



Shri Balaji Valve Components Ltd

(Formerly known as Shri Balaji Valve Components Pvt Ltd)

Manufacturing of Precision Machined & Valve Components.

CIN: L29220PN2011PLC141370

GST No: 27AAQCS607681Z2

Date:22/11/2024

To,
The General Manager
DCS-CRD
(Corporate Relationship Department)
BSE Ltd.
Rotunda Building
P.J. Tower, Dalal Street, Fort
Mumbai-400001

BSE SCRIP Code: SBVCL | 544074

Subject: Transcript of post-results Conference Call held on 21.11.2024.

Dear Sir(s),

This is with reference to our intimation dated 16th November 2024, with respect to Conference Call of the Company on Thursday, 21th November 2024 at 4:30PM (IST) for unaudited Financial Results of the Company for the Half year ended 30th September 2024.

Pursuant to the Regulation 30 (6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Please find enclosed the Transcript of the said Earnings Call, for your information and records.

The transcripts of the earnings call are also available on the Company's website: www.balajivalvecomponents.com

We request you to kindly take the same on record.

Thanking you.

For, Shri Balaji Valve Components Limited

Shrinivas Kole

Whole Time Director & CFO

Date: 22/11/2024

Place: Pune

Encl: As above.

Registered office

Plot No: PAP B 31, Chakan MIDC,
Phase-2, Bhamboli, Tal. Khed
Pune- 410501, Maharashtra, India.

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Shri Balaji Valve Components Limited
Earning Call Transcript
Date:- 21-11-2024

WEBVTT

1

00:00:09.510 --> 00:00:14.719

Shrinivas Kole: Maybe. Can you give me a screen share? I'm unable to share the screen.

2

00:00:18.400 --> 00:00:19.500

Finportal: Yes.

3

00:00:57.000 --> 00:00:59.469

Finportal: so can you share the screen now?

4

00:01:02.040 --> 00:01:04.050

Shrinivas Kole: Okay, we'll retry just a moment.

5

00:01:16.830 --> 00:01:18.090

Shrinivas Kole: Phone glitch.

6

00:01:18.360 --> 00:01:19.510

Shrinivas Kole: Just a moment.

7

00:02:24.290 --> 00:02:26.460

Shrinivas Kole: Yeah. Is my screen visible now?

8

00:02:35.300 --> 00:02:36.599

Shrinivas Kole: Hello! Am I audible.

9

00:02:36.820 --> 00:02:39.780

Finportal: Yes, sir, you are audible, and the screen is also visible.

10

00:02:39.990 --> 00:02:41.149

Shrinivas Kole: Okay. Great

11

00:02:41.857 --> 00:02:52.320

Shrinivas Kole: good evening, everyone. This is Srinivas Kole on behalf of Sri Baraji. Wall components limited and welcome you all for the earnings call for h. 1 Fy. 2424

12

00:02:52.896 --> 00:02:59.860

Shrinivas Kole: so as a part of the agenda, we will run through through the investor presentation first, st

13

00:03:00.020 --> 00:03:04.010

Shrinivas Kole: and later on we will be open to take the questions.

14

00:03:04.620 --> 00:03:16.670

Shrinivas Kole: So, with everyone's permission, I'll just start. So this is free biology wall components Limited. We are a 1-stop solution for all your Assembly needs might be for wall or precision machine components.

15

00:03:16.780 --> 00:03:26.830

Shrinivas Kole: So speaking about the overview, we are a company who are dedicated to deliver the high performance wall solutions by harnessing modern machinery and advanced technology

16

00:03:27.610 --> 00:03:48.870

Shrinivas Kole: to ensure that all products are meeting the strange and industry standards. For as per the international norms, and also with a strong emphasis on continuous development innovation, our expert team consistently develops new new products and processes and enhances the guarantee you know, for the durability and the cutting edge performance.

17

00:03:50.400 --> 00:04:08.840

Shrinivas Kole: These are few facts and figures about the company. We have having 2 plants around 2, 78, plus strength of human resources, 3 forging hammers. So the both the plants are spread across around 70,000 plus manufacturing area. And currently, we have a global supply across 14 countries and 7 continents.

18

00:04:08.910 --> 00:04:23.160

Shrinivas Kole: We, as a company, are awarded with 3 certifications. One is Iso 9,001, 22,015. Second is Ped, and 3rd is Nonsoft F. 51, which is awarded by the Norvenian Petroleum Institute.

19

00:04:23.190 --> 00:04:33.549

Shrinivas Kole: and we have currently 1 15 plus machines, right? Which can cater the wall components and precision machine sizes right from one inches to 24 inches.

20

00:04:36.590 --> 00:04:42.130

Shrinivas Kole: These are the you know, key facts and figures about the

21

00:04:42.530 --> 00:05:02.339

Shrinivas Kole: company we are. We are currently a company with around 208 crore of market cap, with Roc of 24.1% roe of 36.2% stock P. P of 25.1 and 10.2 Eps and 14 7.3 industry. P.

22

00:05:03.440 --> 00:05:11.400

Shrinivas Kole: This is our mission mission and vision to accomplish, and the growth or the accomplishing growth of Srivilaji wall components limited

23

00:05:11.940 --> 00:05:23.339

Shrinivas Kole: so to be recognized as the foremost leader in the industry, providing premium wall components and industrial equipment that set the standard for quality and innovation. And that's the mission to accomplish our vision.

24

00:05:23.640 --> 00:05:34.420

Shrinivas Kole: These are our core values on which the Company's foundation and growth and journey is based upon 1st and foremost being. The trust.

25

00:05:35.082 --> 00:05:40.909

Shrinivas Kole: Second is the customer centricity, transparency, commitment, teamwork and excellence.

26

00:05:42.930 --> 00:05:46.240

Shrinivas Kole: These are some of the milestones of our organization.

27

00:05:46.250 --> 00:06:02.689

Shrinivas Kole: So we started in this company. Those started in 1989 by by the 1st generation in the different name. This organization started in 2011, which is in cooperation in the name of Sri Balaji Oil Companies, private Limited

28

00:06:02.730 --> 00:06:13.310

Shrinivas Kole: 2020 and 2021 assets from the Promoters company, namely, the Balaji enterprises and Shrinivas engineering were done by Re. Balaji World Companies Limited

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00:06:13.690 --> 00:06:33.850

Shrinivas Kole: 2022. The 1st plant was established under this name for the machine of personing plan and the register current registered office. That's at Chakan 2023. Change in the name from 20 private committed to Limited, pursuant to conversion of company from private public 2024, we started.

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00:06:34.330 --> 00:06:43.300

Shrinivas Kole: successfully, launched the Ipo and commissioned the state of the art forging plant in 2024. These are few major milestones of Srivalaji Wall Components Limited.

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00:06:44.530 --> 00:06:59.329

Shrinivas Kole: These are few of our products that we speak for the wall, 1st being the Trunnion mounted ball, second being the segmented ball. Floating ball, Iso flanges, glands, body 3 pieces, trunnions, trunnion plates, seat rings.

32

00:06:59.330 --> 00:07:24.570

Shrinivas Kole: flanges, standard and non standard. Both we manufacture, then the double blade ball wall body. That's dbb, wall body. That's the seat type, wall seat, retainer bonnets and plugs. So mainly, we deal into all types of wall components, and also that the few products that are not

displayed here. We also do some precision machine components for construction, equipment, manufacturing, pharmaceutical

33

00:07:25.009 --> 00:07:31.599

Shrinivas Kole: in the machines, manufacturing defense as well power generation power, generation and petrochemical.

34

00:07:32.540 --> 00:07:43.310

Shrinivas Kole: These are the 2 awards that the Srivalaji has been awarded with. For one is for the financial management, and second, is for the best supply chain practices in the manufacturing sector.

35

00:07:45.180 --> 00:08:07.490

Shrinivas Kole: Our competitive strengths are the same integrated manufacturing, because we have in house forging heat, treatment and machine, so that gives a leverage a quality leverage and also confidence to our customers, being every all the 3 main processes in House that gives the confidence to the customers. Regarding the quality and cost efficiency.

36

00:08:07.490 --> 00:08:24.089

Shrinivas Kole: Second is the diversified product range I have been emphasizing on this because of the wide setup of machines, different machines. And we can cater products from half inches 24 inches, which is capable of handling large orders and diverse industries with a broader customer base.

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00:08:24.503 --> 00:08:35.139

Shrinivas Kole: Already we have a a huge customer base, continuously active and inactive both, and from which the pipeline for the businesses is built up.

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00:08:35.230 --> 00:09:02.679

Shrinivas Kole: We also have strategic alliances, so there are few processes which are value added processes which enhance our delivery. And the you know the which creates a wider spectrum of service arena as of Sri biological components limited. And we which we have expertise in centrifugal casting open die forging coatings, and you know, which are for use for enhancing product, durability and performance.

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00:09:02.880 --> 00:09:26.639

Shrinivas Kole: Our management is experienced, knowledgeable team with a proven ability to meet high quality and reliability standards, including the middle management and also the operators level. We have a long term customer and supplier relationships which is built upon the with customers on the quality, timely delivery and adaptability, fostering lasting partnerships, and we continuously have repeat orders from the customers

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00:09:27.970 --> 00:09:53.340

Shrinivas Kole: I've already mentioned. These are the sectors we are serving right now, major and dominant, being the oil and gas, petrochemical construction, equipment, manufacturing power, generation food and beverage, pharmaceutical and defense. Pharmaceutical and defense are the 2 sectors

that we have started working in this financial year. We for defense. We have served around 2 orders

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00:09:53.707 --> 00:10:08.410

Shrinivas Kole: around with value of 30 lakhs somewhere around 2 orders. And for Pharma also, continuously, we are building relationship with the customer with whom we are seeing a very good prospects in coming few years.

42

00:10:10.160 --> 00:10:33.170

Shrinivas Kole: These are a few emerging sectors that will impact positively on the wall component consumption, smart walls and IoT integration of sensors and return electric into the walls. Sustainability and efficiency focus on eco-friendly designs, customization and specialty walls. Tailored solutions. So there is a very huge growing demand for specialized and custom designed walls

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00:10:33.563 --> 00:10:54.010

Shrinivas Kole: which which is really helpful for Re Balaji, because we serve with many materials as well, so straight from carbon steel, stainless steel, duplex, super duplex alloys, nickel beige alloys and bronze aluminum. So because of which the customer you know, looks at us as a 1 stop solution.

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00:10:55.300 --> 00:11:07.319

Shrinivas Kole: This is the manufacturing process that we follow at Sri Balaji, right from Po receipt. Then, it's the internal test plan, creation, then material planning and bomb preparation, material procurement.

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00:11:07.500 --> 00:11:08.700

Shrinivas Kole: sourcing

46

00:11:09.309 --> 00:11:18.539

Shrinivas Kole: heat number, allocation. That's a gn where quality inspection and clearance metro allocation, manufacturing inspection and marking and packing and dispatch.

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00:11:20.000 --> 00:11:27.290

Shrinivas Kole: So we are dedicated for a very, very good quality assurance for all our customers.

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00:11:30.170 --> 00:11:35.749

Shrinivas Kole: There are, I request everyone to kindly mute the call.

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00:11:35.880 --> 00:11:59.439

Shrinivas Kole: So, speaking about the quality we have around 15 plus engineers in the quality assurance team, who which take care about the inward material in process, inspection final inspection, and also the audits and certifications of the organization. We in house. We have hardness, testing equipment, which is bench type Brunel and Rockwell hardness testers.

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00:11:59.440 --> 00:12:28.379

Shrinivas Kole: We also have precision measurement tools, including the primos surface softness, testers, and all the gauges we have in house. We have ndt facilities in house. Our team is a level 2 ndt. Personnel who are capable of undergoing, and you know the under doing the tests of ut, the magnetic particle liquid penetrant, and also the hydrostatic test that we do for our customer

51

00:12:28.380 --> 00:12:38.750

Shrinivas Kole: and all the requirement require. You know, in some testing is done in the enable activated labs which creates the credibility in the market.

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00:12:39.060 --> 00:12:42.659

Shrinivas Kole: These are the certificates which I had mentioned before.

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00:12:44.360 --> 00:12:50.259

Shrinivas Kole: This is our order book for the current order book that we have right now.

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00:12:51.690 --> 00:13:00.569

Shrinivas Kole: that's at 15.2 for cross up, out of which 3.2 4 is export, and the rest is the domestic orders.

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00:13:01.360 --> 00:13:24.340

Shrinivas Kole: So I've been getting various questions regarding the pat margin drop from the investments, and also we have been undergoing that. So there are 3 main reasons for this. 1st is in the increase of salary and wages. So it's if we see increase, it's not a direct increase. We have formed a new engineering department

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00:13:24.741 --> 00:13:52.819

Shrinivas Kole: for improving our current processes and also for the new processes and the product development which needs a technical overview technical knowledge and expertise for giving the feasibility, checking the feasibility, manufacturing the same, giving the costing manufacturing in the cost given and also delivering the quality products. Apart from the sample. Also, once it is productionized, they have to take care about the process capabilities of the organization.

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00:13:52.820 --> 00:14:10.259

Shrinivas Kole: Additionally, the impact of annual appraisals and hiring of people further contribute to the increase. So we are also planning to integrate a few new digital systems for the operational efficiencies, you know, to control the operational efficiencies.

58

00:14:10.260 --> 00:14:27.649

Shrinivas Kole: And also we currently have the appraisal cycle that has been placed every July. That's the appraisal cycle. And we analyze or check the performance for the previous years, the financial year. So last year the

59

00:14:28.240 --> 00:14:44.029

Shrinivas Kole: presents were given in the H. 2, and this year they were given in h. 1, because that's the cycle. Last year it was delayed, due to a few reasons due to the process, change and process integration. So this is the overall total impact on the salary and wages.

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00:14:44.030 --> 00:15:01.929

Shrinivas Kole: Second, is higher depreciation due to asset addition. As everyone is aware, we are having the new capital expenditures for expanding our operations and upgrading the infrastructure which has resulted in an increase in the fixed assets subsequently, which is driving up the depreciation expenses for the fiscal year.

61

00:15:02.100 --> 00:15:15.739

Shrinivas Kole: and also rise in the professional fees. So this year, right from last year continuous improvement has been at the forefront of the growth of our organization, but doing it more effectively and efficiently.

62

00:15:16.590 --> 00:15:37.359

Shrinivas Kole: We are, collaborated with few of the learning development and the professionals who are professional and expert in the you know, in the domain that we need. So we have incurred the higher professional fees to enhance operational excellence, engaging external experts to improve the processes and workforce capabilities for long term, growth and efficiency.

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00:15:37.360 --> 00:15:49.830

Shrinivas Kole: The investment reflects to a commitment to sustainable progress. Because if you want to grow in the longer run. We have to strengthen the foundation, and that's how the growth horizon will be built upon.

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00:15:49.830 --> 00:15:54.199

Shrinivas Kole: So for that we are hiring the professionals this year.

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00:15:54.690 --> 00:16:03.069

Shrinivas Kole: So the foraging plant it has commissioned from 1st October 2024. You can see the photographs. That's the

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00:16:04.350 --> 00:16:11.640

Shrinivas Kole: that's the hammer, one hammer 2 and hammer 3. This is 2.5 metric. 10. Close the hammer. This is

67

00:16:11.770 --> 00:16:37.370

Shrinivas Kole: 1.5 metric ton. Close the hammer, and that's the 300 ton screw press hammer. Beside this this side which is not visible in the photograph, are the 2 heat treatment furnaces. That and this plant is fully operational, as you can see the you know, that is operational from 1st October. So the previous plant was spread across 8,000 square feet. Then the current plant is spread across 22,000 square feet.

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00:16:37.370 --> 00:16:55.069

Shrinivas Kole: We had before we had one hammer, and now we have 3 hammers, and before we were able to manufacture components up to 28 kgs. And now, with the addition of 2 new hammers, we'll be able to manufacture components up to 68 kgs. So that was commissioned on 1st October 2024.

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00:16:55.960 --> 00:16:57.249

Shrinivas Kole: This is the

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00:16:57.720 --> 00:17:25.500

Shrinivas Kole: utilization of the Ipo proceeds so out of everything we have utilized around 16.7 5 cross of the funds that we have raised. A few machineries are in order stages, and that's how, in coming few months it will be utilized. The allocated funds for working capital and Gcp. Have been fully utilized, and the balance is only remaining for the capital expenditure.

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00:17:27.690 --> 00:17:52.689

Shrinivas Kole: Also, I'm delighted to announce that on 3rd to 5th of December we will be participating, exhibiting Sri Baraji wall components limited at the exhibition in Germany, which has around 3 50 plus international exhibitors, and more than 7,000 visitors are expected within 3 days, and this offers unparalleled opportunities to generate high quality leadership.

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00:17:52.690 --> 00:18:14.340

Shrinivas Kole: Our industry presence effectively. So this is the 1st time our organization will be you know, participating in such a huge exhibition. We have a 3 day plan to visit there, and also visit the all the exhibitors. So we have a quite a huge spectrum of visitors expected.

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00:18:14.340 --> 00:18:18.840

Shrinivas Kole: and I'm sure this will help Sri Balaji grow in near future.

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00:18:19.890 --> 00:18:37.639

Shrinivas Kole: Speaking about the wall industry, it is driven by the increasing demand of efficient fluid and gas controls, and Cagr is of around 7% over the next year is fueled by infrastructure development aging system replacements and IoT which has already been mentioned.

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00:18:38.850 --> 00:18:40.730

Shrinivas Kole: These are the financials.

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00:18:41.160 --> 00:18:46.669

Shrinivas Kole: So from speaking about revenue this year, we have done 36.9 6

77

00:18:47.087 --> 00:18:53.679

Shrinivas Kole: other income has at 51 which is goes to total income of 37.4 7.

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00:18:53.780 --> 00:18:57.980

Shrinivas Kole: Our ebitda margin stands at 14.4 2 percentages.

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00:18:58.000 --> 00:19:01.900

Shrinivas Kole: and the patch stands at 5.9 7 percentage.

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00:19:02.430 --> 00:19:09.639

Shrinivas Kole: These are the balance, the balance sheets. So equity, capital reserves, borrowings, other liabilities.

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00:19:10.160 --> 00:19:15.949

Shrinivas Kole: and also fixed assets, cwip investments and other assets.

82

00:19:17.000 --> 00:19:18.929

Shrinivas Kole: Thank you. That's all. From my side.

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00:19:24.800 --> 00:19:30.610

Finportal: Thank you very much. We'll now begin the question and answer session. Please raise your hand to ask your question

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00:19:37.167 --> 00:19:43.280

Finportal: the 1st question is from Mr. Tushar, sir, please unmute yourself, and ask the question.

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00:19:44.090 --> 00:19:45.249

Tushar Vasuja: Hello, sir! Am I audible?

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00:19:49.230 --> 00:19:50.160

Tushar Vasuja: Hello!

87

00:19:50.160 --> 00:19:52.229

Shrinivas Kole: Yes, sir, you are audible. Please go ahead.

88

00:19:52.460 --> 00:20:07.460

Tushar Vasuja: Yes, sir, thank you for the opportunity. I am a bit new to your company. So a bit of basic clarification first. So you manufacture components which are then sold to wall manufacturers, who will be the oems in this case, and then they sell forward to contractors, and such is that understanding correct.

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00:20:07.640 --> 00:20:09.370

Shrinivas Kole: Yeah, that's totally right, sir.

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00:20:10.570 --> 00:20:12.590

Tushar Vasuja: Okay. So who are some of your clients?

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00:20:14.310 --> 00:20:18.920

Shrinivas Kole: Our clients are, yeah, immersion closer.

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00:20:19.440 --> 00:20:25.899

Shrinivas Kole: Also Crane Samsung controls, who are all the oems. We also serve to Int walls

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00:20:25.990 --> 00:20:31.139

Shrinivas Kole: and all the Mncs that we have in India. We serve everyone.

94

00:20:32.920 --> 00:20:44.219

Tushar Vasuja: Okay, sir, and so do you also do wall assembly, or only the components? And does your business also have an after sales, repairs replacement part to it? Or is it that the entire wall gets changed.

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00:20:44.974 --> 00:20:51.899

Shrinivas Kole: No, sir. So right now we are only doing the components and helping our customers in their you know, to

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00:20:51.900 --> 00:21:15.920

Shrinivas Kole: create a seamless supply chain for them, sir. So, like I mentioned, we have a capability of manufacturing various products. So from one inches to 24 inches. So if you take the example of a ball wall, we manufacture ball, stem, stem housing, Iso, Trunnion, Triunion plates, body and connector in ball. Also we manufacture floating wall, wall, triunion, mounted ball wall, metal, seated ball wall, seaport ball V, port ball.

97

00:21:15.920 --> 00:21:20.330

Shrinivas Kole: output ball. So these are the various components we manufacture.

98

00:21:21.720 --> 00:21:24.439

Tushar Vasuja: So any plans to foray into assembling. Also.

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00:21:25.150 --> 00:21:27.250

Shrinivas Kole: Right now. I'm unable to comment on that.

100

00:21:30.430 --> 00:21:34.220

Tushar Vasuja: Okay? And does your business have any sort of after sales component to it?

101

00:21:35.206 --> 00:21:57.469

Shrinivas Kole: No, no, sir, whatever we have, we have the the while. Po. If the wall also comes for the after sales service at our customer, then it is again raised as a new po for us we are unable to identify if it is a new wall or a spare wall, because the components design and everything we get with every purchase order. So we are unable to find out that. But yeah.

102

00:21:57.470 --> 00:22:11.730

Shrinivas Kole: we know that apart from the new new infrastructure. Already the if there are some repairs, maintenances, you know, upgradation and everything going. Then also the wall changes. Cycle take place.

103

00:22:12.950 --> 00:22:18.880

Tushar Vasuja: Okay, sir. And, sir, how do you get your orders like? Is there a bidding process, or is it a 1 on one? Negotiations.

104

00:22:19.190 --> 00:22:42.679

Shrinivas Kole: No, sir, there is no bidding process, as of now. Everyone, mainly our businesses, comes from the current customers, which gives us repeated orders, and also our new business development. We have started strengthening from March rather. April 2024. We have started improving our presence on LinkedIn. We have started building the new business development as a department.

105

00:22:42.680 --> 00:22:55.460

Shrinivas Kole: And also we are you know, like you, I have mentioned exhibitions is again one of the thing to, you know, because we have to grow horizontally and vertically as well. So that's how our businesses comes.

106

00:22:56.260 --> 00:23:00.320

Tushar Vasuja: Okay, sir, sir, can your products be used in Api certified vaults.

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00:23:01.764 --> 00:23:25.539

Shrinivas Kole: Yes, sir, because right now we are not, though Api certified in near future. We are planning for Api 20 B. 20 C, but currently, because of our certifications and everything. If the wall, if the it depends on the type of wall, the type of company, and the type of application. But we do serve. Our all. Our customers are Api certified, and we do serve them with the relevant you know, products required.

108

00:23:27.040 --> 00:23:33.690

Tushar Vasuja: Okay, sir. And so if you were to get the Api certification, what sort of revenue and margin opportunities would that unlock for you.

109

00:23:35.158 --> 00:23:39.870

Shrinivas Kole: So that because Api opens avenues

110

00:23:39.910 --> 00:23:56.609

Shrinivas Kole: over the world, and credibility is upnoched by, you know, many multiple times we have not studied exactly revenue and everything. My, my! I'll have to get back to you on that quantified way. But I'm sure it will be a positive impact on the organization.

111

00:23:57.370 --> 00:24:01.030

Tushar Vasuja: Okay, sir, I have a few more questions. I'll back get back in the queue for that. Thank you.

112

00:24:07.649 --> 00:24:10.439

Finportal: Mr. Ayush Agarwal, you can ask your question now.

113

00:24:11.400 --> 00:24:28.379

Ayush Agarwal: Yeah. Hi, good afternoon, sir, and thank you for this opportunity. My 1st question is, why could we not grow in this half? Given the pace at which the wire industry is going growing? Are we seeing a slowdown from our customers, or did we face some particular issue in this half.

114

00:24:31.200 --> 00:24:51.670

Shrinivas Kole: There was a bit of slowdown from our customers, but that was due to 1st was the general elections for India, and also because of the Presidential elections@usa, though U.S.A. Though we export also but many of our domestic customers

115

00:24:51.670 --> 00:25:03.459

Shrinivas Kole: we supply to them, and they in turn supplied to U.S.A. So there was a bit, you know, bit of till the results were declared. There was slowdown for last, I would say 8 to 10 weeks

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00:25:03.460 --> 00:25:12.950

Shrinivas Kole: because of the clarity, but said that the flow and the pipeline is, you know, we are seeing a positive, you know, positive change

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00:25:12.960 --> 00:25:14.699

Shrinivas Kole: from last few weeks now.

118

00:25:15.580 --> 00:25:20.849

Ayush Agarwal: Okay. So was it like we got the orders, but we couldn't supply them or.

119

00:25:20.850 --> 00:25:50.149

Shrinivas Kole: No, sir, capacities are capable to take more orders as well. But there was a bit slow down in the conversion of the order, sir, though we were, there was. The pipeline was good with the conversion, because, especially the international, though our export has increased. If you have, if you would have seen. Our export has increased from last year, but few of our customers domestic who directly supply to U.S.A. or Uk. There they saw some convergence issue. Sir.

120

00:25:50.460 --> 00:25:59.229

Ayush Agarwal: Okay, got it. So since we have this pipeline ready now? And now that the election periods are over, what sort of numbers do we expect in H. 2 and Fy. 26.

121

00:26:00.950 --> 00:26:15.149

Shrinivas Kole: Fy. 26. It will be. We are seeing a positive trend, and you know, as pace will also increase from now on, I think that that's my judgment, I think. Probably in next few weeks the pace will multiply. Now.

122

00:26:15.860 --> 00:26:18.979

Ayush Agarwal: Got it, and how much was our exports in this half.

123

00:26:19.810 --> 00:26:24.689

Shrinivas Kole: Somewhere around 33%. If I'm not wrong somewhere around that. But

124

00:26:25.450 --> 00:26:28.839

Shrinivas Kole: okay, 39%. I'm sorry. 39%.

125

00:26:29.320 --> 00:26:30.760

Ayush Agarwal: Got it. And

126

00:26:31.219 --> 00:26:40.430

Ayush Agarwal: now that our operating margins have come down, due to the various reasons you have shared. When do we expect them to go back to 16 to 18% levels, if at all.

127

00:26:41.500 --> 00:27:08.890

Shrinivas Kole: The thing is now. It is a continuous process. We will be able to go there, I'm sure, and we'll be also improving it. I'm sure I have the, you know, confidence in my people, my organization and the wall industry as well, and, like I have mentioned, we are also growing vertically and horizontally. In near future we'll be able to go, sir, but now that we are in a very aggressive, you know capital expansion mode.

128

00:27:08.890 --> 00:27:14.599

Shrinivas Kole: so it might take a bit time, and this is time we are taking for sustainable growth. I would say.

129

00:27:15.790 --> 00:27:18.940

Ayush Agarwal: Okay, so what sort of further hiring are you expecting?

130

00:27:19.870 --> 00:27:23.929

Ayush Agarwal: Because it seems that's the major reason for the operating.

131

00:27:23.930 --> 00:27:51.369

Shrinivas Kole: That is one of the reason, but either also there were reasons. The appraisals also the reason. But we are also strengthening our sales marketing department engineering department, and also, like I mentioned Erp. Also, we are upgrading to take hold of the operational efficiencies and also to improve the efficiencies of our people. So you know, faster the process, faster the speed, faster the speed, faster the you know the invoicing.

132

00:27:51.370 --> 00:27:58.440

Shrinivas Kole: That's what we are seeing. Not much. But yeah, we'll be also seeing hiring this year, and this this H. 22.

133

00:27:58.440 --> 00:28:07.359

Shrinivas Kole: Because we are planning for. And you know again, more aggressive expansions. Expansion, as in the product expansions.

134

00:28:08.280 --> 00:28:13.039

Ayush Agarwal: Okay. So it seems that H. 2 will also be on a similar margin level, right?

135

00:28:14.375 --> 00:28:19.419

Shrinivas Kole: Yeah, but it will. I think it will be bit more improved stage than that, sir.

136

00:28:19.810 --> 00:28:23.579

Ayush Agarwal: Okay? So my next question is, we have a lot of land with us

137

00:28:23.770 --> 00:28:26.779

Ayush Agarwal: that is vacant. How do we plan to utilize that.

138

00:28:27.860 --> 00:28:51.789

Shrinivas Kole: Our primary focus will be on capacity. Utilization of the forging plan, sir, and maybe within next 3 to 6 months we are sure that there might be also the the Ipo proceeds, there are, there is one machine that we have ordered which Will expected next year, because there's a huge lead time. So maybe. But right now we are. You know we're still in the thought process of that, sir.

139

00:28:51.870 --> 00:28:54.440

Shrinivas Kole: so I will not be able to comment immediately.

140

00:28:54.950 --> 00:29:04.759

Ayush Agarwal: And sorry to repeat the question again, but if you could share any update or any sort of development, have we seen on the assembly of these file side.

141

00:29:05.780 --> 00:29:08.189

Shrinivas Kole: No, sir, we haven't started the assembly yet.

142

00:29:09.570 --> 00:29:12.310

Ayush Agarwal: Okay, got it. Thank you. I'll get back in with you.

143

00:29:14.900 --> 00:29:21.849

Finportal: Well, Mahesh, sir, you can ask your question now, Mr. Mahesh Chattan.

144

00:29:21.850 --> 00:29:23.156

Mahesh Attal: Yeah, I

145

00:29:24.665 --> 00:29:32.945

Mahesh Attal: so I would like to know what would be your revenue size which we could hit with this new capacity coming in.

146

00:29:33.890 --> 00:29:39.329

Mahesh Attal: could you please throw some light on a full financial year basis? What could be our top line.

147

00:29:39.697 --> 00:29:51.829

Shrinivas Kole: More than revenue. I can say that the the forging facilities before we used to manufacture around 65 to 70 tons a month, but the current capacity can handle up to.

148

00:29:51.840 --> 00:30:15.030

Shrinivas Kole: you know, 1 50 somewhere around 150 tons a month. So almost more than double. We have added the capacity and the size ranges, especially the size ranges, have effectively expanded. So before we were able to manufacture a ball wall up to 4 inch. Now we'll be able to components up to 6 inches. Not all but ball stems, body body adapters somewhere around that.

149

00:30:15.560 --> 00:30:27.660

Shrinivas Kole: and with the stems before we are unable. We were unable to, you know, man, forge the stems. But now, with the screw press, we are also started man, manufacturing the stem forging in house.

150

00:30:28.500 --> 00:30:33.129

Mahesh Attal: Any ballpark number you can give for this turnover.

151

00:30:33.130 --> 00:30:51.730

Shrinivas Kole: Revenue, the revenue will surely increase, because we will be able to. Our machine shop is able to cater up to machining up to 24 inches. So added, the sizes of the forging, it will be are so basically our procurement and the conversion cost will be, you know, less for the sizes we can forge.

152

00:30:51.800 --> 00:30:55.940

Shrinivas Kole: because instead of outsource, we will be able to manufacture it in house.

153

00:30:56.780 --> 00:31:08.209

Mahesh Attal: In this 15.6 4 crores. Order that you say as on date. Do you also have any order which is for forging of goods. About 28 kg.

154

00:31:08.660 --> 00:31:35.759

Shrinivas Kole: Yeah, yeah, we have, sir. We have, sir. So 6 inches ball, few orders which we have. So like, I mentioned our plant commissioned on 1st October 2024, because it's a heat treatment and hammer. The initial 2 weeks were taken for the calibrations, you know, alignment setting of the plant, and also because it's a hammer and heating. So you know, aligning the process, realigning the process again

155

00:31:35.760 --> 00:31:43.550

Shrinivas Kole: and everything. So now post diwali, we have started communicate. We have already communicated to customers long back to our existing customers.

156

00:31:43.550 --> 00:32:01.030

Shrinivas Kole: But specifically so, we have. We are focusing on 2 things right now for utilization of forging one is wherein the customer. If we, if they want only forging, we are ready to give them only forging. And also we'll be also focusing on the full finish components where in the machine plan capacity will also be utilized.

157

00:32:02.380 --> 00:32:16.329

Mahesh Attal: So what on the working capital cycle? I would like to know? What would be the typical working capital cycle with our full turnover basis, let's say, with this new capacity.

158

00:32:17.700 --> 00:32:21.360

Mahesh Attal: do you? Will you need additional working capital in books?

159

00:32:22.344 --> 00:32:36.569

Shrinivas Kole: I I don't think very much. But yeah, it will be a bit more added working capital, because now the the forging capabilities have increased so maybe for raw material procurement and everything. But it won't stretch very much.

160

00:32:37.800 --> 00:32:40.940

Mahesh Attal: What is the typical working capital deals? You have currently.

161

00:32:44.870 --> 00:32:48.689

Shrinivas Kole: 14, so I I didn't. Can you repeat your question, please?

162

00:32:48.690 --> 00:32:52.660

Mahesh Attal: What are the what is the what are the working capital days like? Currently in the business, like.

163

00:32:52.960 --> 00:32:56.280

Shrinivas Kole: These.

164

00:32:56.280 --> 00:33:00.440

Mahesh Attal: So let's say, what would be a working capital cycle? Okay.

165

00:33:00.440 --> 00:33:01.469

Mahesh Attal: Tr, plus inventory.

166

00:33:01.610 --> 00:33:04.440

Shrinivas Kole: Oh, okay. So you mean the rotation from like.

167

00:33:04.440 --> 00:33:04.929

Mahesh Attal: Yeah, yeah.

168

00:33:05.410 --> 00:33:07.099

Mahesh Attal: Yeah. Database inventory. Yes.

169

00:33:07.340 --> 00:33:11.100

Shrinivas Kole: Somewhere around. 90 to 100 days, sir. Okay.

170

00:33:11.100 --> 00:33:16.570

Mahesh Attal: Okay? So this will be the standard one, or this could come down after.

171

00:33:16.570 --> 00:33:21.319

Shrinivas Kole: So like immediately. It won't come down, maybe in a longer run. It cancels.

172

00:33:22.730 --> 00:33:25.679

Mahesh Attal: Fair enough, all right, thank you. That's it. From my side.

173

00:33:26.330 --> 00:33:27.050

Shrinivas Kole: Thank you, sir.

174

00:33:28.990 --> 00:33:32.359

Finportal: We'll take the next question from Mr. Siddhartsha.

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00:33:34.450 --> 00:33:36.810

Sidharth Shah: Yeah. Hi, thanks for taking my question.

176

00:33:37.240 --> 00:33:42.570

Sidharth Shah: You know one was in our components. How much of the total valve

177

00:33:42.680 --> 00:33:49.130

Sidharth Shah: cost would be, you know, attributed attributable to the components we supply, and.

178

00:33:49.130 --> 00:33:51.549

Shrinivas Kole: Yeah. Yeah. Please go on, sir.

179

00:33:51.550 --> 00:33:53.540

Sidharth Shah: No, no, please continue. Then I can ask the next one.

180

00:33:53.670 --> 00:34:13.830

Shrinivas Kole: Okay? So the so for every wall, we manufacture all types of wall components. But we, a few of our customers, buy some components from us few of the customer by some other wall components from us. So you know. But speaking as a total around 50 to 60% of a wall has the wall components in it

181

00:34:14.600 --> 00:34:16.349

Shrinivas Kole: of the wall cost, I mean.

182

00:34:17.449 --> 00:34:19.189
Sidharth Shah: Is the components you supply.

183
00:34:20.320 --> 00:34:22.210
Shrinivas Kole: Yeah, we can supply everything.

184
00:34:23.770 --> 00:34:27.079
Sidharth Shah: But when, say, when you get an order for a valve

185
00:34:27.460 --> 00:34:33.779
Sidharth Shah: broadly, about whatever 40 to 60% of that total cost of the valve is the components you supply.

186
00:34:33.780 --> 00:34:34.560
Shrinivas Kole: Yes.

187
00:34:35.025 --> 00:34:53.500
Shrinivas Kole: sir, we supply, as in. We can manufacture all types of wall components. But if a manufacturer is manufacturing ball wall, sometime he might take a ball from us, you know. Maybe they have some customers also have their, you know, facilities. They have some other strategies, so it depends on the customer to customers.

188
00:34:53.560 --> 00:35:02.260
Shrinivas Kole: but given a chance if we we also supply in kits to many of the customers. Yes, sir, we can. Around 40 to 60%, you can see.

189
00:35:03.110 --> 00:35:04.210
Shrinivas Kole: Got it again. This

190
00:35:04.210 --> 00:35:25.109
Shrinivas Kole: strategy, the strategy of the customer changes because, according to the wall, sir, so what type of wall it is the order is in the application of the order. Maybe it is domestic or export, even if it is domestic, what is the application? The criticality of that project, the criticality of the material. So it depends everything on that, Sir.

191
00:35:26.890 --> 00:35:27.500
Sidharth Shah: Part of it.

192
00:35:27.720 --> 00:35:36.100
Sidharth Shah: And you know, just maybe one basic question. But why is there so much of a focus on forging for the components, and not so much on castings.

193
00:35:36.240 --> 00:35:37.780
Shrinivas Kole: Because of the line

194
00:35:38.210 --> 00:35:45.270

Shrinivas Kole: quality, the quality, and the strength that you get in forging. Casting won't be able to cater that much, sir.

195

00:35:45.410 --> 00:35:54.079

Shrinivas Kole: again, if the application, if, again, if the application is not so critical, they will allow costing as well, so not an issue.

196

00:35:55.690 --> 00:35:57.310

Sidharth Shah: Okay, got it?

197

00:35:57.850 --> 00:36:04.959

Shrinivas Kole: But if you say that it is a forging wall, everyone will say, Okay, so they know that the quality is taken care of.

198

00:36:06.910 --> 00:36:12.480

Sidharth Shah: Understand? And maybe just the last question, you know, do you have some sense like in a while?

199

00:36:12.520 --> 00:36:17.340

Sidharth Shah: Say, you supply X components? Maybe a competitor supplies, you know. Y components.

200

00:36:17.420 --> 00:36:23.120

Sidharth Shah: how many valve component suppliers would there be? For you know, a typical valve

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00:36:23.140 --> 00:36:26.790

Sidharth Shah: like 2, 3 suppliers, one, you know 5.

202

00:36:27.273 --> 00:36:28.100

Sidharth Shah: Any number.

203

00:36:28.100 --> 00:36:38.230

Shrinivas Kole: Depends on customer to customer, sir. But yeah, there are some so there, there are some other suppliers also. So again, the if

204

00:36:38.360 --> 00:36:58.050

Shrinivas Kole: depends on the capacity of that customer. What types of wall they manufacture, what type of materials types of wall they serve. If it is a basic wall. Then, you know, there might be some different procurement strategy for them. If it is a you know, special wall or a critical wall that might be a different strategy for them.

205

00:37:00.280 --> 00:37:01.730

Sidharth Shah: Got it. Thank you.

206

00:37:12.698 --> 00:37:15.169

Finportal: Mr. Dhamodar, you can ask your question now.

207

00:37:19.651 --> 00:37:26.509

Damodar Baliga: Good evening. Thanks for the opportunity, sir. My 1st question is, how is the raw material prices, sir?

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00:37:26.740 --> 00:37:31.630

Damodar Baliga: Has it come down, and has it affected our top line figures also.

209

00:37:33.920 --> 00:37:49.460

Shrinivas Kole: Sir, because we maximum work with you know, po to po and quotation to quotation the raw material prices whenever the the live trend of the prices are taken care every time Sir.

210

00:37:50.910 --> 00:37:55.940

Damodar Baliga: So, but but the prices have come down because steel, I was told it has come down so I.

211

00:37:55.940 --> 00:38:11.920

Shrinivas Kole: Yes, sir, it has. It has a bit come down. Not very much, sir, but it was in downline trade, but again it was in upland trade. So it is changing. But the what we can say that the dynamism of the change in material prices have been very steady now.

212

00:38:12.140 --> 00:38:20.280

Shrinivas Kole: before. 2 years ago it was very in on the extreme stages, but right now it has been in a steady decline or rise. Both have been steady.

213

00:38:20.730 --> 00:38:23.810

Damodar Baliga: Okay, so your machining capacity.

214

00:38:24.878 --> 00:38:29.539

Damodar Baliga: Is it possible to share what is the capacity? Utilization? As on September.

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00:38:30.082 --> 00:38:34.190

Shrinivas Kole: Somewhere around 68 to 66 to 68%, sir.

216

00:38:35.150 --> 00:38:41.170

Damodar Baliga: So so now let's say the whatever you know, the h 1 figures that you made

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00:38:41.270 --> 00:38:43.310

Damodar Baliga: around 37 crores.

218

00:38:43.790 --> 00:38:44.160

Shrinivas Kole: That's it.

219

00:38:44.160 --> 00:38:47.220

Damodar Baliga: And now this forging plan which has come up

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00:38:47.570 --> 00:38:53.620

Damodar Baliga: now you have said, you know part of it will be used for your own. You know the

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00:38:53.650 --> 00:38:57.879

Damodar Baliga: existing products only where you used to earlier outsource.

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00:38:58.450 --> 00:39:10.460

Damodar Baliga: so that part it will not contribute to the revenues only where company in a customer asks for only forging. Then only you know that part of the work would contribute to the revenue. Correct.

223

00:39:11.220 --> 00:39:25.109

Shrinivas Kole: For the forging plan. Revenue. Yes, sir, but also because our forging capabilities are enhanced. So current customers also will start buying full finished components a bit more, so that will indirectly add to the revenue itself. Sir.

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00:39:25.330 --> 00:39:25.840

Damodar Baliga: Fine, sir!

225

00:39:25.840 --> 00:39:30.490

Shrinivas Kole: But as a direct revenue. No, sir, indirectly through this plan. Obviously. Yes, sir.

226

00:39:30.550 --> 00:39:43.209

Damodar Baliga: Agreed. So so what I'm trying to figure out is like, let's say, if you have done 40 crores, I'm just taking approximate figure 40 crore with the 68 or percent capacity, or say 70%.

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00:39:43.450 --> 00:39:46.889

Damodar Baliga: So that means the remaining 30% means a.

228

00:39:47.000 --> 00:39:51.009

Damodar Baliga: we can do around 70 to 80 crores from the current facilities.

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00:39:52.610 --> 00:39:56.139

Shrinivas Kole: I would say more than that. But again.

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00:39:56.140 --> 00:39:59.400

Damodar Baliga: Then, approximately, I'm saying again, plus or minus depends on that.

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00:39:59.400 --> 00:40:11.740

Shrinivas Kole: We can do more than that. So but again, I would like to mention that we are not into mass products. Manufacturing, sir. We are into batch order, job order and project type manufacturing.

232

00:40:11.740 --> 00:40:31.090

Shrinivas Kole: So because the setting time, the variance of the materials, the variance of the sizes it's very dynamic situation. Because if if you take a component called ball, a half inch ball, if in a particular in material, a will take X time material. B will take y time material. C will take z time.

233

00:40:31.170 --> 00:40:50.309

Shrinivas Kole: So it again depends on the you know the criticality. If the precision requirement on that ball. If a customer has, you know, low application or not so critical application, a half inch ball can also be manufactured in 50 microns precision, or also 10 microns precision. So all depends on that, sir.

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00:40:50.310 --> 00:40:59.759

Damodar Baliga: I agree with you, sir, but all said and done, if the complexities increases, what you're trying to tell us is that you know the numbers decrease accordingly. Right.

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00:41:00.572 --> 00:41:05.880

Shrinivas Kole: The number of manufacturing decreases, but again, it also contributes in the revenue as well. Right.

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00:41:05.880 --> 00:41:10.530

Damodar Baliga: Exactly. That's what I'm saying. It'll get compensated by the higher price for that product. Correct.

237

00:41:10.880 --> 00:41:11.500

Shrinivas Kole: Yeah, yeah.

238

00:41:11.500 --> 00:41:21.519

Damodar Baliga: So I know it is very difficult to gauge. But I'm just giving you an approximately maybe current facilities can give us, you know, around 80 plus or minus 10 here and there. Correct.

239

00:41:22.247 --> 00:41:29.400

Shrinivas Kole: I cannot come in and quantify it. But yeah, our facilities will be able to cater more, more top line.

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00:41:29.400 --> 00:41:35.409

Damodar Baliga: Okay. Now, last question is, see other than these 2 facilities facilities that you have.

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00:41:35.680 --> 00:41:43.570

Damodar Baliga: I think, in the agm or somewhere you had mentioned that, you know you have taken 2 more places on lease.

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00:41:44.560 --> 00:41:59.950

Shrinivas Kole: No, sir, not only we have our own land parcel. So if you have heard heard a question from, I think, Mister Ayush, he asked, that we have more land parcel. And what are your plan? So we are still in brainstorming stage on what? To how to utilize the land, Sir.

243

00:41:59.950 --> 00:42:03.410

Damodar Baliga: So this land is under the Company's name, or the promoters.

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00:42:03.410 --> 00:42:07.990

Shrinivas Kole: No, sir, all the lands are in company's name, sir, no land is in promoter's name, Sir.

245

00:42:07.990 --> 00:42:10.569

Damodar Baliga: Okay. Now, these 2 landpass. How big are they, sir?

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00:42:11.460 --> 00:42:17.720

Shrinivas Kole: Total around somewhere around 40 60,000 square feet, sir.

247

00:42:17.850 --> 00:42:20.790

Damodar Baliga: So they're bigger than what you currently have. Right?

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00:42:21.320 --> 00:42:23.150

Shrinivas Kole: Hmm, yeah. Double.

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00:42:23.150 --> 00:42:36.299

Damodar Baliga: Double, almost sorry you are so 80,000, so 60,000. So as and when you sense that the current facilities you are already filled with the complete order. You can plan out accordingly for the future expansion.

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00:42:36.300 --> 00:42:37.630

Shrinivas Kole: That's right, sir. That's right.

251

00:42:37.630 --> 00:42:43.830

Damodar Baliga: So when you want to expand, will you go to the expand in the existing products itself, or

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00:42:43.940 --> 00:42:47.989

Damodar Baliga: any other plans getting into different products or anything.

253

00:42:48.510 --> 00:43:13.650

Shrinivas Kole: I can also already mentioned, sir, we are, expanding our portfolio by verticals and horizontal as well. So horizontal will be obviously our current product lines adding sizes and products and vertical will be new products, and already farm and defense have been already. We are still gauging few more. How we can add the verticals in case needed. That's what it's still in brainstorming and planning stage, sir. Okay.

254

00:43:13.650 --> 00:43:25.789

Damodar Baliga: No, agreed, no, no! Why? My question? Why, I'm asking that question is, sir, you may be, if you are not touching 80 to 90 crores during the current year. You will definitely reach that figure next year.

255

00:43:25.890 --> 00:43:35.099

Damodar Baliga: So that means both your current facilities would be under 100%. You know, practically possible utilization in Fy 26.

256

00:43:35.240 --> 00:43:49.449

Damodar Baliga: So that means for Fy 27. If we want to see some growth in the revenues, you will have to start planning something immediately, so that the new facilities would be ready by end of next financial year. Right.

257

00:43:50.120 --> 00:43:51.120

Shrinivas Kole: Right, sir!

258

00:43:51.120 --> 00:43:55.480

Damodar Baliga: Correct. So so as and when you decide how much time it would take to put up the new facility, Sir.

259

00:43:56.512 --> 00:43:58.149

Shrinivas Kole: Yes, I mean around a year.

260

00:43:58.150 --> 00:44:03.190

Damodar Baliga: So that means you will have to finalize before the end of the current financial year. Right?

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00:44:03.700 --> 00:44:04.590

Shrinivas Kole: Yeah.

262

00:44:04.870 --> 00:44:07.979

Damodar Baliga: Yes, okay, okay, thank you very much, and wish you all the best.

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00:44:08.130 --> 00:44:08.889

Shrinivas Kole: Thank you, sir.

264

00:44:11.920 --> 00:44:14.480

Finportal: We'll take the next call from Mr. Vince.

265

00:44:16.600 --> 00:44:17.260

Vins Rafaliya: Hello!

266

00:44:18.910 --> 00:44:30.680

Vins Rafaliya: So my question was on the forging plant which you mentioned. The what sort of the Ebitda margins will be there after the we use that plant for our own purpose.

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00:44:31.910 --> 00:44:39.569

Shrinivas Kole: It will still be the not not same, but only the past Ebitda cycle will be taken care.

268

00:44:40.780 --> 00:44:46.850

Vins Rafaliya: Means the revenue means the Ebitda margin won't be getting appreciated.

269

00:44:47.985 --> 00:45:00.500

Shrinivas Kole: Sir, not immediately, maybe in the longer run. Yes, but still the the full utilization, and all is taken care till that it won't have in longer run. Yes, it will surely have the impact, sir, but in shorter run no.

270

00:45:00.730 --> 00:45:06.170

Vins Rafaliya: You can just quantify. What sort of impact would it get on the Ebitda line?

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00:45:06.690 --> 00:45:08.800

Shrinivas Kole: Sorry, sir, I won't be able to quantify.

272

00:45:09.110 --> 00:45:11.959

Vins Rafaliya: Means on the percentage terms. I mean that.

273

00:45:13.923 --> 00:45:15.090

Shrinivas Kole: One second.

274

00:45:17.020 --> 00:45:23.130

Vins Rafaliya: And on the order book side, what is the total order we we have secured till date from a year start.

275

00:45:24.250 --> 00:45:25.490

Shrinivas Kole: From your start.

276

00:45:25.490 --> 00:45:26.260

Vins Rafaliya: Yes.

277

00:45:28.740 --> 00:45:35.470

Shrinivas Kole: Yeah, I don't know. I would be able to say 4

278

00:45:36.350 --> 00:45:38.459

Shrinivas Kole: somewhere around 50, 55, sir.

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00:45:39.130 --> 00:45:49.489

Vins Rafaliya: And we have executed means the total current unexecuted order book is around 15. So I guess around 40 cr. Of order we have executed right.

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00:45:49.720 --> 00:45:50.590

Shrinivas Kole: Yes, sir.

281

00:45:51.240 --> 00:45:52.760

Vins Rafaliya: Okay. Okay.

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00:45:59.780 --> 00:46:02.360

Finportal: Mr. Ayush, you can ask your question now.

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00:46:05.770 --> 00:46:06.999

Ayush Mittal: Am I audible?

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00:46:09.250 --> 00:46:10.319

Shrinivas Kole: Yes, sir, you are.

285

00:46:10.320 --> 00:46:18.139

Ayush Mittal: Yeah, Graham, sir. 1st of all, thank you for patiently answering all the questions and taking us investors through the details.

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00:46:18.556 --> 00:46:24.949

Ayush Mittal: I've been an investor since last few months, and it's a pleasure to see your enthusiasm in the company.

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00:46:25.394 --> 00:46:27.990

Ayush Mittal: I was also a participant at the Agm.

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00:46:28.330 --> 00:46:28.760

Shrinivas Kole: Right, so.

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00:46:29.500 --> 00:46:59.309

Ayush Mittal: So 1st thing which I want to understand is like when we talk about walls and wall parts. It's a very critical thing to manufacture, and like you were saying that there are several skews, and there's criticality difference between different skews and all. So can you try to share us as to how critical our general product ranges, or how much of our product ranges would fall into a normal category, or in a very critical category, or or something like a value added or not

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00:46:59.310 --> 00:47:00.390

Ayush Mittal: normal category.

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00:47:01.260 --> 00:47:27.470

Shrinivas Kole: All our products are in the critical ranges itself, but there are few times non critical, so the manufacturing is the same. So, like I mentioned, a ball has to be manufactured sometimes, according to the

application below 10 microns. If it is a metal seated type wall, we have to manufacture that below 10 micron. But if it is a floating ball wall we can manufacture somewhere around 20 microns as well. So the criticality is there but few more criticality in new products. That's what such

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00:47:27.870 --> 00:47:34.670

Shrinivas Kole: depending on. So the wall completely, the wall industry completely depends on the application.

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00:47:35.600 --> 00:47:40.350

Shrinivas Kole: So while designing of the wall starts, it always starts with the application of that wall.

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00:47:40.350 --> 00:47:58.999

Ayush Mittal: Yes, like, if you have to classify your company into like in how much of the products would you be facing a lot of competition or good competition, and how many, how much of your business would be? Something which you can see is something very critical, and you have a lead over others, or you are the preferred supplier. Something like that.

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00:47:59.490 --> 00:48:24.470

Shrinivas Kole: For ball. I am for sure the preferred supplier for stem. I am for so, because I deal with many butterfly wall in butterfly. Also there are double offset wall, butterfly wall, triple, offset butterfly wall control wall. There are various types. There's plug wall. There are various types in ball wall, also floating ball wall, mounted ball wall, metal, seated ball wall again, like I mentioned in ball. Also

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00:48:24.470 --> 00:48:31.279

Shrinivas Kole: there are many types. So we we cater all the skews, and you know everything.

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00:48:31.280 --> 00:48:42.140

Shrinivas Kole: So there are computers in pockets, but not as big as us. I would say. Not that I know, or in my public opinion, or in my public scenario.

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00:48:42.140 --> 00:48:55.740

Ayush Mittal: So given the criticality of a product like when I look at something similar companies or other companies that do critical thing, I usually see that the margins operating margin usually are much higher around 20% or plus.

299

00:48:56.710 --> 00:48:59.530

Ayush Mittal: For us. Why do you think the margin profile is

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00:48:59.930 --> 00:49:08.379

Ayush Mittal: what it is as of now? Why, we are facing these margin pressures, and what are we doing in the longer term to reach? Maybe a 20% kind of a number.

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00:49:09.402 --> 00:49:38.079

Shrinivas Kole: Not the quantifiable to increase increase and enhance our margin cycles. Already the operational cycle operational efficiencies are to be worked on, sir. So the reason we wanted to enroll engineering department in our organization was to take care about the processes, sir. So everything in the conversion so we, as a management, are already always of this mentality or of this culture, that â, '1 saved is â, '1 earned.

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00:49:38.110 --> 00:49:48.279

Shrinivas Kole: So whatever we save in this or processes also will be added. So operational efficiencies is one of the parts, sir, and also, you know.

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00:49:48.610 --> 00:50:13.129

Shrinivas Kole: utilizing the manpower effectively the capacity. So because of the dynamism, how we can add, you know, industry 4.0. If we are able to add, we are also checking that also, you know, centralized programming and everything. So there are various small small shift. How we can improve the Otd if we can deliver the customer in lower you know, lead times

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00:50:13.130 --> 00:50:35.660

Shrinivas Kole: so as to you know, which can also take out the strain on the capacity and also help us, you know, working capital and everything, so that there are various small small things that we are taking, sir. And that's why we are also taking operational like, I mentioned professional help also to improve our processes, sir, because right now, whatever growth we have done, it has been done all by

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00:50:35.660 --> 00:50:39.119

Shrinivas Kole: mainly 90% less by the internal team

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00:50:39.750 --> 00:50:46.740

Shrinivas Kole: also to, because for now we have to grow exponentially, there are some plans in place already.

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00:50:47.050 --> 00:50:59.739

Ayush Mittal: Got it. Got it so, sir. If we see our export like you said this year, we have done 40% in h. 1. So I think the export is growing faster for us versus the domestic. Is that right?

308

00:50:59.740 --> 00:51:00.789

Shrinivas Kole: That's right. That's right.

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00:51:00.790 --> 00:51:15.710

Ayush Mittal: So what is driving that? Who are the new customers, we have added? Were the key customers in this geography? And what are the key drivers for you that this growth or the opportunity that you're seeing that big growth can happen. Why, you are seeing that opportunity. And what is driving that.

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00:51:16.390 --> 00:51:25.779

Shrinivas Kole: One is the like I mentioned. Maximum of our orders are the repeat order, sir, so once the customer gets confidence, they place it immediately.

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00:51:25.780 --> 00:51:49.689

Shrinivas Kole: So we have been also working with many global Mncs. I have already mentioned the names. So if India plant of that entity is saying that you know we procure from them, and they are doing that. So their German or us counterpart will say, Oh, is it? And now we have to also procure from India. So it is okay, I'll go to them. So that sounds so also, we have.

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00:51:50.414 --> 00:52:12.860

Shrinivas Kole: you know, enrolled a key account management plan from last year, which we are also strengthening. Our relationship. Already, see, relationship with customers has been the driving force from 1993 or from the inception of this company, but we are strengthening it through more defined processes and everything. And also because we are dealing with more Mncs and everything.

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00:52:12.860 --> 00:52:16.670

Shrinivas Kole: So our global visibility is increasing. That foot. What I would say.

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00:52:17.000 --> 00:52:29.400

Shrinivas Kole: and also the external parameters like, you know, confidence and policy of you know, making India and everything so globally. Acceptance for Indian products has been enhanced in last few years.

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00:52:29.820 --> 00:52:37.510

Ayush Mittal: And who will be the new key customers that we we have been able to add, or and who are our top? 5 customers if you can name them.

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00:52:37.750 --> 00:52:39.459

Shrinivas Kole: Yeah. I already named them, sir.

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00:52:40.190 --> 00:52:40.920

Ayush Mittal: Okay?

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00:52:41.110 --> 00:52:52.890

Ayush Mittal: And so given that. So you're doing so many things. And you want to grow. Is there any turnover number that you have in mind in 3 years, or for this year, that you wish to aim to reach.

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00:52:53.662 --> 00:52:58.380

Shrinivas Kole: I would be willing for exponential growth. I'm sorry I wouldn't be.

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00:52:58.380 --> 00:53:07.500

Ayush Mittal: Exponential like, if we see our numbers in last 3, 4 years, maybe we have doubled our business. So do you believe that the same thing you aim to do in next 3, 4 years.

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00:53:08.200 --> 00:53:09.019

Shrinivas Kole: Yeah, yeah.

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00:53:09.910 --> 00:53:12.470

Ayush Mittal: Okay. Okay. Okay. Thank you, sir.

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00:53:18.905 --> 00:53:23.570

Finportal: Sir, we have a few questions from Mr. Abhishek, but he is not.

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00:53:24.240 --> 00:53:29.109

Finportal: He's unable to ask the ask those questions, so I'll be asking the questions on his behalf.

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00:53:31.620 --> 00:53:38.020

Finportal: The 1st question is, can you please share segmental, mix, and geographic. Mix for h. 1 Fy. 25.

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00:53:38.590 --> 00:53:39.300

Shrinivas Kole: Sorry.

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00:53:40.460 --> 00:53:46.209

Finportal: Can you please share segmental, mix, and geographic. Mix for h. 1 Fy. 25.

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00:53:46.930 --> 00:53:58.379

Shrinivas Kole: So the geographical mix, I would say Major, was from Southeast Asia, and then the Europe, and then the United States. That were the 3 major geographical areas we have served.

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00:53:58.400 --> 00:54:04.900

Shrinivas Kole: and the segmental maximum from the ball wall, and then from the control wall, and butterfly, one.

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00:54:07.010 --> 00:54:10.750

Finportal: The next question is, which sectors have done well for us.

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00:54:10.870 --> 00:54:13.960

Finportal: Bandwidth sectors are muted in h. 1 fi. 25.

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00:54:14.570 --> 00:54:27.549

Shrinivas Kole: No, so oil and gas has been a dominant sector, and it has been growing continuously and increasing. And, like I mentioned, Pharma and defense are the newly added sector, which we are confident will grow in

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00:54:27.930 --> 00:54:29.210
Shrinivas Kole: next few years.

334
00:54:30.980 --> 00:54:40.940
Finportal: Okay. What is the current capacity and capacity? Utilization is the capacity expansion done? And what is the new capacity after expansion?

335
00:54:41.460 --> 00:54:49.420
Shrinivas Kole: I've already mentioned that the utilization and everything, while I answer the previous question from the the last year we have bought

336
00:54:49.910 --> 00:54:51.320
Shrinivas Kole: I think, around

337
00:54:51.660 --> 00:55:13.260
Shrinivas Kole: 10 odd numbers of machines out of which 7 have been installed with the capacity has increased. So when I see capacities increase for us, it is not number, it is either the efficiency. It is either the some process which we were doing outsource have been in house, or some you know, speed up speed up of the component. So that's how we have increased the capacity.

338
00:55:15.480 --> 00:55:22.880
Finportal: Okay? We have current order book of rupees, 15.2 4 crores to be executed in 6 to 8 weeks.

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00:55:22.960 --> 00:55:27.290
Finportal: This means that we have revenue run rate of 7.5 cr. A month.

340
00:55:27.420 --> 00:55:29.129
Finportal: Is the understanding correct?

341
00:55:31.870 --> 00:55:34.999
Shrinivas Kole: Then that I would say, Yeah, right now it's right.

342
00:55:36.570 --> 00:55:37.620
Finportal: Okay.

343
00:55:38.014 --> 00:55:43.010
Finportal: Is there seasonality in our business? Is H. 2 better than h. 1.

344
00:55:44.010 --> 00:55:44.979
Shrinivas Kole: Yes.

345
00:55:49.770 --> 00:55:51.639
Shrinivas Kole: yes, H. 2 is better than h 1.

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00:55:51.660 --> 00:55:53.010

Shrinivas Kole: That's been the trend.

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00:55:53.855 --> 00:56:02.159

Finportal: Okay. Last question is, what is revenue growth and ebitda percentage guidance for Fy. 25, and Fy 26.

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00:56:03.060 --> 00:56:07.619

Shrinivas Kole: We will be positively growing, and we'll be achieving growth.

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00:56:12.410 --> 00:56:15.309

Finportal: Okay, Mr. Preet, you can ask your question now.

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00:56:15.900 --> 00:56:17.810

PREET BHUPTANI: Hi, sir, I'm audible.

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00:56:20.940 --> 00:56:22.699

Shrinivas Kole: Yes, Preet, you are audible.

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00:56:23.207 --> 00:56:36.879

PREET BHUPTANI: Good afternoon for taking my question, and thank you for the opportunity I have noticed in your balance sheet that last year we have added a new building worth rupees, 4.4 cr. And we have added a solar plant at valued at one cr.

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00:56:37.100 --> 00:56:41.189

PREET BHUPTANI: And we have also added a land of 1.6 years?

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00:56:41.280 --> 00:56:45.840

PREET BHUPTANI: Are we in the position to add new plant, or is it for the 4 rings only.

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00:56:46.690 --> 00:57:04.300

Shrinivas Kole: No, no! The the new plant was the forging plant itself. That was the cost incurred for the construction of the plant. The you know the shade and the foundation and everything, and the solar plant was also already taken from the Ipo process. So to all, both of our plants are now solar equipped.

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00:57:05.390 --> 00:57:09.170

PREET BHUPTANI: Okay. Both of the plant are solar equipped from the roof itself.

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00:57:09.380 --> 00:57:10.920

PREET BHUPTANI: Yes, sir, yes, sir.

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00:57:10.920 --> 00:57:16.689

PREET BHUPTANI: So at currently we are not planning for any new plant after 2. After this one at 2.

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00:57:17.883 --> 00:57:30.439

Shrinivas Kole: Not immediately, sir, but like I said, whatever and however the ex, the you know, expansion plans will be defined that will derive and guide our expansion. Plans.

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00:57:32.350 --> 00:57:34.099

PREET BHUPTANI: That's from my side. Thank you.

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00:57:34.700 --> 00:57:35.679

Shrinivas Kole: Thank you so much.

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00:57:46.240 --> 00:57:48.559

Finportal: Mr. Rohit, you can ask your question now.

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00:57:50.380 --> 00:57:52.100

rOHIT UNADKAT: Hello! I'm audible.

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00:57:53.790 --> 00:57:54.950

rOHIT UNADKAT: Hello! Am I audible?

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00:57:54.950 --> 00:57:55.659

Shrinivas Kole: This is, you are.

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00:57:56.392 --> 00:58:11.869

rOHIT UNADKAT: So any specific reason why? We do not want to give any financial. What figures are we planning to go for this year, because we see a lot of companies giving financial numbers for the year. So any specific reason, we are not advising the figures.

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00:58:13.150 --> 00:58:17.849

Shrinivas Kole: Sorry I was unable to hear properly. There are. There is some disturbance from your side.

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00:58:17.850 --> 00:58:31.580

rOHIT UNADKAT: What I want to, what I wish to ask or want to know. Your perspective is any specific reason. Do we have, while we are not giving any. You know what financial figures are we estimating for this year? Because we see a lot of companies giving this figures

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00:58:31.820 --> 00:58:37.520

rOHIT UNADKAT: an estimation of figures we can just give us, so that that can be a motivation for us to remain invested.

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00:58:38.590 --> 00:58:50.489

Shrinivas Kole: Okay, maybe I'll come back to you, sir. But there is no specific reason, sir, but we have been like, it's still a confidential information, and we'll be making it public, maybe at the right moments.

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00:58:53.790 --> 00:58:59.779

rOHIT UNADKAT: Okay, because I think by going by the numbers of each one you should try to give. But anyways, good luck. Thank you.

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00:58:59.780 --> 00:59:05.079

Shrinivas Kole: Okay, sir. Your point is very well. Very well noted, sir. We will think on it for sure.

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00:59:08.260 --> 00:59:16.620

Finportal: Sir, we have one more question from Mr. Abhishek for whole year generally, what percentage of revenue contribution comes from? H. 2.

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00:59:19.100 --> 00:59:19.900

Shrinivas Kole: More than

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00:59:23.450 --> 00:59:27.040

Shrinivas Kole: it's more than h 1 i'll have to see.

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00:59:27.250 --> 00:59:30.709

Shrinivas Kole: I would say more than more than 50.

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00:59:32.120 --> 00:59:34.120

Shrinivas Kole: Yeah, more than 50%.

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00:59:45.433 --> 00:59:47.859

Finportal: Mr. Lakshman, you can ask your question now.

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00:59:48.320 --> 00:59:54.219

Lakshman Kumar: Yeah, I had a very similar question to the previous server previous.

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00:59:54.979 --> 01:00:00.629

Lakshman Kumar: Caller so what is the percentage of revenue? Split

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01:00:00.910 --> 01:00:06.190

Lakshman Kumar: with h, 1 and H. 2. Is it a 35, 65, or a 40, 60.

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01:00:07.250 --> 01:00:09.359

Shrinivas Kole: I think I've already answered your question.

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01:00:12.180 --> 01:00:14.380

Lakshman Kumar: No, you said 50%. So is it.

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01:00:14.380 --> 01:00:15.779

Shrinivas Kole: More than 50%.

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01:00:16.540 --> 01:00:21.729

Lakshman Kumar: So what what do you mean by that? Is it 40, 60, or is it 50? 50?

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01:00:23.030 --> 01:00:25.010

Shrinivas Kole: Yeah, somewhere, around 46.

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01:00:26.740 --> 01:00:27.520

Lakshman Kumar: Okay?

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01:00:27.780 --> 01:00:34.719

Lakshman Kumar: And yeah, I mean, what do? What is the guidance for? Fi. 25, sir? Most of the companies gives that

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01:00:34.870 --> 01:00:37.840

Lakshman Kumar: right? There is. There is nothing

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01:00:38.030 --> 01:00:56.229

Lakshman Kumar: I don't know. I mean, there is nothing wrong in telling the guidance. What you are looking at, because the 1st half has been really very muted with so much of growth expectations right from all the investors. I think it. It was

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01:00:57.080 --> 01:00:59.210

Lakshman Kumar: kind of a little bit disappointing.

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01:00:59.870 --> 01:01:06.749

Lakshman Kumar: But we understand, I think, the business will have its own ups and downs right?

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01:01:07.408 --> 01:01:12.999

Lakshman Kumar: But so with with this additional capacity what is the

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01:01:13.220 --> 01:01:18.700

Lakshman Kumar: utilization maximum utilization? You can go up to, sir. With.

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01:01:19.098 --> 01:01:22.329

Lakshman Kumar: You. You will have a lot of thoughts before.

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01:01:22.707 --> 01:01:30.480

Lakshman Kumar: A lot of strategies and the plans you would have made before going in for the adding the additional capacities. Right?

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01:01:30.550 --> 01:01:46.769

Lakshman Kumar: So with that thoughts, can you give us some idea in terms of that. What is the maximum utilization you will normally go with? And if for that utilization, what is the revenue expectations we can make.

398

01:01:49.123 --> 01:02:16.359

Shrinivas Kole: We can go a bit more from the capacity utilization side, because seeing the product types and everything, we will be improving in future. Because it's a. It's a long process. It's it's a it's a long process. It's it's not that in fortnightly we do some changes, and it adds up. So it's a long process, and we are taking efforts for improving our capacity. Capacity, utilization.

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01:02:20.520 --> 01:02:23.589

Lakshman Kumar: No, sir, so my my question. Let me rephrase this.

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01:02:23.600 --> 01:02:26.812

Lakshman Kumar: Say, now you have 3 hammers and

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01:02:27.770 --> 01:02:32.990

Lakshman Kumar: and additional capacity in terms of servicing. Right?

402

01:02:33.120 --> 01:02:44.350

Lakshman Kumar: So with, let's assume that you will be able to make, say, 80%, 90% in your file, 26 or 27, whatever it is right. I don't want to know the dates.

403

01:02:44.894 --> 01:02:53.979

Lakshman Kumar: But with your current, the additional capacity, if we have to say, achieve 90% of that utilization.

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01:02:54.050 --> 01:03:01.329

Lakshman Kumar: If we achieve that 90% of the utilization, what would be the revenue which this capacity can generate

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01:03:02.510 --> 01:03:09.219

Lakshman Kumar: for the company? A ballpark figure, I mean, you don't have to be really a hundred percent right?

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01:03:11.410 --> 01:03:17.210

Shrinivas Kole: It will be exponential. Better, more than this, sir.

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01:03:17.440 --> 01:03:24.289

Shrinivas Kole: it will be exponential, because 90% is someone who we see as an ideal capacity, utilization.

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01:03:27.690 --> 01:03:30.031

Lakshman Kumar: Yeah, but some numbers are

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01:03:31.690 --> 01:03:37.830

Lakshman Kumar: like, right now we are doing, say, 40 crores per in a half. Right?

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01:03:37.840 --> 01:03:43.050

Lakshman Kumar: So even if you extrapolate with the same utilization. It's 80 close

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01:03:43.150 --> 01:03:50.590

Lakshman Kumar: per year, right? If you make, say, if you take an example of maybe a 75 utilization.

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01:03:50.660 --> 01:03:53.349

Lakshman Kumar: then what what is the revenue

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01:03:53.710 --> 01:04:04.050

Lakshman Kumar: number the company can our company can hit if it is in the same utilization, or 75% utilization, with the additional capacity.

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01:04:06.440 --> 01:04:09.089

Shrinivas Kole: I'll I'll check and get back to you, sir.

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01:04:10.130 --> 01:04:11.840

Lakshman Kumar: Okay, thanks.

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01:04:13.560 --> 01:04:14.949

Lakshman Kumar: Okay. Thank you.

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01:04:15.490 --> 01:04:16.310

Shrinivas Kole: Thank you, sir.

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01:04:25.921 --> 01:04:31.550

Finportal: I would now like to hand the conference over to Sriniva, sir, for the closing comments.

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01:04:35.970 --> 01:04:52.430

Shrinivas Kole: Thank you. One second. So I, on behalf of Sri Balaji Wall Conference, Limited again. Thanks. All the investor and the attendees of this call for listening to us and for attending, and you know, for the faith in Sri Balaji Wall Comforts Limited.

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01:04:52.430 --> 01:05:06.449

Shrinivas Kole: I would like to say that we are here with a long term vision to grow and you know, to grow and grow. That's what we are here. That's the reason I, as a second generation entrepreneur have joined the legacy created by the 1st generation.

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01:05:06.450 --> 01:05:19.109

Shrinivas Kole: and we would like to also extend our heartfelt thanks to these shareholders for having faith in us, and we look forward for the same in the near and the longer future. Thank you once again over to you, Sadi.

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01:05:20.975 --> 01:05:24.660

Finportal: Thank you. Everyone for joining. You may now leave the meeting.