

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001.
BSE Scrip Code: 522257
BSE Script ID: RAJOO

Sub: Submission of Transcript of the Investor Earning Call dated October 22, 2024 on Un-audited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2024.

Ref: Regulation 30 and 46 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI Listing regulations).

Dear Sir/Madam,

With reference to the captioned subject and pursuant to the provisions of Regulation 30 and 46(2)(oa) of SEBI Listing Regulations, please find enclosed herewith the transcript of the Company's Investor Earning Conference call held on October 22, 2024 on Un-audited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2024.

The above transcript of the Company's Investor Earning conference call shall be hosted on the website of the Company at www.rajoo.com.

This is for your information and record.

Thanking you.

Yours faithfully,

For Rajoo Engineers Limited

Khushboo C. Doshi
Managing Director
(DIN: 00025581)

Encl: a/a



Rajoo Engineers Limited
Q2 & H1 2025
October 22, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY '25 Earnings Conference Call of Rajoo Engineers Limited hosted by Adfactors PR.

This conference call may contain forward-looking statements which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' lines 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 touchtone phone.

I now hand the conference over to Mrs. Khushboo Chandrakant Doshi – Managing Director from Rajoo Engineers Limited. Thank you and over to you, ma'am.

Khushboo C. Doshi: Good morning, everyone. Welcome to the earnings conference call for Rajoo Engineers Limited for the second quarter and half year 30th September 2024. It's a pleasure to have you all here and we truly appreciate your presence.

Joining us on this call with me, Mr. Utsav Doshi – our Joint Managing Director; Mr. Sunil Jain – our Executive Director; and Mr. Prakash Daga – our CFO; and our Investor Relations team, Adfactors PR.

I'm excited to share our recent progress and strategic initiatives that underscore our commitment to innovation, sustainability and growth at Rajoo Engineers. Let me start with the market scenario and some of the recent development which we have got into.

India is making a remarkable stride in sustainable packaging driven by supportive regulatory environment. The environment in the government's initiatives, including the plastic waste management rules and extended producer responsibilities policies are cultivating a culture of sustainability in India. These measures encourage brand owners and producers to accelerate their transition to sustainable packaging and take on greater recycling responsibilities. We are actively prioritizing research and development investment in the packaging industry to create affordable, sustainable material without compromising on the quality.

The growing momentum in R&D indicates that we are well posed to advance our sustainable packaging landscape. Furthermore, artificial intelligence is set to transform the plastic industry from production to disposal. AI can optimize manufacturing processes by analyzing the data, enhancing efficiency, reducing waste and improving product quality.

I am pleased to report that our revenue for the first half FY '25 reached Rs. 107 crores, a testament to the hard work and dedication of our team, and our focused initiatives over the past few years. This achievement is just one step in our global growth strategy, highlighting our ability to capitalize on emerging market opportunities.

Our order book continues to improve, consistently reaching new heights. We are excited to report that we are securing significant contracts based on our bids, reflecting our commitment to excellence and our strategic approach to identifying valuable market opportunities. As we expand our portfolio, we remain dedicated to delivering high-quality solutions that meet our clients' evolving needs.

I would also like to highlight some of the key developments from the first half of FY25. We are thrilled to introduce our ProEX series featuring high performance blown film technology capable of producing films at 900 kilograms per hour with the thickness of just 20 microns and a lay flat width of 2,800 mm. The ProEX series contains RELEX 4.0 extruders which are designed for optimal, energy efficient and high yield. While the CSD 4.0 dye allows for precise thickness and minimal gauge variation, achieving line speed of 150 meters per minute.

We have also expanded our Rajkot facility to enhance our manufacturing capacity to that extent. This expansion represents a significant investment with the new plant covering 18,000 square feet for the assembly and a 7,000 square feet dedicated area for quality assurance. This upgrade will enable us to meet the increasing demand for our products more effectively.

We are also proud to announce that our dedicated efforts have been recognized with the double honor at the Machinist Super Shopfloor Awards 2024. This recognition underscores our significant contribution to the manufacturing industry and reinforces our leadership position in the market. We are confident that this strategic initiative aligns with our long-term growth objectives, and reinforces our commitment to delivering sustainable and creating the value for our shareholders.

Thank you for your continued support. Now I would like to request Mr. Prakash Daga, our Chief Financial Officer, to present the financial performance of the company. Over to you, sir.

Prakash Daga:

Thank you, Ms. Doshi.

Now coming to our Quarterly Financial Performance:

Revenue from operations for the quarter was Rs. 56.81 crores in quarter two FY '25 as against Rs. 53.23 crores in quarter two FY '24, a Y-o-Y increase of 6.12%. This was mainly on account of a healthy order book that has resulted in production and dispatches in full swing. The company has encouraging order book, and the deliveries are scheduled in different quarters during the coming period.

EBITDA, excluding other income was at Rs. 9.14 crores in quarter two FY '25 as against Rs. 7.17 crores in quarter two FY '24, a Y-o-Y increase of 27.47%. EBITDA margin was at 16.10% as against 13.40%, a Y-o-Y increase of 270 basis point on account of increased contribution margin per unit with higher capacity utilization during the period, combined with improved operational efficiency through process optimization.

Profit after tax stood at Rs. 7.24 crores in quarter two FY '25 compared to Rs. 5.29 crores in quarter two FY '24, a Y-o-Y increase of 36.74%. PAT margin was at 12.74% as against 9.89%, a Y-o-Y increase of 285 basis points.

Now coming to our Half Year Financial Performance:

Revenue from operations for the first half was Rs. 107.68 crores in H1 FY '25 as against Rs. 84.74 crores in H1 FY '24, a Y-o-Y increase of 27.07%. This was mainly on account of strong order book that has resulted in higher production and increased dispatches during the period.

EBITDA excluding other income for the first half was at Rs. 16.26 crores as against Rs. 10.09 crores in H1 FY '24, an increase of 61.23%. EBITDA margin was at 15.10% in H1 FY '25 as against 11.90% in H1 FY '24, a Y-o-Y increase at 320 basis points. Profit after tax stood at Rs. 12.58 crores in H1 FY '25 compared to Rs. 7.75 crores in H1 FY '24, a Y-o-Y increase of 62.27%. PAT margin was at 11.68% in H1 FY '25 as against 9.15% in H1 FY '24, a Y-o-Y increase of 253 basis points.

Now, I'm happy to open the floor for any questions you may have. Thank you for your attention.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dhaval Shah from Girik Capital. Please go ahead.

Dhaval Shah: Thank you for the opportunity. So, I was going to the presentation and there we've highlighted solar, the renewables as an opportunity for the company. So, could you please help me understand what is the opportunity coming out of the entire renewable energy portfolio, paint, solar, hydro, everything? And what is the target market for us? What is our right-to-win in this? What sort of revenue can you visualize out of this growing segment? Yeah, that's my question.

Khushboo C. Doshi: Yeah. Thank you for the question. As regards the renewables and opportunity in the solar industry, and that's where our focus is. And last year we had introduced the sheet extrusion

system for EVA industry in nation so which was creating an opportunity for us because all this while in India there is nobody supplying such lines. So, that is one part of the story. In the coming years we probably would get one more project to establish in the market. So, this new launched product will really help us to get into this segment on solar energy.

Dhaval Shah: So, as I see in the presentation, this says Lamina E sheet extrusion technology for solar modules, so the product which is manufactured out of this machine where is it applicable, where is it applied? And this is solar, what about wind and hydro?

Khushboo C. Doshi: No, we do not have any plans for wind and hydro as of now. Solar is what the company would like to focus on that. Now coming back to your first question, where exactly it will be applied? So, you have a solar panel which is a glass or glass aluminium, and the solar cells are encapsulated by two different kinds of machines, above and below. So, those sheets is being extruded from the technology which we have developed. So, basically the application is solar cell encapsulation.

Dhaval Shah: Okay, so the company making the entire sale and the module will be your customer?

Khushboo C. Doshi: Yes. Or whosoever is assembling the solar panel that also could be a customer if they want to have the backward integration.

Dhaval Shah: So, what could be the opportunity size for us in this? We all know the kind of government vision for solar, the gigawatt capacity, so what could be the opportunity size for us?

Khushboo C. Doshi: See, currently India doesn't have the right ecosystem for solar and so many things are still coming from China and that's where the competition is high. And when we talk about the things coming from China is another direct solar cell, even the encapsulation sheet, that is coming from China is still available in the Indian. The Indian market is really struggling to have the ecosystem first in the place and then start producing the things. So, this is the current scenario. If you consider the scenario now, probably in the next two years you will be able to install another two projects.

Dhaval Shah: Sorry, another? Ma'am, your voice is not very clear.

Khushboo C. Doshi: Another two projects.

Dhaval Shah: Another two projects?

Khushboo C. Doshi: Yes.

Dhaval Shah: Okay. So, where do we see our company? So, last year we did Rs. 200 crores of revenue, where do we see this over the next five year period? Because I just want to understand as an investor

what I'm missing, the kind of valuation market has given to the company, I just wanted to understand what the big picture opportunity is for us?

Khushboo C. Doshi: So, for the coming years we would continue to maintain the growth of 12% to 15% and we have a good order booking pipeline as well which is quite encouraging and which is also encouraging us to do a lot many efforts and the investment for the R&D. Company will continue to focus on the flexible packaging, which is a growing sector and also the agriculture sector in coming days. So, that's where the focus is and growth would be.

Dhaval Shah: So, what will our market size be what we are targeting?

Khushboo C. Doshi: Currently we are exporting into 70-plus countries, and India itself is also a big market. So, if you talk about the market size of the line across then it would be around Rs. 2,000 crores, the kind of product which we cater to and we build. So, there's a huge market still available and there's a huge potential as far as Rajoo India and the product portfolio is concerned.

Dhaval Shah: So, Rs. 2,000 crores is India market size?

Khushboo C. Doshi: No, it's a total market size with the kind of line which we cater to. There are various extrusion machineries available in this market, and we do not produce all sorts of that, but there are many thing which we produce for flexible packaging, agriculture and few applications also in the pharmaceutical. So, these are the applications and the segments which we are targeting.

Dhaval Shah: And to achieve this long term 12% to 15% growth, do we have enough strong balance sheet? And will this all be achieved with our cash flows, or we would need to come to the market to raise money, how do you think?

Khushboo C. Doshi: No, to achieve the 12% to 15% of sustainable growth, we have a good healthy cash flow and you must be aware that the company is debt free so there should not be any issue of the funds in near future to maintain the 12% to 15% of the growth. Yes, of course if there's some other plans for the big leap in the coming days where we are putting a lot many efforts in the research and development for the new product, so that's where the probably we may need funds in the future, but not for maintaining sustainable growth.

Dhaval Shah: So, you've mentioned we've bought some three plots of land in the presentation, so how does our capacity increase on FY '24 days, how will it be?

Khushboo C. Doshi: So, we have increased the capacity by 30% for this year. So, in the last quarter itself we have invested in these three plots and now we are also further investing in the tooling and machining center. So, this will help us to achieve the goal for this year.

Dhaval Shah: So, 30% is our new capacity on FY '24 installed capacity, is my understanding correct?

Khushboo C. Doshi: Correct.

Dhaval Shah: And now the new land and what about, like what after this, how are we planning to expand the capacity after this?

Khushboo C. Doshi: I think the next capacity expansion will come into the next year itself, and that's why we are planning to have the consolidated facility at the land which we have acquired in the past, which is already in the balance sheet.

Dhaval Shah: So, next five to seven years of expansion we have the land?

Khushboo C. Doshi: Yes, we have a land plot of around 30,000 sq. ft

Dhaval Shah: And what was the utilization last year in '24?

Khushboo C. Doshi: The utilization was around 80% to 85% and that's why we have to expand the capacity.

Dhaval Shah: Correct. So, is it you hit an upper limit on 85% or you can stretch it to 100%, because here you have lot of different types of machines?

Khushboo C. Doshi: Yes, it's never 100%. If we achieve 100% then probably we would not have space to service our customers. So, we always keep that capacity with us to give the support to the customer in the market.

Dhaval Shah: And what is the typical selling price of machine, what's your range? I mean, you have a lot of

Khushboo C. Doshi: Yes, so we have a wide portfolio ranging from Rs. 25 lakhs to Rs. 25 crores. So, that's a huge portfolio we are having. And of course, in the coming days a few of them would be shredded considering the low value product, and the company would continue to focus on the high value added products.

Dhaval Shah: So, the capacity you give in terms of units or how do you share the capacity?

Khushboo C. Doshi: No, it's very difficult to have them in terms of units because when we execute the high end machines, the machines quantity remain one, but the order value and the scope remain very different. So, it's not possible. But then if you talk about total extrusion capacity, which Rajoo Engineers can install in the market, number one, and we can also measure the capacity in terms of revenue.

Dhaval Shah: So, Rs. 200 crores we did last year that was almost like hitting the roof in terms of utilization and now we are expanding by 30% and then we see a 12% to 15% growth. But what I understand you said, I think you are changing the product mix towards more higher value

machines, so your EBITDA growth should be higher than your top line growth, right, going forward?

Khushboo C. Doshi: That is what the expectation is.

Dhaval Shah: So, what will be your average selling price for the machines for last year, FY '24?

Khushboo C. Doshi: Average selling price if you put together, everything, then it's around Rs. 1.5 crores.

Dhaval Shah: So, on a Rs. 1.5 crores machine average ASP you did a 14% margin, so say over the next three year period how do you see this margin going to, can it touch 20%?

Khushboo C. Doshi: Well, we have done so far 14% and we feel that there would be an improvement by another 2% to 3%, but that requires also operational efficiency to be improved at a larger extent, because of course when you cater to high end your manpower cost goes up and your other infrastructure cost goes up.

Dhaval Shah: And any thoughts on domestic competition? Because in the listed space, I doubt there would be anyone, your thoughts on it?

Khushboo C. Doshi: There are domestic competition and the local players are also very aggressive in the market, and that's how we are targeting to make a mark by differentiating the technology. Otherwise, it is always a price gain which we do not like to really get into.

Dhaval Shah: But in any case, Rajoo Engineers is a very old, very well-known brand in the market.

Khushboo C. Doshi: Yes, but then the competitors are always around. And of course, I'm glad that they always keep us on our toes to make a significant difference in the market.

Dhaval Shah: Ok ma'am, thank you very much

Moderator: Thank you. The next question is from the line of Prathamesh Dhiwar from Tiger AMS. Please go ahead.

Prathamesh Dhiwar: Ma'am, just I think recently you mentioned that we are also entering into solar, by I think we have some technology of lamina. So, can you please explain in detail what is this technology about and what is the product? And in what value chain we are going to cater it in terms of solar?

Khushboo C. Doshi: Do you mind if we can take this later, because in a previous answer I have recently explained, probably that would not be beneficial for others, so I have explained the market scenario and the application already. But then if you want to know further then we can connect or you can refer the presentation itself.

Prathamesh Dhiwar: And I just missed, what was the market opportunity in this segment?

Khushboo C. Doshi: That's what I also mentioned that we see another one or two projects in next two years for us. Of course, the market is big, but the kind of machine which we are manufacturing is far away in the entire value system. So, that's why we see another two projects coming into the next two years.

Prathamesh Dhiwar: And the two projects will be how much in value terms, if you could mention?

Khushboo C. Doshi: It will not be that significant, it would be around Rs. 20 crores.

Moderator: Thank you. The next question is from the line of Aditya Shah from Meteor Wealth Management Private Limited. Please go ahead.

Aditya Shah: Just two, three quick questions. One, I just wanted to understand, like every year how many repeat orders or there is a customer stickiness with your business, like annually how in percentage will also be?

Khushboo C. Doshi: Yes. So, it would be around 40% to 45%, but now the sector is also growing so new comers are also appearing.

Aditya Shah: But in terms of your old customers, how much revenue is generated from them on an annual basis?

Khushboo C. Doshi: It is around 40% to 45%.

Aditya Shah: And in the coming time for the next two years, how much this can increase?

Khushboo C. Doshi: It will remain in the same range.

Aditya Shah: It will remain in the same thing?

Khushboo C. Doshi: Yes.

Aditya Shah: One more thing, in your consolidated balance sheet as on 30th September, you have a reserve and surplus of Rs. 127 crores, if I'm right.

Khushboo C. Doshi: Right.

Aditya Shah: So, how do you plan to utilize these funds?

Khushboo C. Doshi: These are the advance against order booking.

Aditya Shah: And if you could shed some light on them.

Khushboo C. Doshi: It will be only utilized to procure the components for the orders which we have on hand.

Aditya Shah: And this can get utilized in this year itself or will it be carried forward?

Khushboo C. Doshi: It will be carried forward.

Aditya Shah: And ma'am, I just wanted to understand a little broad based on your industry, like any competition you face or how is the industry going ahead, how should we look at it?

Khushboo C. Doshi: So, in any industry there is a competition, and so is the case with us as well. So, there is the competition from the local market as well and some western market as well. So, some of the European players are also active in the Indian market. So, there is a competition and yes, of course, we our aim is to make a significant differentiation between the products which we are producing and which is available in the local market. So, we are aiming to compete, in fact we are competing with the European players in the Indian market and market outside India as well. And the target is to give the things at more affordable price level instead of things coming from at the European price level. So, that's how we keep innovating new things and we also always try to maintain the cost considering the Indian scenario and the world by large

Aditya Shah: And my last question, ma'am, what is the revenue bifurcation as on date for international business and domestic business?

Khushboo C. Doshi: So, the current quarter and in the last quarter we did around 74% revenue coming from the export market. And then just from the domestic market, if we talk about the total half year, then around 50%-52% is from the export market.

Aditya Shah: And going forward, for the next two years also, it will be in the same terms or how should we look at it?

Khushboo C. Doshi: We are aiming to have between 55% to 60%.

Moderator: Thank you. The next question is from the line on Ankit Ghor from Systematix Group. Please go ahead.

Ankit Ghor: I have a question with regards to our film business wherein, correct my understanding, actually are we competing with Bruckners of the world there or we have a differentiated product?

Khushboo C. Doshi: No, we do not compete with Bruckner.

Ankit Ghor: So, internationally when we talk about, which are the customers you're talking about here, which are the players?

Khushboo C. Doshi: Yes. So, when we talk about, I don't know whether you are from the extrusion industry, have you heard the name of Constantia?

Ankit Ghor: Yes, Constantia.

Khushboo C. Doshi: Yes, so those kind of institutions are our customers, and we manufacture the blown film line, which is producing the poly for flexible packaging industry. So, Amcor, Constantia, all those giants who are catering into the flexible packaging industry, those are our customers. We do not produce BOPP line and that's why we do not compete with Brückner.

Ankit Ghor: And lastly with regards to PVC segment, here also our customer would be all PVC pipe suppliers and CPVC pipe suppliers, right?

Khushboo C. Doshi: Correct, right.

Ankit Ghor: And what sort of market share we are having in PVC and CPVC pipes here in India?

Khushboo C. Doshi: See, PVC, we were relatively late then the established local players, and that's why in terms of number of machines, the market share is not significant. But if we talk about the installed capacity then we hold the 33% market share in India.

Ankit Ghor: Now my question with regards to industry, if crude price goes up and down and eventually the packaging prices also go up and down, will it impact our value added films' volume or it doesn't?

Khushboo C. Doshi: Well, the kind of flexible packaging that is coming it's a need, it's a basic need for any sorts of product that gets sold in the market. So, for momentary, yes, it does affect, but in the long run it does not.

Ankit Ghor: And what about margin wise, ma'am? Because are we working on cost plus or we just work on conversion?

Khushboo C. Doshi: I hope we are clear that we are not producing any such films, so there's no conversion. We are producing the machine, so yes, it's always more turnkey in nature.

Moderator: Thank you. The next question is from the line of Sayali More, an individual investor. Please go ahead.

Sayali More: Thank you for taking my questions. I had a question regarding solar business, so like can you shed some light on that? How are we doing and what are is the revenue contribution from our solar business? Or are there any developments which happen?

Khushboo C. Doshi: We are expecting another two more projects coming in in another next two years and the revenue would be around Rs. 20 crores to Rs. 25 crores.

Sayali More: And in our first half, have we entered into new geographies? Or have we initiated any new initiatives?

Khushboo C. Doshi: No, I mean we are supplying to 70-plus countries and we have maintained that, we have not entered into any new geography.

Sayali More: And are we going to enter into any, are you targeting any new geographies in the second half?

Khushboo C. Doshi: Not at the moment. For the next year, yes.

Moderator: Thank you. The next question is from the line of Ravi Teja, an individual investor. Please go ahead.

Ravi Teja: Hi, good afternoon. A couple of questions. Are there any upcoming strategic partnerships or collaborations that we are exploring this year to drive our growth?

Khushboo C. Doshi: Yes, we are exploring.

Ravi Teja: Ok, maybe you could throw some light on that.

Khushboo C. Doshi: It would be really difficult at this point of time to talk about it, but yes, we are exploring various such opportunities.

Ravi Teja: Fair enough. So, also, how has our export performance shaped up for this H1 and which other regions have contributed to this growth? And maybe some margin comparison between the export and the domestic sales also.

Khushboo C. Doshi: Yes. So, domestic is not really encouraging margin, the margin comes from the export business like any other business. And if we talk about the contribution in top line, we have done this year 73% as far as export is concerned and that is the domestic market.

Ravi Teja: So, maybe if you could share your domestic and international market share for Q2 and how has it evolved as compared to the previous year?

Khushboo C. Doshi: See, the market share is very difficult to talk about because we cater to various markets with the different sets of products, but in the total, if you put together, then for the blown films sector we hold around 55% to 60% market share in the domestic market, and in the international market it's insignificant so there is a lot of opportunity to that.

Ravi Teja: So, let me ask you this. Can you maybe provide some insights into the key factors that contributed for our raw material cost for this quarter as compared to the previous year? And how do you see this kind of trend in the raw material pricing going forward into the quarters?

Khushboo C. Doshi: See, the raw material prices have remained more or less in the range of previous, but we are into the technology segment, and we keep innovating new technologies, and that's where when the technology gets changed, the need of raw material gets changed, and due to that the price goes up. So, it's not apple-to-apple price is going up, but last year there was an apple and now it's the apple-plus-plus. So, that's how things work in our case. Otherwise, the raw material prices have more or less remained stable, but the situation happening at the various parts of the world, of course, they have affected up to some extent.

Ravi Teja: So, just last couple of questions. So, looking ahead, do we have any specific revenue and the target margin for the next two to three years? And what would our initiative be to get this kind of growth?

Khushboo C. Doshi: Yes. So, we are more focusing to maintain our margin by 12% to 15% and that is what we are thinking of achieving by having more operational efficiency in our current operation. We are moving towards more of a standardization in the product, at the same time we continue to innovate the new products as well. And when we talk about the standardized products, we have reached at a level where we do not need to take the trial of the certain machines and we can stretch it. So, that's where we are more focusing on the quality assurance, as well as I talked earlier. And that's how we feel that the margin will be improved in coming days.

Ravi Teja: But any target revenues in mind?

Khushboo C. Doshi: We would be able to register growth of around 13% to 15% next year.

Ravi Teja: And lastly, as per our current capacity utilization, any near-term changes in terms of how our order flows and how the market demand comes in, any changes in that?

Khushboo C. Doshi: No, the currently established capacity and further as I mentioned earlier that we are further focusing on having the expansion in the machining center and tooling, that will help us to achieve the goal for this year.

Moderator: Thank you. The next question is from the line of Neha Sharma, an individual investor. Please go ahead.

Neha Sharma: Just a couple of questions. I wanted to understand what the current order book is and what are the plans of execution. Along with that, what is our current capacity utilization? So, with the new order book, how much will be the capacity utilization going forward?

Khushboo C. Doshi: The capacity utilization would be around 80%, current order booking is around Rs. 200 crores plus. Is there any other question?

Neha Sharma: So, going forward like with this order book, will we be able to fulfill it with this capacity or do we need to increase the capacity since it's already utilized?

Khushboo C. Doshi: Yes, we need to increase the capacity next year.

Neha Sharma: So, can you just throw some light on what are the plans on capacity expansion?

Khushboo C. Doshi: So, we have already expanded this year and we are still working on the expansion for the machining center and the tooling. Once we finish that, then the next year expansion will be in the picture. And as I mentioned that we have a land bank available with us, so that's where probably we'll come up with more capacity.

Neha Sharma: So, this Rs. 200 crores order book will be executed from the same capacity if needed?

Khushboo C. Doshi: Yes.

Neha Sharma: And also just wanted to understand the solar business, just want to understand the development on that side.

Khushboo C. Doshi: Sunil uncle, would you like to take this?

Sunil Jain: Sunil Jain here. I think Khushboo has mentioned a couple of times, we're looking at two projects coming into our fold in the next one or two years. We need to understand that we are very far away from the value chain as far as the solar industry is concerned. We manufacture a plastic film which goes into these solar modules, so the solar module manufacturers would be our potential customers.

Neha Sharma: Sir, do we have any competition regarding that in India as well?

Sunil Jain: As of today, we do not have any competition in India for making those kind of machines.

Neha Sharma: Do we think we'll have a first mover advantage?

Sunil Jain: We do have a first mover advantage, yes, and that is the reason we got penetration as far as the first machine is concerned and the next two projects as well.

Khushboo C. Doshi: So, how much part of revenue can we expect from this side of business in the next five years?

Sunil Jain: If we talk about the next one or two years, Khushboo rightly mentioned, it would be about Rs. 20 crores. But talking about next five years is very difficult because a lot of things depend upon how the capacity expansion actually takes place in the solar cell, solar module space.

Moderator: Thank you. The next question is from the line of Raj from Arjav Partners. Please go ahead.

Raj: Actually, I just skipped a part on the order book, so how much is the current order book?

Khushboo C. Doshi: It's Rs. 200 crores plus.

Raj: And how much would the execution timeline be?

Khushboo C. Doshi: It ranges from six months to two years.

Raj: Alright. And how much is the outstanding pipeline we have?

Khushboo C. Doshi: What do you mean by outstanding pipeline?

Raj: Pipeline in the sense you have placed the bid and it is still outstanding, it is not yet converted into orders, like leads.

Khushboo C. Doshi: It's around Rs. 1,000 crores. The pipeline is always huge, and since this is a capital goods industry, the material thing happens, the conversion happens at a low rate, so the pipeline pool is extremely high.

Raj: And historically, how much would pipeline be to order book conversion?

Khushboo C. Doshi: It is around 8% to 9%.

Raj: And we have expanded the capacity by 30%, so in how much time are we expected to reach full utilization?

Khushboo C. Doshi: So, as I mentioned, we never target to reach at a full utilization. We try to reach at the 80%, 85% of capacity utilization. So, probably FY '26 we would be able to fill up all the capacity which we have installed and which is under installation at this point of time.

Moderator: Thank you. The next question is from the line up so Sopan Parikh, an individual investor. Please go ahead.

Sopan Parikh: Congratulations on good set of numbers. So, I just wanted to ask a few questions. So, one is that, can you elaborate a bit on ProEX series, I'm not able to understand that new launch which you have made, can you elaborate a bit?

Khushboo C. Doshi: Yes. So, that is basically an advanced version of a blown film line which we have launched, and which is enabling Indian markets to have the solution from India itself instead of getting it from the European market. So, as I mentioned, the blown film line and advanced feature it has, it has a more output, it has more features like controlling the thickness, radiation and the wastage, and the need of manpower to run the plant and all sorts of things.

Sopan Parikh: So, how is it going to help us contribute in the growth prospect?

Khushboo C. Doshi: Sorry, I didn't get that.

Sopan Parikh: So, how this is going to help us for the incremental growth?

Khushboo C. Doshi: As I mentioned earlier that we are targeting to sell more technology driven product, and that's where this new technology would help us to compete in the global market with our proprietary solutions.

Sopan Parikh: Next I would like to ask is, what kind of progress have we made for the land which we acquired in the previous quarter?

Khushboo C. Doshi: Yes. So, we have built the building, building is in place, it's working as **Inaudible** as we mentioned earlier that another building also has been constructed and it is working for the quality assurance. So, all is rolled out and things are moving.

Sopan Parikh: Any new product launches for the next coming months or quarter?

Khushboo C. Doshi: No, we will continue to focus on the existing product.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Ms. Khushboo Chandrakant Doshi – Managing director, from Rajoo Engineers Limited, for closing comments.

Khushboo C. Doshi: I would like to thank you all for taking the time out and attending this call. It was a very interactive session. I'm thankful to each member of our Rajoo Engineers family and all our stakeholders. Thank you for your trust and continued support. For any further queries and information, please get in touch with our investor relations team. Thank you once again. Thank you.

Moderator: Thank you. On behalf of Rajoo Engineers Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.