the response from international customers has been so far? How is the arrangement helping us like in improvement in our working capital cycle and cash flow profile?

Sridhar Acharya: So, when we make a project analysis of our own, this thing in the product costing what we make, most of the costing, we have somewhere between 40% to 45% is the raw material cost. So, we try to take a little bit of around that range around 30% as 30% as the raw material cost itself, we try to take the advance from our customers.

The specific country which we are working right now, they have been very cooperative with us, and along with the purchase orders, they are giving us the advance amount. Now, when it comes to rail business which is also very significant now, growing the way it is, we are working with almost 12 different countries, the rail customers have been with us for more than seven years, six or seven years before that.

And we are we have not seen any delay in payments or any of those slightly some small here and there small values would have got delayed. So, we don't take any advance from those customers. But for every customer, we ensure that it is X works, and X works is something we ask them to choose the logistics.

If Air, DHL Cargo, Ocean, we ask them to, and now we also connect this to date of invoicing and not on date of delivery. In the earlier days, we worked on many of the projects on date of delivery. So that is something which we have changed.

Mayur Parekh: Okay, fine. Got it, got it. That's it from my side. Thank you for answering.

Sridhar Acharya: Thank you, Mayur-ji.

Moderator: The next question is from the line of Vidhi Purohit from Phoenix Capital. Please go ahead.

Vidhi Purohit: Hello, sir. Am I audible?

Sridhar Acharya: Yes, ma'am. Please.

Vidhi Purohit: Yes, so sir, how is the in-house 3D printing capability helping us engage with customers at the product development stage itself? And have you seen any instances where prototype development has translated into production enquiries or potential orders?

Sridhar Acharya: Yes, I'll tell you a little bit about this. Earlier days, we didn't have this facility. We had to outsource this activity. Now, since we have brought it in-house, all the prototypes are being done

in-house. Now, how much time it takes -- all our build-to-spec projects, it will go in this route only.

All the build-to-spec, when the customer gives an idea, where we design on our own software's, either it's a CATIA or a SolidWorks, or you know, the software's what we have, we design, and once we get the design approval, we make the prototype. Prototypes are made in different materials either it's a metal 3D printing or a carbon fiber or it's a SLS plastic-based products.

So, based on we continuously engage with the customer and make this product and get their consent. And there's a special -- a different cost for this prototype itself. So, we build, bill, as part of the design itself to the customer.

Vidhi Purohit: Okay.

Sridhar Acharya: Now, now, most of the time what happens is as I've been saying, build-to-spec will move towards the -- a very clear gestation time is very high. Normally, between three months to six months, it'll move into production. So, at this moment, this is being utilized to make the prototype.

Vidhi Purohit: Okay, thank you sir, that's it from my side.

Sridhar Acharya: Thank you very much, madam.

Moderator: Thank you. We take that as the last question for the day, and I now hand the conference over to Mr. Laksh Bairy from Kirin Advisors Pvt Ltd for closing comments.

Laksh Bairy: Thank you. Thank you for joining the conference call of Millworks Technologies Limited. Should you have any queries, you can drop an email at research@kirinadvisors.com. Thank you all for joining the call.

Sridhar Acharya: Thank you very much, sir. Thank you very much.

Moderator: On behalf of Millworks Technologies Limited and Phillip Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.