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M M FORGINGS LIMITED

CORPORATE OFFICE: SVK TOWERS, 8TH FLOOR,
A25 INDUSTRIAL ESTATE, GUINDY, CHENNAI - 600032, INDIA.

Date: 21 August 2026

The Deputy General Manager Corporate Relationship Department. Bombay Stock Exchange Limited, Rotunda Building, P.J. Towers, First Floor, New Trading Wing, Dalal Street, MUMBAI –400 001	National Stock Exchange of India Ltd 'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051

Dear Sirs,

Ref.: **NSE: security code- MMFL –EQ; BSE: Security Code -522241**

Sub.: **Compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Analyst/ Investor call**:

Please find enclosed the Transcript of the Analyst/ Investor post results conference call held on 17 August 2026 on the unaudited Financial Results for the quarter ended 30 June 2026. The results were approved in the Board Meeting held on 14 August 2026.

We request to take the same on records.

Thanking you,

Yours faithfully,
For M M FORGINGS LIMITED

Muthukrishnan S
Digitally signed by Muthukrishnan S
Date: 2026.08.21 17:37:37 +05'30'

S.Muthukrishnan
Company Secretary
Encl: as above

"MM Forgings Limited
Q1 FY27 Earnings Conference Call"
August 17, 2026

MANAGEMENT: **MR. VIDYASHANKAR KRISHNAN – CHAIRMAN AND MANAGING DIRECTOR – MM FORGINGS LIMITED**
MR. R. RAGHUNATHAN – CHIEF FINANCIAL OFFICER – MM FORGINGS LIMITED

MODERATOR: **MR. DINESH KUMAR – 360 ONE CAPITAL MARKET PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to MM Forgings Limited Q1 FY27 Earnings Conference Call, hosted by 360 ONE Capital Market Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dinesh Kumar from 360 ONE Capital. Thank you, and over to you, sir.

Dinesh Kumar: Thanks, ma'am. Welcome to MM Forgings Limited 1Q FY27 Post Results Conference Call. From the management side, we have with us today Mr. Vidyashankar Krishnan, Chairman and Managing Director; and Mr. Raghunathan, Chief Financial Officer.

I will now hand over the call to Mr. Vidyashankar Krishnan for the opening remarks, to be followed by question-and-answer session. Over to you, sir.

Vidyashankar Krishnan: Good afternoon, everyone. Thank you all for joining us on MM Forgings' Q1 FY27 results call. Basically, we've seen considerable improvement in the markets as far as Q1 is concerned, and we see the same optimism going through the rest of calendar and fiscal '27 and going into calendar '27 as well with strong momentum from both domestic as well as export markets, particularly the U.S.A. We've seen growth in the U.S. market, and also the CV market, the CV tractor and past car market in India are all running pretty hot.

As a result, MM Forgings just posted a total net sales of INR427 crores as against INR369 crores for the corresponding period in the previous year. Our EBITDA stands at INR82 crores, and INR75 crores net of other income at 18% as against 19%-odd Considering other income. Excluding other income, EBITDA stands at 18%.

Revenue growth has been almost 16%. EBITDA has grown by the same, 16%, and PBT has grown by 30%. All this is excluding the sale of assets we sold land in Oragadam area of Chennai. We have sold unrealized INR60 crores less net profit, INR58 crores net of taxes, INR64 crores gross. That's a profit on sales, not gross, profit from sales.

All that has not been factored in into these EBITDA numbers naturally being onetime gains. Domestic sales stands at 63.5% and exports at 36.5% as against 61% and 39% in the corresponding period last year.

India accounts for 63.5%; U.S., 18%; South America, 4%; Europe, 14%; and others, about 1% of today's sales breakup. Commercial vehicle stand at 71%; PAT at 14%; and agri and off-highway, 14% of overall sales; balance 1% of others. 67% is machine, 33% is directly forged.

Our heavy holdings constitute 42% of our sales as against 43% in the previous year-end reference. Sales per ton has gone up from 193,000 to 202,000 meaning, 2.02 lakhs versus INR1.93 lakhs in the previous quarter. So these are some of the brief numbers that we have prepared for you. We have this as a PPT that will be mailed out to all of you by end of this meeting.

So with these opening remarks, I would like to throw open the floor for questions, and we'll be happy to answer whatever I can in the best possible time.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is on the line of Mumuksh from Anand Rathi Institutional Equities. Please proceed with your question.

Mumuksh: Thank you, sir, for the opportunity and congrats on a good set of results. Firstly, sir, we have seen a good growth coming back in Q1 quarter. Just if you can give a view for the full year, what kind of growth we expect in the domestic and exports market and particularly for the U.S. market. And also, I think very interesting this time, you mentioned a very good mix of machining in the quarter. So what led to the notable jump in the machining mix?

Moderator: Sir, are you there?

Vidyashankar Krishnan: Yes. Sorry, I muted the phone. So we can look - we did about INR1,600 crores last year. We can expect the same 18%-odd growth for this year also. So we should be looking at turnover in the region of around INR1,800 crores to INR1,900 crores. With regards to machining mix, a lot of money has been invested by the company in the last 3 years in machining, and that has led to a higher machining mix as a percentage of sales.

Mumuksh: And just on the machining mix, should this current run rate of 67% continue for the rest of the year, sir?

Vidyashankar Krishnan: Yes. I think it should hover in the 65% to 68% range.

Mumuksh: Got it. So sir, also, I think this quarter, particularly gross margin has seen a notable improvement sequentially, almost more than 350 bps. So is it part of the reason being a better machining mix and exports mix, sir?

Vidyashankar Krishnan: We've heard. Yes, you had overall realization go up, Mumuksh, this quarter. So that would definitely result in better gross margin.

Mumuksh: Got it. And on the employee and other expenses, which had increased Q-on-Q, any reason for the increase? And how do you see the run rate for those expenses?

Vidyashankar Krishnan: The increase has been steep in Q1, largely because last quarter, the period in the reference, we have not given an increment, and that was done only in the subsequent quarter. So this quarter, effectively, but this time, we have given increment in the first quarter itself. So right from first of April. So that is one reason why there is a significant increase in personnel costs, relatively speaking. Plus we also added some numbers. But overall, no numbers and increment increases have stabilized. So right through the year, these kind of numbers should hold.

Mumuksh: Got it, sir. Sir, lastly, just on the debt reduction plan, with the land sale now, and how do you plan to further reduce the debt? And just can also update us on the interest run rate expected ahead with the change in the interest rate policy, which we had done earlier.

Vidyashankar Krishnan: We hold that. Last year, FY26 opening, the debt was around INR750 crores net debt, term debt, at least. So, gross debt, sorry. That will remain at those level. Sorry, gross debt stood at INR750 crores. That will hold at those levels for this year also, approximately.

So, we would be repaying about INR170 crores this year, and the same would be drawn back as further loans for future and for investments being made in this year. So gross debt will remain at the approximately the same levels.

Mumuksh: Got it. So broadly capex would be also INR170-odd crores, sir?

Vidyashankar Krishnan: Yes, approximately INR150-odd crores.

Mumuksh: Got it, sir. Thank you so much for the opportunity, sir. All the best.

Vidyashankar Krishnan: Thank you.

Moderator: Thank you, sir. The next question is from the line of Ramesh from SJ Investments. Please proceed with your question.

Ramesh: Hi, sir. Thank you for the opportunity. So you mentioned that some tailwinds from the U.S. side. Could you elaborate further on what exactly you mean by those tailwinds? And is it in the commercial vehicle sector only or other sectors also?

Vidyashankar Krishnan: For us, it's the commercial vehicle sector. The CV market, particularly Class 8 truck, and the U.S. is moving quite strongly. So we see huge traction there.

Ramesh: Got it, sir. And overall, in terms of, let's say, capex, we've done a huge capex taken already. And you mentioned the capex side to further continue. Like could you explain on why are we investing so much? And are we increasing our capabilities? What exactly is happening in terms of capex building?

Vidyashankar Krishnan: Of course, we are increasing our capabilities in and across a wide spectrum of machine products. That is the capex information. Of course, we are also adding a few equipment into our forging. They're adding the 16,500 ton press, which will go into production by end of this fiscal, in Q4. And we also have a 4,000 ton press that has gone into production in the last couple of weeks. So these are the basic additions on the forging side, apart from a little bit of debottlenecking and the replacement capex cycle coming in on the forgings side.

Ramesh: Got it, sir. So right now, in terms of machining capacity, where are we at? And with the expectations, where do you want to end up in, in terms of capacity at least in machining?

Vidyashankar Krishnan: Machining is a very mixed bag. I didn't get your name.

Ramesh: Ramesh.

Vidyashankar Krishnan: Ramesh?

Ramesh: Yes.

Vidyashankar Krishnan: Yes. Hi, Ramesh. Machining is a mixed bag. It's very difficult to quantify the machining capacity outright in numbers or in what happens is that if you look at the numbers alone, a small product with huge numbers in machining would overshadow a much bigger product with much less numbers. But the bigger product will be more value add and probably also more bottom line accretive. So it's tough to give a single number that will quantify the machine side.

But one good thing at this from June, April onwards itself, I should have made that in the opening remarks. April onwards itself, we should have run all, I'm happy to say that all the cells at MM Forgings, Machining and Forging are running to the fullest of capability, not the word, capability, not capacity.

So April and May were down, were hampered by an availability of labor, which was prevalent right across the country. We were not new to it. I don't do it. The rest of the country was also a part of the shortage of labor, and ours was no different in April and May. June was a lot different. We were able to bounce back with new hires, largely local and also a little bit of migrant, and ensure that we were up trumps in June.

And on July onwards, we see that our capability has gone up considerably. Now it's hardly for want of manpower. Few cells have technical issues here, there and then not much, but a little bit, let's say, the last 7% to 10% here and there.

So we are now working on harnessing those and debottlenecking. I would say 10% to 20%, not just 7%. I would say it will go over between 15% to 20%. So there is a good growth potential further ahead, and we are pushing those numbers from July onwards.

Ramesh: Got it, sir. Sir, in terms of automation, I understand that we're building capacity in machining project. So automation also, are we investing in? And how much have invested so far in the last 4 years?

Vidyashankar Krishnan: Automation has been largely in the last couple of 3 quarters only. So overall, I would estimate that investment and automation is about INR7.5 crores to INR10 crores.

Ramesh: Just sir, going forward, do we expect a lot more going towards this rest of capacity?

Vidyashankar Krishnan: Absolutely. This number should triple, if not reach about INR50 crores, INR40 crores to INR50 crores end of this fiscal. At least, it should be in the region of INR30 crores.

Ramesh: Got it, sir. So you mentioned that INR150 crores are also investing this year. So when do you think we'll...

Moderator: Sorry to interrupt, Ramesh sir, may we request that you return to question queue for follow-up.

Vidyashankar Krishnan: I'd answer this question, so that -- you want to benefit everybody else. We would expect this to result in increase in turnover in about 2 years from now 1 to 2 years from now.

Moderator: Thank you, sir. The next question is from the line of Nipun from CD Research. Please proceed with your question.

Nipun: Yes, sir. So are you facing any pressure from the government to boost our export?

Vidyashankar Krishnan: Sorry?

Nipun: Are you facing any pressure from the government to boost your export?

Vidyashankar Krishnan: No, nothing specific.

Nipun: Okay. Okay. Sir, because I was asking...

Vidyashankar Krishnan: We're all exporting and our export ratio, export numbers have been reasonable rate across time. So in percentage, terms exports is up. That's because domestic has grown. You know all that.

Nipun: Yes, Yes. Okay. Thank you, sir.

Moderator: Thank you, sir. The next question is from the line of Naveen Vijay from NS Capital. Please proceed with your question.

Naveen Vijay: My first question is, where are you currently seeing momentum or new avenues for growth in the order book? We recently had a power backup company secured a large order from hyperscalers. Just wanted to know if we are positioned to supply crankshafts for such OEMs?

Vidyashankar Krishnan: Naveen, yes, the hyperscaler business is filtering out into the domestic forging market, and there is a strong demand from such companies. You are right.

Naveen Vijay: Thank you, sir. My second question is on the power and fuel cost still being elevated despite the addition of clean power. Could you please quantify what has led to this?

Vidyashankar Krishnan: There has been a huge increase in fuel cost in Q1 on account of the West Asian conflict. That has been, of course, over after Q1, it has reasonably stabilized. So that is the reason why power and fuel has gone up. Plus rising EV power costs due to the policy of the Tamil Nadu government, but that has not come in the Q1 of this year -- annual increase in EV cost.

Naveen Vijay: Got it, sir, got it. Another small bookkeeping question on depreciation, it's, it has gone up 20% year-on-year. Just wanted to know which facilities or product lines are seeing bulk of these capital additions?

Vidyashankar Krishnan: Largely forging and machining capex. Machining capex, I would say, mostly.

Naveen Vijay: Okay, sir. Okay. Sir, we could see the machining share go up very nicely. My last question before I join...

Vidyashankar Krishnan: That is the intent.

Naveen Vijay: Yes, yes. My last question before I join back in the queue is on Abhinava Rizel, sir. We had customers getting added on. Just wanted to get an update on how many customers that we are building and the pipeline and overview on that, sir?

Vidyashankar Krishnan: Yes, sure. I mean our rise is on the customer getting its first business. It has gotten its first business and I'm thrilled to say that we are into initial phases of SOP, start of production. And we are producing parts at between production and sample stage, I would say, a ramp-up stage, and that is a real good news for us.

Naveen Vijay: Thank you, sir. I'll join back in the queue.

Moderator: The next question is from the line of Manas Jain from Sanjay Jain Family Office. Please proceed with your question.

Manas Jain: Good set of numbers. Actually, we are shareholders of company for last 30 years continuously. So it's been a very privileged to be a part of this company for the last 30 years. So I had just 2 questions, sir. I remember saying 2, 3 conference calls back, and you also alluded to it, saying that the payer tractor is reducing the front axle demand.

So, I just wanted to understand, is MM Forgings looking at entering the tractor and axle suspension assembly. I understand the process might be different and the customer segment is also different. But some of the forging companies have started doing this in order to negate that business loss. So I wanted to understand if we are considering in that direction?

Vidyashankar Krishnan: Not at this moment, Manas.

Manas Jain: Okay. Any particular reason, sir? Is it margin dilutive to our existing business? Is that one of the reasons?

Vidyashankar Krishnan: One would be, yes, it's margin dilutive. And second, we have enough on our hands in terms of growth, managing debottlenecking and ensuring that there is further testing of improvement on EBITDA and costs. So this quarter has been struggling to just keep supplies growing. We recognize ourselves on cost reduction. There's a lot to do in the current business.

Manas Jain: Okay. Second question, sir, I think I saw...

Vidyashankar Krishnan: Without getting stuck here, we have to ensure that we are moving along in this line of business first. We have now, so the traction is there very clearly. And we need to carry this to its logical conclusion across the spectrum of the business itself. And I'm talking with…

Manas Jain: Okay. Second question, sir, I remember seeing some interview of 2 months back on one of the media channels where you said, subject to any QIP, you might want to do a INR400 crores growth capex. So I just wanted to understand, I know it's very far stretched, but I just wanted to understand where are we targeting like existing products, existing business or we are looking at non-auto industrial or we are also evaluating nonferrous products such as aluminum titanium for aerospace. I'm just trying to understand where our existing machining and engineering capabilities can be leveraged. So where are we looking at for that INR400 crores of growth capex?

Vidyashankar Krishnan: First on primary, we would be looking at our own business in lot close to steel forgings. That's the primary zone. The second would be anything else in the metalworking space.

Manas Jain: In the?

Vidyashankar Krishnan: In the metal working space, means metal machining, value-added parts.

Manas Jain: Okay. But so non-auto will be industrial may be one of the applications you might be looking at?

Vidyashankar Krishnan: Definitely, 100%.

Manas Jain: Okay, got it. Got it, sir. Thank you.

Moderator: Thank you, sir. The next question is from the line of Suraj from Catamaran. Please proceed with your question.

Suraj: Hello sir. Thank you for this opportunity. Sir, first question is of the capex of INR150 crores, what percentage or what amount would be replacement capex and what percentage would be new capex?

Vidyashankar Krishnan: Sorry, Suraj, can you repeat?

Suraj: Sir, of the INR150 crores capex that we plan to do, what amount would be the replacement capex and what amount would be for new machineries and equipment? Growth capex?

Vidyashankar Krishnan: Roughly about INR30 crores to INR50 crores would be up to INR50 crores will be replacement capex.

Suraj: Got it.

Vidyashankar Krishnan: Replacement or debottlenecking.

Suraj: Got it. And then on the current gross log of roughly INR2,100 crores, what is the peak revenue that we can generate?

Vidyashankar Krishnan: Close to that number.

Suraj: Got it. And then one last question. What was the revenue from the U.S. market in the base quarter, like last year same quarter?

Vidyashankar Krishnan: One second we'll give it to you. Percentage terms, 18% in this quarter versus 15% almost 16% in the previous reference quarter.

Suraj: Got it sir. Thank you very much.

Moderator: Thank you sir. The next question is from the line of Subrata Sarkar from Mountain Infra Company Limited. Please proceed with your question.

Subrata Sarkar: Hello, am I audible?

Moderator: Yes sir.

Vidyashankar Krishnan: Yes.

Subrata Sarkar: Yes. Sir, kindly can you share like what is the, in terms of volume like what is our share? What is our current quarter, what is we have done and what is our expectation in terms of volume share, last year into last year, what is the volume we are doing? And sir, one, there are two clarifications. I understand, I also follow your company for a long time. Sir, we are operating at a relatively much lower capacity utilization.

But still sir, we are continuously doing our capex. So in that case, sir, can you guide us like what can be the stock level, like what can be the peak capex that we can do or what is the next 1 or 2 year in which direction you want to meet the capex and why basically. So despite having set of underutilized capacity as of now. And recent results, how much does base decision paid or released or whatever two, three years into project?

Vidyashankar Krishnan: Okay. Can I get your name, please?

Subrata Sarkar: My name is Subrata Sarkar from Mountain Infra Finance, sir. Sir, we also follow your company for a very long time, and we have enough faith on you. So that's why sir we are asking for roadmap.

Vidyashankar Krishnan: Your first name, Subrata, is it?

Subrata Sarkar: Subrata, yes sir. Subrata.

Vidyashankar Krishnan: Subrata Sarkar, okay?

Subrata Sarkar: Yes.

Vidyashankar Krishnan: We see the capacity utilization is going up considerably, Subrata. So, last year we did about 78,000 tons of sales. And this, now we are on we have done about 20,000 tons in Q1. We expect Q2 and beyond to be much better, should hover at around 24,000 tons for each quarter 23,000 tons to 25,000 tons minimum in Q2 and beyond. So we should as discussed or as we have been guiding, would expect to cross the 90,000 ton mark in this year.

And next year, challenge the 1 lakh ton, 1,10,000 ton mark. So the momentum is on, and we see traction in moving our outputs to 1,00,000-plus tons. So we are, we will currently from Q2 and onwards, we should be almost at 1 lakh ton per annum range. So capacity utilization is going up. I'm happy to say that, from 80,000 tons this year, we should be 90,000-plus with a run rate definitely of 1 lakh ton per annum.

Subrata Sarkar: Okay.

Vidyashankar Krishnan: Maybe end the year with much more than 1 lakh ton. Things hold, we should be able to push the run rate beyond 1 lakh tons. Our internal target continues to hit 27,000 tons and then 30,000 tons per quarter.

Subrata Sarkar: Okay, sir. Sir, a small clarification. Indexes whatever that we are expecting almost entirely from volume growth itself?

Vidyashankar Krishnan: Correct. So the consequence of that is the next part of your question is where are we investing in? So we are largely investing in the machining side. And a little bit on the, not a little bit this year, about INR50 crores on debottlenecking, mostly on the forging side.

So and a little bit of that INR40 crores would be forging, INR10 crores will be debottlenecking on the machining side. So this debottlenecking will result in greater utilization and more machine products going to customers. That's the plan.

Subrata Sarkar: Right. And sir, most of the capex for next 2, 3 years maybe from our internal accruals sir, or we will take some addition there?

Vidyashankar Krishnan: No, we do not plan to increase debt beyond these levels. INR750 crores to INR800 crores is gross debt levels will stand at this point of time. Its turnover increases definitely, yes, turnover to I will yes. Once turnover increases reasonably and EBITDA along with it, at that point alone, we could consider raising gross debt levels.

Otherwise, I would like to see it capped around these levels, give or take INR50 crores. Not give or take give INR50 crores. At this point, hunger for capital, we may not be able to reduce the borrowings, but we want to maintain it as we've announced a few for quite a few quarters.

Subrata Sarkar: Okay. Sir, last clarification.. Whatever funds we will be receiving because of these landfills what will be the utilization of that, sir?

Vidyashankar Krishnan: Go again, Subrata?

Subrata Sarkar: Yes. Sir, we have, in this quarter, we have sold our land and we have realized our money, sir. So what we will do with it?

Vidyashankar Krishnan: That will be used to reduce our working capital and our capex and our capital borrowings.

Subrata Sarkar: Okay, okay. Got it. Thank you sir.

Moderator: Thank you sir. The next question is from the line of Nishant from Sridev Abrasive. Please proceed with your question.

Nishant: Hello sir?

Vidyashankar Krishnan: Hello.

Nishant: Yes, sir. I have a question about the current capacity utilization.

Vidyashankar Krishnan: Yes.

Nishant: And how would you plan to increase it sir like do you have any plans of capacity expansion in the near future?

Vidyashankar Krishnan: I just answered that now, Nishant, when I answered Subrata. So last year, we did 78,000 tons approx of sales. This year, in Q1, 20,200 tons. And from Q2 onwards, we expect to strike somewhere between 23,000 tons and end the year at about 25-plus thousand tons.

Nishant: Okay. And one more question, sir. Are we catering to any EV business, sir?

Vidyashankar Krishnan: One sec. It should mean a run rate of 1 lakh tons a year. And that should set the tone for FY27 to reach 1,00,000 tons to 1,10,000 tons. So hopefully the capacity utilization is behind us.

Nishant: Okay. And one more thing, sir, are we catering to the EV business sir, to be the two-wheelers or three-wheelers?

Vidyashankar Krishnan: We are catering from, you say from the EV sub or you're talking from the parent company?

Nishant: No sir, from the parent company, sir.

Vidyashankar Krishnan: Okay, fine. That's an easier question to answer. Yes, we are serving products to EV customers or that go -- not EV customers, that go into electric vehicles across several platforms. But not two-wheeler, four-wheeler.

Nishant: Okay. Thank you sir. Thank you.

Vidyashankar Krishnan: One line of product goes export, another line is going domestic.

Nishant: Thank you sir, that’s it.

Moderator: The next question is from the line of Rajesh Maru from MoneyCurve Analytics. Please proceed with your question.

Rajesh Maru: Yes. Good evening, sir. Thank you for the opportunity and great set of numbers. One of my question has already been answered. I have one more clarification. Sorry if this is a repeat question. We are setting up our large space of 16,500 tons.

And you have already said that in next, its revenue will creep in next 2 years. Do we have plan to move towards hyperscaler or any other segments like defense or anything which you are looking to explore the opportunity with this kind of capacities?

Vidyashankar Krishnan: We are definitely moving into businesses that support hyperscalers, no doubt, we see that right in front of us and a lot of business is coming our way. But regards defense, it's a mixed bag, because once we get into the business of defense, it won't stop just serving the Indian market. We will start looking at capacity utilization. Airline may not fill up entirely with the business from Indian defense. So immediately, we look at what we can do outside of the country. And that's something which, at a personal level, I'm not so inclined to do.

Moderator: Thank you, sir. So the line for the current participant has dropped. Should we move to the next?

Vidyashankar Krishnan: Yes, of course. He'll join back, if required.

Moderator: Okay, sir. The next question is from the line of Ramesh from SJ Investment. Please proceed with your question. Mr. Ramesh, your line has been umuted. Please proceed with your question. As there is no response, we will move to the next question.

The next question is from the line of Suraj Malu from Catamaran. Please proceed with your question.

Suraj Malu: Thank you very much. Sir, can you help us understand why did other expenses increased by 35% year-on-year?

Vidyashankar Krishnan: You'll give me a few minutes? I'll come back to you on that.

Suraj Malu: Sure.

Vidyashankar Krishnan: Okay. I don't have that in front of me. One sec, my team is throwing it up. Hold on.

Suraj Malu: Sure, sir.

Vidyashankar Krishnan: Yes. Your other expenses will be a combination of a couple of things. One is, you know, what is attributable to the regular other expenses coming in the P&L. And it will also have a component of it is export expenses relating to freight. Freight has risen sharply.

And other expenses, what we call is the traditional other expenses. We fixed that overhead running an organization like starting from rent up to fax and paper and computer IT, blah, blah, that runs at an increase of around 10%. From INR8 crores, it has gone up to INR9 crores.

Suraj Malu: Got it.

Vidyashankar Krishnan: In quick nutshell, the biggest jump in other expenses of around INR4 crores, INR4.2 crores increase in the published results. Of that, export expenses, it still accounts for INR4 crores.

Suraj Malu: Got it. Understood.

Vidyashankar Krishnan: That is largely due to freights going around the Strait of Hormuz for obvious reasons.

Suraj Malu: Understood. Sir, can you help us understand why the revenue from Europe declining for us? Because US has grown, domestic business has grown.

Vidyashankar Krishnan: Europe has grown – de-grown volume-wise, surprise for me. I don't think so.

Suraj Malu: Well, if you look at the last 4 quarters, like, in Q2 FY26, we were INR82 crores from Europe, which became INR89, then drop to INR68 and now INR59.

Vidyashankar Krishnan: Basically, Europe is a stable market and goes reasonably up and down in tune with demand. Nothing noteworthy from Europe in terms of no business has been lost, that much I can say very clearly. It's just customer demand that's going up or down.

Suraj Malu: I see. Because sir, in general, we hear that European forging shops are shutting down. So that should be a large opportunity for us, and it should reflect in the growth?

Vidyashankar Krishnan: Yes. Overall, the trend continues.

Suraj Malu: Sir, in terms of machining, what would -- like what percentage of our gross block would be in the CNC machines?

Moderator: Ladies and gentlemen, the line for the management seems to have dropped. Please hold while we reconnect them. Ladies and gentlemen, the line for the management has been reconnected. Thank you, and over to you, sir. Suraj, sir, your question is answered?

Suraj Malu: No. My question was, how many CNC machines do we have? And how much does that amount to of the INR2,100 crores gross block?

Vidyashankar Krishnan: A tough question, Suraj. I don't have that number across the board. It will run into hundreds, that I can tell you. I'll note it down. We'll note it down, and we'll come back to you on this.

Suraj Malu: Sure, sir. Thank you.

Vidyashankar Krishnan: But I can tell you what it constitutes. One sec. I can tell you what our investment machine shop constitutes out of the 2,100. If you give me a minute, if you give me this thing, I can locate that sheet for you. That is possible. One second. Hold on. I'll get back to that answer. We have the data, just fishing it out.

Suraj Malu: Sure, sir. And sir, 2 quarters ago, you had mentioned about reaching INR3,000 crores in revenue by FY30. Do we still look to that number?

Vidyashankar Krishnan: Yes.

Suraj Malu: All right, sir. Thank you very much.

Moderator: Thank you, sir. The next question is from the line of Gautam Kishan B. Mehra from 360 ONE. Please proceed with your question.

Gautam K. Mehra: Thank you for the opportunity. Good afternoon, sir. Trust you are well. Congratulations on a great set of numbers. Sir, as we move.

Vidyashankar Krishnan: How are you?

Gautam K. Mehra: Very well, sir. Thank you. Sir, as we move from 20,000 ton per quarter to 25,000 and eventually to 27,000, 30,000, where do you think or believe your maximum growth could come from? Is it the Indian markets or the European markets or the American markets or a combination of all?

Vidyashankar Krishnan: Combination of all. First answer will be a combination of all. India, today, being 63% of our sales, naturally will carry a lot of the tailwind. We are also getting a lot of order wins on the export side. So that also augurs well.

And overall, I would say, numbers should go across the globe. See, the point is, Gautam, many customers are also setting shop in India, so global customers. Some amount of global business is becoming Indian business.

Gautam K. Mehra: Right, sir. And just a small follow-up. Sir, of the last, say, 3, 4 cycles, do you think the combination of all 3 regions of yours, this is the highest growth you could see? The current cycle?

Vidyashankar Krishnan: Please repeat, Gautam.

Gautam K. Mehra: So, we've had multiple cycles over the last 20 years. The current combination of business being great from India, Europe and America, do you feel the current scenario is the best in the last 3 or 4 cycles that we've seen?

Vidyashankar Krishnan: I think so. We have this level of, what shall I say, strength in demand across all customers. At some point of time, some customers, some region or the other has been more even. But this time around, it's as I told a few minutes back, every cell, every machining line is running to the fullest of its capability. We have tons to go in terms of productivity improvement, at least from my vision. So, we are working and my team is working really hard on that.

We have a lot to do on the productivity side, even at these levels. So that's the headroom that we have. But having said that, today, every line is virtually running at its reasonable fullest. But that can be pushed by another person easily. This takes a lot of work, but that work is anyway, it's a must, it's unavoidable, and it must be done to improve the overall asset utilization of the organization.

Management: And wherever, during such quests, we find that we have to debottleneck or replace. We are also considering that.

Gautam K. Mehra: Great sir. Thank you. And we look forward to fantastic numbers in FY27 and FY28. Congratulations once again.

Moderator: The next question is from the line of Rajesh Maru from Money Curve Analytics. Please proceed with your question.

Rajesh Maru: Thank you for this opportunity again, sir. In last 2, 3 calls, you had consistently said that we have taken some cost-saving measures in terms of saving the power and fuel cost, in terms of interest cost as well as labor cost by putting robotics. And if I'm right, in one of the institutional calls, as you had said that, you are also incrementally trying to use AI to become more efficient on the ancillary functions of the company. So given all these things and with the volume going up, do you see any headroom for EBITDA margin to expand from current 18% level, sir? And if yes, then what kind of margin we can see, sir?

Vidyashankar Krishnan: Thank you. Can I get your name, please?

Rajesh Maru: My name is Rajesh Maru, sir.

Vidyashankar Krishnan: Rajesh, you were there a few rounds earlier or just before Gautam, actually. Yes, Rajesh, there is a scope for EBITDA improvement. I would be naïve to say that there is no scope or that we have reached peak EBITDA. There is a scope, and we have to work on it to get to.

Management: I would say all previous listing, our target would remain a 20-plus goal. We have to squeeze out 2%, 3% from the system. 1% is I can. I have clear visibility for 1% to 2%. But I would say 2% to 3% that should be our goal, and that's challenge for the team.

Rajesh Maru: Thank you, sir.

Moderator: The next question is from the line of CA Garvit Goyal from Serene Alpha Analytics LLP. Please proceed with your question.

Garvit Goyal: Am I audible?

Moderator: Yes, sir.

Vidyashankar Krishnan: Yes.

Garvit Goyal: Sir, my question on working capital side. Like in the last 2 years, we see the working capital around 30% of the revenue growth. And in FY24, which is about 23%. So, in given stand-alone revenue and operational contract around INR409 crores. So, are we able to convert this cash in trade receivable and other in quarter FY27? And is there any working capital intensity still there? Or we can -- some with 23% as the part performance?

Vidyashankar Krishnan: Very good question, Garvit. We are working on this increase in working capital, and it is our endeavor to bring it down. That's the goal. No doubt about it. By cutting down on and to answer a previous, I don't know, you asked this question about AI?

Garvit Goyal: No, sir. My question on working capital.

Management: Rajesh Maru asked it.

Vidyashankar Krishnan: Yes. I'm sorry. One sec. Using the 2 together, we are using now AI tools to identify where the inventory is getting stuck. And as in the last 7 to 10 days, it's become a real, it's become a revaluation on the stock inventory. So many teams are now a rapid action in force has been formed to dissolve this inventory, if I can use the word. Literally, push it out. That means which customers want. And second is to get down our money that is stuck in goods.

So a point well taken. That is one of our goals for the months to come. And in answering this, I also would say that Rajesh's question on AI tools. That we are using those effect quite, we've started using at least to crunch the data and see the insights are amazing, really amazing because it's able to map down and say, this is the data. These are the parts. These are the particular part numbers, which are required and in stock, and we need to push these. So it's giving a lot of insights to the management team.

And I hope in the next few weeks, we should see that I hope I expect over the next few weeks is to start yield results. And what we want to do as a result of this is to convert our WIP to a to the barest minimum, say, a week time, and move everything else as finished goods.

Overall, there would be a reduction in inventory numbers, but not to insanely low levels. But at some point, I would focus on getting that inventory to a bare minimum in WIP terms, means work in process terms, and push the numbers on, convert all that into what we call as RFD or ready for dispatch.

Garvit Goyal: Okay, sir.

Moderator: The next question is from the line of Priyankar Sarkar from Square 64 Capital Advisors LLP. Please proceed with your question.

Priyankar Sarkar: Congratulations on a good set of numbers. Sir, just one basic question. Is there any update on the enabling QIP resolution that the Board had passed a few months back?

Vidyashankar Krishnan: Yes. I answered it a few rounds back. The QIP is largely centered around a sharp opportunity that we might see in market. So, we are certainly, it's on the cards, and we are mulling it. At an appropriate time, we would definitely consider it.

Priyankar Sarkar: Sure, sir. Thank you.

Moderator: The next question is from the line of Nithya from KK. Please proceed with your question.

Nithya: My question has been answered already. Thank you.

Moderator: The next question...

Vidyashankar Krishnan: Before you could you could identify the next caller please. One of the data that was required was, what is our capex in the machining side? And what are we where have we put the money in?

So, overall, we have invested about INR1,100 crores in the machining side, of which in the last 5 years, we have put in INR625 crores. And last 10 years, the number is about INR1,000 crores. So, INR100 crores prior to 10 years has now become INR1,000 crores in the last 10 years, and that -- of that INR1,000, INR625 crores has been invested in the last 5 years.

I hope I'm clear. Just repeating the numbers, about INR1,100 crores, overall on the machining side, of which, INR100 crores dates back beyond 10 years, INR1,000 crores is for the last 10 years -- I'm giving approximate numbers, okay? All around of last 10 -- INR5 crores -- INR10 crores -- INR20 crores. So, INR1,000 crores for the last 10 years. And of the INR1,000 crores, INR625 crores in the last 5 years.

Moderator: So, should we take next question? The next question is from the line of Ramesh from S.J. Investments. Please proceed with your question.

Ramesh: Hi, sir. Thank you for the follow-up. So, as you already alluded to a fact that you spent around about INR900 crores over the last 10 years, like I'm just trying to understand how does the capacity develop? Or 10 years ago, how much is the capacity versus what is it today in machining today?

Vidyashankar Krishnan: Machining capacity is extremely difficult to pin down in terms of numbers or in terms of tons because I can tell you there's one part that is very heavy and requires relatively especially. Another family of parts, very popular. Today, accounts are about a good portion of our sales, which is heavy and requires extensive machine. Then, there are light parts that require, you know, less. We'll try to quantify this over a period of time.

Give us a couple of months, I'll put note it down from the first question that Mumuksh himself has asked. So, right from there, this question is persisting. We have a number tracker, but that number tracker is of no use to you guys. So we need to quantify machining capacity.

We'll work on it and come back to you with a method of quantifying our own machining capacity. I'm sorry, you know.

Ramesh: Got it.

Vidyashankar Krishnan: That we're answering such an important question with such a vague manner, but that's where things stand. We'll apply our mind and try to put bring some method to that matter. If we.

Ramesh: Understood, sir. Got it, sir. That will be helpful.

Vidyashankar Krishnan: Thank you.

Ramesh: So, just -- and one more thing, sir. Coming to American opportunity. Right now, our contribution is around 10% or 15%, right? Where do you think the contribution from U.S. is going to expand to the next years because you're very bullish about it, right?

Vidyashankar Krishnan: It is around 16% now, if I'm not mistaken. And U.S. should increase by around -- so we hold these levels, 18% now. It should maybe increase by 1% or 2%. The rest of the world is also growing. This time around, it's not just one part that is growing in regards to the others. Every zone is reasonably growing, buying a little bit of uplift from Europe. So...

Ramesh: Got it, sir. So, just one more thing, sir. Trying to understand the market. So, most -- like most of our exports go to Europe. Just trying to understand, are forge products more used in Europe than U.S.? Is that the fact? Or is it the fact that we have a long relationship with the European customers than U.S. customers? Could you explain trying to get the.

Vidyashankar Krishnan: Most part are forge parts are tools in any economy in any economy, forge parts are used. Now, because without forgings, you don't have motion as we know it today. As engineering stands today, forgings are at the center of where motion is, where transportation is. So, we know how both are so critical to any economy, right?

But what happens is that where we get consumed is the original equipment manufacturers or the Tier 1s. Now, where are they located? And therefore, where does it get? It gets sent to those geographies.

Obviously, it will be unwise to say that, you know, the rest of Asia is it will be downright foolishness to say, rest of Asia, not at all into the transportation or the forgings market there. Rest of Asia is huge, Japan, China, Korea, but these are all traditionally closed markets as India is.

So, that is the reason why everybody looks at forgings, castings and all into Europe and Americas. These are this kind of metalworking is popular and strong in the Asian economies, and not -- and is declining in the other economies.

Ramesh: Got it, sir. So, basically, U.S. and Europe is where these capacities are reducing, and we are -- our opportunity also like it. So, I was just trying to understand a little bit...

Vidyashankar Krishnan: And also, at South America, at least…

Ramesh: South America also the capacity is declining?

Vidyashankar Krishnan: So, another tough question to answer that. Now, Brazil is fighting back. There are a lot of indigenous forges now coming up in Brazil. A lot are coming up.

Ramesh: Okay. Thank you.

Vidyashankar Krishnan: So, it's quick to write off and say, you know, South America is a declining market. South America is another market where there is scope. That much I can very clearly say.

Ramesh: Understood, sir. That's fair. So, I was just trying to understand the roots of why European customers are much bigger contribution in terms of revenues. I was just trying to understand what exactly why are because usually it is other way around. U.S. is higher proportion compared to Europe.

Vidyashankar Krishnan: They are also so overall, they are high-cost economies, high labor cost economies. So, labor and cost pressures ensure that such businesses go out of those geographies.

Ramesh: Got it, sir. But for us, how do was it...

Vidyashankar Krishnan: In regards to this – as you see, posed by the U.S. government in recent times. The -- none of the forging buyers in the U.S. have evolved as a result of that. Fortunately, for M M Forgings, huge fortune that none of our contracts, we bear the custom's duty.

So, that would have been held otherwise. So, since even though there is huge amount of duty imposed, customers are still buying that they are not able to one, setting up these capacity is difficult. Setting up a forging capacity, getting hold of people to operate forging pressures and processing the parts, not easy, it damned difficult.

Even in India, forgings will be a sector that will be difficult to man in the next few years. Man or woman, I can use the word. Currently, we have, we do have a significant portion of women coming into our workforce.

Ramesh: Understood, sir.

Vidyashankar Krishnan: So, ultimately, the part of the matter is that these economies will find it difficult to -- and also the skills get lost over a generation. If for 20 years you haven't forged, then getting back is difficult. But you can also jump to skill game. So, quick, the thing in glances. India jumping the 3G, the GSM bandwagon, we didn't go through the CDMA route and struggle on the mobile phone side -- I mean, connectivity side. We straightaway dumped into GSM, and we left forward by about 20 years.

So, like that in the forging side, it is possible to somehow gain, but that will have to come in very restricted circumstances where there is a huge level of automation, and you had a pour in capital which means that you need to have customers who are backing you to the hilt. So, all these are, you know, strategic seismic shifts in the costing landscape which will take -- it will be very difficult to unravel.

Ramesh: Understood, sir. Sir, just one last question. Just trying to understand. So, you mentioned that because of declining capacity, we're getting orders. So, probably our main competition is China. So, where do you think they're getting most of orders? Is it because declining capacity or China resourcing?

Vidyashankar Krishnan: So, we are getting new orders also because customers there are growing their business. And they want to source from BCC or LCC, best cost countries or low-cost countries for those respective parts. So, I want to say those markets are in pure decline alone. For all that, you know, the U.S. market may be growing also in forgings. For all that I know. I have no clue.

But many orders are coming our way across the global landscape because customers want to buy from India. See, ultimately…

Ramesh: Got it.

Vidyashankar Krishnan: The N2, at an entrepreneur or at an organization level, to service the business at 18% EBITDA will be a lot higher and servicing a same business at 5% EBITDA.

Ramesh: No, sir. Fair enough.

Vidyashankar Krishnan: Right. So, that N2 makes for customer satisfaction.

Ramesh: Got it, sir.

Vidyashankar Krishnan: This is my prescription for over the last 15 years -- 20 years. That will be very near perfect. Thank you.

Ramesh: Just one question okay. Thank you. How much more expensive would be compared to China versus China...

Moderator: Sorry to interrupt, Ramesh, sir. We'll take this as a last question from you due to time constraints, sir.

Ramesh: Yes. Sure. That’s fine. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen…

Vidyashankar Krishnan: Sir, may you could sent your question through mail or something, and we'll try to answer it for you.

Moderator: Ladies and gentlemen, that was the last question for today due to time constraints. I would now like to hand the conference over to management for closing comments.

Vidyashankar Krishnan: Thank you all for participating with your time. And as usual, with your interest or questions, which have, you know, given us a bit more of insight into our own business. And hopefully, we'll see more of this as we go on. And I expect that M M Forgings would do strong in the quarters to come, with about targeting 25,000 tons of sales at a bare minimum in the coming 2 quarters to 3 quarters. Restart and then look beyond to touch 27,000 tons and then 30,000 tons every quarter, thereby quickly galloping to and a capacity utilization of around 1 lakh 20,000 tons, backed up by strong machining exposure.

As we see, most of the orders that we are getting now are all machined and very few are as forged. So that, in turn, means that capital requirements are more. So, as we move forward, we see challenges on the cost side. And we also need to do some trimming internally in terms of both the cost as well as working capital and inventory, which all came up over the last few months internally as well as in this meeting.

So, thank you all for your wonderful participation, and looking forward to posting better numbers in a much more growth in the quarters to come with the hard work of the team and, of course, God's grace. Thank you all. Jai Hind

Moderator: Thank you, sir. On behalf of 360 ONE Capital Markets Private Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.