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THAAI CASTING LIMITED

*Manufacturing of Aluminium Pressure Die Casting Dies, Components,
Machined Parts, Induction Hardening and Nitriding .*

To,

June 10, 2024

National Stock Exchange of India Ltd.

Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051

Subject: Submission of Transcript of the Earnings Conference call held on Thursday 06th June, 2024 at 04.00 P.M.

(Scrip Symbol: TCL, ISIN- INE0QJL01014 & Scrip Name -THAAI CASTING LIMITED)

Dear Sir / Madam,

In continuation of our earlier letter dated June 06, 2024 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Thursday, June 06, 2024 at 04.00 P.M. discussed the Audited Financial Results (Standalone and Consolidated) of the Company for the Half Year and Year ended 31st March, 2024.

We request you to acknowledge the aforesaid and take record for the same.

**Thanking You,
For Thaaai Casting Limited**

RAJESH

KUMAR SAMAL

Rajesh Kumar Samal

Company Secretary and Compliance Officer

Encl: As attached above.

Digitally signed by
RAJESH KUMAR SAMAL
Date: 2024.06.10
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“Thaai Casting Limited
H2 & FY '24 Results Conference Call”

June 06, 2024



MANAGEMENT: **MR. S. ANANDAN – CHAIRMAN AND MANAGING DIRECTOR – THAAI CASTING LIMITED**
MR. RAMAKRISHNAN – WHOLE-TIME DIRECTOR – THAAI CASTING LIMITED
MR. SUBBIAH – FINANCE HEAD – THAAI CASTING LIMITED
MS. SHEVAANI ANANDAN – WHOLE-TIME DIRECTOR – THAAI CASTING LIMITED
MR. RAJESH SAMAL – COMPANY SECRETARY – THAAI CASTING LIMITED

MODERATOR: **MR. GANESH NALAWADE – KIRIN ADVISORS**

Moderator:

Ladies and gentlemen, good day and welcome to Thaai Casting Limited H2 FY '24 Results Conference Call hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ganesh Nalawade from Kirin Advisors. Thank you and over to you, sir.

Ganesh Nalawade:

Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Thaai Casting Limited. From the management team, we have Mr. Anandan, Chairman and Managing Director, Mr. Ramakrishnan, Whole-Time Director, Mr. Subbiah, Finance Head, Ms. Shevaani Anandan, Whole-Time Director, and Mr. Rajesh Samal, Company Secretary.

Now I hand over the call to Ms. Shevaani Anandan. Over to you, ma'am.

Shevaani Anandan:

Thank you, sir. Good evening everyone and welcome to Thaai Casting Limited's H2 FY '24 earnings conference call. We are delighted to have the opportunity to provide you with a comprehensive overview of your company's performance and our strategic direction.

Thaai Casting Limited stands as a distinguished automotive ancillary company with a rich legacy of expertise and innovation, specializing in high-pressure die casting and precision machining for both ferrous and non-ferrous materials, as well as induction heating and quenching. We have carved ourselves in the automotive component sector, founded by Mr. Sriramulu Anandan, an industry veteran renowned for his expertise in pressure die casting and machining process. Our business model revolves around a B2B approach, catering to leading entities in the automotive sector.

Our product portfolio has a diverse range of automobile components, including engine mounting support brackets, transmission mount, forkshift, steering wheel, housing top cover, YFC base frame, and more. Notably, our commitment has earned us the prestigious MSIL green certification from Maruti Suzuki India Limited in 2021. This underscores our dedication to adopting and promoting a fully quality compliance component.

In terms of operational highlights, Thaai Casting Limited recently achieved significant milestones, including our listing on the NSE-Emerge platform with an IPO of INR47.2 crores. We also established Thaai Induction and Nitriding Private Limited, a wholly owned subsidiary, as part of a strategic expansion into the ferrous business segment. We have acquired land to facilitate the construction of new facilities for our subsidiary also, focusing on gas nitriding, gear shaping, and planetary carrier manufacturing.

These initiatives underscore our commitment to growth and innovation, positioning us for long term success in the dynamic wind industry. In the second half of FY '24, our focus remains steadfast on driving growth, innovation and operational excellence. We are proud to report our strong financial results, which is significant year-over-year growth across various key metrics.

Our total income reached INR48.13 crores, showcasing a commendable trajectory of success. Additionally, our EBITDA stood at INR14.68 crores, with an impressive margin of 30.51%, reflecting our commitment to operational efficiency. Moreover, our PAT amounted at INR8.22 crores, underscoring our ability to deliver sustained profitability. These achievements validate the effectiveness of our strategic initiatives and the dedication of our team.

As we navigate to the opportunities and challenges ahead, we remain dedicated to our core values of quality, innovation, and customer satisfaction. Our order book EBIT stood at, for the month of March 2024, it is INR232.69 crores, and on the month of April and May, it is INR74 crores. Our recent land acquisition for the expansion of our subsidy reflects our proactive approach towards meeting the evolving demands of our industry. By investing in new facilities and technologies, we aim to strengthen our capabilities and position ourselves as a leading provider of high-end casting solutions. We are pleased to report a commendable growth trajectory for our company.

This success is driven by the development of new products, addition of new clients and our goal of becoming a global brand offering one-stop high-end casting solutions. Following our IPO, we are on a growth path supported by our expansion and capital expansion plans. We have established a new subsidiary and acquired a land setup to a gas nitriding plant.

Focusing on our effects on increasing installation capacity is crucial as we strive to meet the growing demand for our valued customers. We are concentrating on boosting our overall order book value by securing more orders and enhancing the value of the existing ones. This multi-phase approach underscores our commitment to excellence and growth, paving the way for our promising future.

In conclusion, I want to reiterate our commitment to sustainable growth and value creation for all our stakeholders with a strong foundation in place and a clear roadmap for the future. We are confident in our ability to seize opportunities and overcome obstacles, driving long-term success for Thaai Casting Limited. Thank you.

Moderator: Madam, should we begin the question and answer session?

Shevaani Anandan: Yes, sir.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pranay Jain from Deal Wealth. Please go ahead.

Pranay Jain: First of all, congratulations on a robust year. I wanted to understand with the kind of strategy that we have taken to become a global one-stop shop. I just wanted to understand this vision. How do we see it translating into the line of products over the next two to three years and what kind of technologies, geographies, clients are we looking to have except what we already have achieved in FY '24? If you could just give us how this vision is going to play out? That is what I want to understand first.

S. Anandan: Good evening, sir. This is Anandan, the Manager of Thaai Casting. Good evening, everyone. Sir, earlier, we were doing a casting of up to around 4 kg weight of components. Now, we have

started doing up to 9 kg to 13 kg with the new capex facility we have introduced with our IPO funds, which will be starting in a couple of months' time, almost three months' time. That will be very much value-added for the EV, front-axle, rear-axle components, and other than battery boxes, those components will be catered.

And globally also, we are discussing with the customers where we can reach them and supply the parts from here. And apart from this, we are focusing more on the wind industry. Already, we have signed an agreement with a Flender German company.

One vertical, we have already completed the erection and everything, gas nitriding. Most probably from this month onwards, invoicing also, business also will get started. Further to that, on the wind, we are going for a gear shaping and planetary carrier machining. The first person will be in India to support them, this type of components. First company.

Pranay Jain: That is very heartening, sir. So if we just look at the order book for this, what does it look in terms of executing for this particular year as of now?

S. Anandan: This year? This year, almost we are expecting around 55% to 60% increase in the comparing to past years. That we have very much visibility for that order and the confirm orders. And subsequently, we are getting the orders also. We will be getting orders for even 2026 launching cars. Those cars' orders also, we already received. Validation process also over. So, we keep getting orders because we are improving our lab facility and also [inaudible 0:09:14] There was a disturbance.

Moderator: Hello? Yes, sir. Please go ahead.

S. Anandan: And we are implementing latest technology of latest machines.

Pranay Jain: So, the new products which you mentioned like the gears for the wind industry and planetary part, all of this will start contribute from say the second half of this year in our numbers?

S. Anandan: Only in the wind part, only gas nitriding this month onwards will be -- business will be starting. Already past 7-8 months, we are working on that. And other than gas nitriding, the gear shaping and the planetary carrier, we have ordered the machines. All the machines, 15 months delivery time, the maximum delivery time. Other machines are 12 months.

So, end of next year, this business will get started. The entire three machines which you are buying, this will be the first time in India, these machines. We have made an agreement with the customer also.

Pranay Jain: Understood. And last question before I get back in the queue. On the automotive side, what are the new clients we have added because as you mentioned, we were undergoing audits by global name, so just wanted to get a flavor of those who are now confirmed to give us orders or who have already started giving us. And...

S. Anandan: See, we are already -- Hello, sorry. Yes. You continue, sir.

Pranay Jain: Yes. So, this was on the automotive side that I asked you?

- S. Anandan:** Yes. Already we have approved by Hyundai, Maruti Suzuki India Limited, Stellantis, PSA. These are the major car manufacturers already we have approved. So, only the new models which is going to come like Kia EV vehicles, we have been ordered the business. The new car launching which is going to come next year, Hyundai, we have been awarded. The Maruti, also Grand Vitara, we have been awarded.
- The new project of Maruti also we have been awarded. Like this, only the new models we are getting awarded the new business. Already we are in the place of all the OEM car manufacturing suppliers through T1 suppliers. And addition to that, the medium segment of pickup vehicles like Tata we are entering now and Mahindra already we have entered. So, we are... Leyland also we are trying to enter in the -- Like medium -- Leyland also we have entered. So, we have to start the business.
- Pranay Jain:** Got it. And with the addition of such clients on the auto side as well as growth in segments in wind and planetary later, we expect that our profit margin should only pick up from here not just maintain?
- S. Anandan:** No, sir. We will maintain the same. We will try to maintain the same. Around 27 to 30 EBITDA will be definitely maintained.
- Pranay Jain:** Okay. All right. Thank you so much. All the best.
- S. Anandan:** On productivity, lab [inaudible 0:12:14], so we have to invest consistently. Yes.
- Pranay Jain:** That's what I wanted to understand. I mean, as our utilization picks up, you think there is room for further pickup in margins or we are going to get into a very competitive area, so it's difficult, you are saying?
- S. Anandan:** Yes.
- Pranay Jain:** Okay. All right. Thank you and all the best.
- S. Anandan:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Atul Dafria from Marigold. Please go ahead.
- Atul Dafria:** Sir, hi, Atul here. Thank you so much for the insights. One point is, sir, you mentioned a 55% to 60% hike in the order book. So this is compared to last year. So should we expect around INR350 crores order book this year?
- S. Anandan:** No. Good evening, sir. Actually, 55% to 60% increase in that compared to last year revenue. And the order book is, it will go for another five years. Normally, when we are getting an order for a new model, for an example, new Maruti vehicle which is going to launch in this year, I'll be getting that order. The entire order value for the absolute of that model, five years, that value, like that many models value only that is INR220 crores. Do you understand this?
- Atul Dafria:** No, not really. So you mentioned that generally it takes five years for executing the orders, right?

- S. Anandan:** No. One model normally, minimum five years, any car models are running. The entire period we'll be supplying that part. They'll be giving the RFQ and everything like that only, sir. Year on year, what is the volume? And the entire volume, like that only we'll be discussing with the parts. So the entire order book is so much of amount, sir. It will be in phased manner. So we can complete this, this year to next year, we can achieve this. Subsequent year will be better because most of the car launching in this model, next year is getting launched.
- Atul Dafria:** Understood, sir. And generally the order book, what you have currently in hand, generally how much time it takes for you to execute those orders?
- S. Anandan:** This is most of them, in that 60% around already we have completed the development. Waiting for the start of production by the OEMs. That is from something I already started. This year, few percentage we are going to start. Most of the order book will get started end of next year. December 25, all the -- whatever booked order will be started generating revenue, sir.
- Atul Dafria:** Okay, sir. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Krishna Kumar, who is an investor. Please go ahead.
- Krishna Kumar:** Yes. Thank you for the opportunity. Sir, I have two questions. One is the revenue guidance for the 2025 and also for the upcoming two to three years. The second question is on the margin front. Compared to the previous year, suddenly there is a high jump in the margin from 2022 to 2023. Will the margin will be sustaining for the next upcoming or for the next two to three years? Or is it only like a one-time gain? I mean, we just need some clarity on that, sir.
- S. Anandan:** No, no. Definitely the margins will be sustainable. There will be any point of time, minimum 20%, 25%, 27% can be maintainable. We are now in the new capex. Many of the investment is going. That is what slightly variations of that I am telling. Once everything is completed in one or two years' time, then we will be able to commit exact EBITDA margins. Can you come back to the first question? Sorry, sir.
- Krishna Kumar:** Revenue guidance for the next year, this 2025, also for the next up to two to three years, the future guidance.
- S. Anandan:** Subsequently, we are planning every year minimum 55% to 60% revenue. Because already we have order booked, which I already told around, all put together more than nearly INR250 crores we have been order booked. So, it will be keep starting revenue in every quarter, every half year.
- Krishna Kumar:** Yes, but just you mentioned that the order will be starting from next year, at the end of next year, right?
- S. Anandan:** No, no, no. It is whatever the order book is there. Already some percentage we are starting now. Entire order book, whatever is committed, it will be started. Entire value will be end of next year, December. The last car model which I am telling is launching in the December 2025. So, whatever I am committed, everything will be started in 2025.

- Krishna Kumar:** Okay, okay. Got it, sir. Perfect. So, your revenue guidance will be 50% to 60% year on year, right?
- S. Anandan:** Yes. Sure. So, so far we are having.
- Krishna Kumar:** Okay. Perfect, sir. Yes. Thank you, sir. That's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Marutinandan Sarda, who is an investor. Please go ahead.
- Marutinandan Sarda:** Good evening, sir. Thank you for the opportunity and congratulations on a good set of numbers. My first question will be on the capex. So, for the next two years, what is our capex requirement and how we are going to fund it?
- S. Anandan:** Good evening, sir. So, first the initial capex requirement which I am telling for the wind. Already for automobile, we have already that this fundraising, we have already purchased most of the machinery. For a wind which we are going, signed with the German customer, we need around INR70-INR75 crores of capex requirement for 2025. Now, before we have ordered the machine, with the internal approvals, we are paying advance. We have asked the supplier to start manufacturing.
- One is from German Gleason; one is from Austria WFL. These two machines we have been ordered. Today, I am in Coimbatore to give another two machines order. We will be today and tomorrow. Once that is completed, all the purchasing of activity will be completed. So, next year, we will be expecting all the machines to come in and then we will start.
- Marutinandan Sarda:** Okay, and second question is on the data and inventory, basically on the working capital cycle. So our data is around like less than two months is what we are keeping. But inventory seems to be in excess of four, four and a half or five months. So can you just throw a light on that? Is it just a case at the year-end or is it a general feature that we will be having inventory of four to five months at any point of time?
- S. Anandan:** No, sir. Recently, we have been entering into new products. With new products, we have various alloy differences. So we have to keep some inventory in the year end. So we want to try to reduce -- within one or two years, we want to reduce the inventory also. We are working on that, sir. There are different grades of alloys we are using. So now we are planning to reduce inventories also coming here.
- Marutinandan Sarda:** So what is the optimum level of inventory days you are looking at? You want to keep it down to 90 days?
- S. Anandan:** No, definitely less than 90 days we want to keep it, sir.
- Marutinandan Sarda:** Okay, and my last question is on the other current asset. If you can just give a breakup of that, what it is? It's approximately I think INR18 crores to INR20 crores. Yes, I just want to know the breakup of other current assets. The value is around INR19 crores. Can you just give a breakup of that, what it is?

- S. Anandan:** Yes, one minute, sir. [Subbiah sir 0:20:11], they are asking current assets. Do you have papers?
Hello, Subbiah sir.
- Management:** Hello, sir.
- S. Anandan:** Subbiah sir, you can talk. Hello.
- Management:** Yes, sir. The current assets, sir. The trade receivables. Sir, can you hear me?
- S. Anandan:** Yes, I can hear you. I just want a breakup of other current assets, not trade receivables and the inventories. The line item which is below that.
- Management:** Okay. Sir, the other current assets is part of other deposits like advances for purchases, like this, sir. And the deposit with the department, ED deposit, like this, sir.
- Marutinandan Sarda:** Okay. My last, it's actually not a question but a suggestion that if we can have a result declaration every quarter instead of six months. Because I believe that is doable and it will be good for the investors as well as the company to share and have this kind of communication on a quarterly basis rather than six months.
- S. Anandan:** We do take your input, sir. We'll discuss with our auditor and then we'll try to. Maybe first six months, we have a lot of developments. Maybe end of this quarter, I think we can do it. Anyway, we'll discuss with the auditor and then we'll try. We'll take your input, sir.
- Marutinandan Sarda:** All right. Thanks a lot and wish you all the best.
- S. Anandan:** Thank you.
- Moderator:** The next question is from the line of Ankush Batra who is an investor. Please go ahead.
- Ankush Batra:** Sir, my question is on raw material prices. So in last two months, we have seen raw material prices have increased like 15% to 20%. So how will it affect our margin?
- S. Anandan:** Normally, we don't -- we definitely will get the price increase on the customer. Our margin will not be getting increased. We have a price agreement initially, sir. Some customer, month on month we are doing. Very few customers we are doing on every quarter basis. Presently, as you rightly said, there is a fluctuation in the market.
- Moderator:** Thank you. The next question is from the line of Gunjan Modi who is an investor. Please go ahead.
- Gunjan Modi:** Sir, I wanted to understand regarding some updates published with the exchanges. You have mentioned that you received an order of INR220 crores. And post that, you received an order of around INR12 crores. So you are currently fulfilling an order at that point of time INR8 crores per month and the newly workflow created an increase in INR4 crores.
- So I want to understand, sir, that if in the second statement, you are stating that you have a total order book of INR233.69 crores and you just received both these orders recently. So what was

the previous order book regarding that? And my second question is regarding the capacity. You have stated that you are already utilizing 80% to 85% of the capacity. So how do you plan to fulfill these new orders?

S. Anandan: Good evening, sir.

Gunjan Modi: The new plant is coming up in two to three years.

S. Anandan: No, that is a wind project, sir. With this new capex already we have new capacity come in, sir, almost installation is also getting completed. So maximum in three months' time, most of the machines will be started running with the new capacity.

Gunjan Modi: Okay. And my first question was regarding the order book. You stated the total order book to stand at...?

S. Anandan: This is the existing order book, sir. Whatever we are doing, we have achieved INR90 crores. This is all apart from that.

Gunjan Modi: So the INR8 crores monthly generated apart from that?

S. Anandan: Apart from whatever we have received, we are doing in order books. Whatever we are committing now, it is apart from that. There will be any absolute in the model in couple of years' time. Then existing order will get reduced in that portion.

Gunjan Modi: Okay. Got it. Thank you, sir.

S. Anandan: Thank you.

Moderator: Thank you. The next question is from the line of Suryanaryan Nayak, who is an investor. Please go ahead.

Suryanaryan Nayak: Yes. Just now I missed one point. You said the wind capacity is INR70 crores to INR75 crores and the current cash flow statement, is it reflecting the same?

S. Anandan: Come again, sir.

Suryanaryan Nayak: The cash flow statement, the investing activity, it is showing that around INR65 crores has gone into that. So is it related to the wind capex?

S. Anandan: No, sir. Wind capex is totally new, sir.

Suryanaryan Nayak: Totally new?

S. Anandan: Yes. Totally new.

Suryanaryan Nayak: So this INR65 crores is towards the auto segment?

S. Anandan: Yes, sir.

- Suryanaryan Nayak:** Okay. So then...
- S. Anandan:** Only small portion wind is there, which we are starting this month onwards, the gas nitriding alone. So those we have already invested few crores. Rest everything is automotive.
- Suryanaryan Nayak:** So is it related to the gas nitriding plant?
- S. Anandan:** Gas nitriding is not automotive. It's wind, sir. Gas nitriding already we have completed the project. And we are going to invoice from this month onwards.
- Suryanaryan Nayak:** Okay. So what is the status I mean have the installation completed or what is the status?
- S. Anandan:** Completed. Sample has been approved by the Germans the samples and the first batch also we have completed last week of last month. And this month the first batch approval we are going to get. Most probably another maximum of 10 days' time continuous production will get started.
- Suryanaryan Nayak:** Okay. And secondly sir you said that the wind capex will be INR70 crores to INR75 crores. So what would be the means of finance?
- S. Anandan:** Being that it is more than 12 months to 15 months delivery time we have made even 25% advance also. I have taken them deferral payment like 5%, 3%, 5% and then a couple of 9 months' time. These advances I am planning to do with internal accruals only. So I thought of discussing after 3 months with my financial team everyone whether we do for debts or any fresh issues. I need to think about it.
- Suryanaryan Nayak:** But you are for sure going to implement this wind project this year or that will be in next year?
- S. Anandan:** The machines will come only by next year material sir. All the time-taking processes the big machines and we have ordered the machine and paying advances to them.
- Suryanaryan Nayak:** And there is even there is doubt in the minds of the people that now you said in your presentation you said INR234 crores is the outstanding order. You got some INR74 crores orders of different periods and again INR10 crores also for 3 years. So what actually is the current order book because INR90 crores is flowing to the P&L. So what is actually as on March 24 out of INR232 crores how much order has flown into the P&L and what is – this is it the leftover order books INR232.69 crores?
- S. Anandan:** Whatever we are declaring the order book that is apart from what we are doing sir.
- Suryanaryan Nayak:** You gave actually the order book in three columns. One is order as on March 24, order received during April and May and order secured by your subsidiary and April and May that is for the 5 years that is INR74 crores so that is not that material. Ditto is the case of INR10.8 crores that is for 3 years that is also not material much, but my question is only about the INR233 crores orders that we have. So what is if I am to understand that the run rate will be around INR20 crores per month?
- S. Anandan:** No sir it is not like that sir. I'll explain once again. Earlier also the same question has come I will explain that. The INR220 crores business we are getting with the various models of cars. Some

cars is getting launched this year. Some cars are getting launched even next year the last car which is going to launch in December 25. This INR220 crores execution will be completed till December 2025.

From now onwards till 2025 December this INR220 crores execution process will get started. When it will start INR220 crores approximately, for example, INR20 crores business is the second quarter when it is starting INR20 crores business another 5 years the model till completes it will continue.

The next quarter another INR40 crores starts then it will continue for next 5 years. The December 2025 which is going to start that is a major volume so INR40 crores, INR45 crores around that will grow another 5 years from that time onwards. Whatever I have received a purchase order from the customer -- development confirm purchase order. Developments we will be doing some part will be -- validation will be 1 years, 1.5 years that is what this confusion. So validation process is over then again the business will get started.

- Suryanaryan Nayak:** So this order book has come after all validations have been completed?
- S. Anandan:** Yes in the purchase order once received. Most of the volumes I have already completed only 40% [inaudible 31:37].
- Suryanaryan Nayak:** Okay. So what is the current run rate for month of revenue?
- S. Anandan:** From this exactly I can take and tell you also. From this INR220 crores out of INR220 crores how much volume.
- Suryanaryan Nayak:** INR232 crores not INR220 crores.
- S. Anandan:** INR220 crores plus INR12.69 crores INR232.69 crores which quarter how much of volume. Which quarter how much of volume that also you can use.
- Suryanaryan Nayak:** So what is the current run rate of revenue I mean that is the current monthly run rate?
- S. Anandan:** So I am telling as this currently run rate 60% revenue this year we are increasing.
- Suryanaryan Nayak:** So again you are keeping some confusion in our mind.
- S. Anandan:** We are increasing 60% revenue. This is coming from INR232 crores only. Next year which is going to increase that will be coming from INR232 crores only.
- Suryanaryan Nayak:** See up till March 24 we had some around on an average INR7.5 crores to INR8 crores of revenue?
- S. Anandan:** Exact run rate will not come month-on-month month. It will increase...
- Suryanaryan Nayak:** I am just giving average turnover not exact turnover average turnover. I mean yearly average turnover monthly average is INR7.5 crores. So you are saying that now it will be 60% higher?

- S. Anandan:** Exactly 60% higher will be there.
- Suryanaryan Nayak:** So shall I mean that now it will be around close to INR12 crores per month.
- S. Anandan:** Sometimes INR8 crores will be there sometimes INR14 crores will be there because any development day when we are invoicing that month will be a heavy invoice will be there.
- Suryanaryan Nayak:** So on the lower range it will be around INR8 crores to INR9 crores.
- S. Anandan:** INR8 crores to INR crores will be there.
- Suryanaryan Nayak:** And in the higher range it can go up to even INR14 crores?
- S. Anandan:** Yes even it can be more also.
- Suryanaryan Nayak:** It can be more, but at the end of FY25 we can say it will be around INR12 crores for average?
- S. Anandan:** Yes and when you make it average INR12 crores will come.
- Suryanaryan Nayak:** Okay and you are saying that the margins will be intact.
- S Anandan:** Yes.
- Suryanaryan Nayak:** And what about the nitriding facility when actually the revenues will flow from there?
- S. Anandan:** The nitriding only the INR10 crores you told INR10 crores business that is nitriding this year.
- Suryanaryan Nayak:** Okay. That is nitriding facility.
- S. Anandan:** Absolutely. That is only a service project. Customers are [inaudible 34:31] material we are doing only servicing.
- Suryanaryan Nayak:** Okay. That is basically a heating exercise nothing else.
- S Anandan:** Yes.
- Suryanaryan Nayak:** That is a nitrogen heating exercises through which you are going to change the surface of the metals?
- S. Anandan:** Yes surface hardness. Correct.
- Suryanaryan Nayak:** So what is the potential there? How much is the total scope there in the nitriding facilities?
- S. Anandan:** Nitriding we have been signed for three furnaces customers. First furnace we have launched that is what the business this month onwards we are going to do. Second furnace we have already given order. We are expecting end of this year. Third furnace we are planning next year. Total customer committed for us three furnace capacity they have committed.

It is almost this furnace commercially this is the biggest furnace in India. Almost 3 meter diameter, 10 tons of each time capacity. One time if you load it, it will take 90 hours to come out.

- Suryanaryan Nayak:** Okay. So how much capex has gone into that nitriding facility?
- S. Anandan:** So far only one furnace we have introduced, but we made an infrastructure for the three furnaces. Now one by one furnace we are introducing.
- Suryanaryan Nayak:** So in one furnace how much gone?
- S. Anandan:** It would have gone around INR6 crores-INR7 crores.
- Suryanaryan Nayak:** So, out of INR6 crores-INR7 crores capex will generate for a year, how much potential or revenue?
- S. Anandan:** Revenue around INR4.5 crores to INR5 crores minimum, we can do. Conservatively, I am telling. Only services.
- Suryanaryan Nayak:** Okay. That is not that significant. In the wind capex of INR70 crores to INR75 crores, how much revenue potential you see per year?
- S. Anandan:** That is -- need to calculate and tell sir. Because it is a very big cycle time, we are working on that. Each machine is around INR17 crores, we are working on that. Pricing also we have with us. Each component is around INR2 crores, almost INR1.85 crores to INR2 crores. So, I can tell you sir. I don't have numbers right now. You can send a mail, I can verify.
- Suryanaryan Nayak:** And in the auto capex of INR60 crores to INR70 crores, how much revenue you can expect?
- S. Anandan:** Entire, whatever we are discussing, 239 is auto only sir.
- Suryanaryan Nayak:** Again, are we introducing new products in the OE category?
- S. Anandan:** Existing components and new models only. There is no any new products.
- Suryanaryan Nayak:** Okay. New models. And by the way, are we also touching upon any other OEs apart from Hyundai and Toyota?
- S. Anandan:** At present, I told sir. We are already entering into -- Mahindra already entered. Tata discussion is going on. Leyland also we are entering. RSQs are also coming. In the medium segment, pickup vehicles.
- Suryanaryan Nayak:** Okay. ML3s, I mean, pickup vehicles.
- S. Anandan:** Yes.
- Suryanaryan Nayak:** Okay. Thank you sir.
- S. Anandan:** Thanks.

- Moderator:** Thank you. The next question is from the line of Pranay Jain from Deal Wealth. Please go ahead.
- Pranay Jain:** Some of my questions are partly answered. Just wanted to get clarity on the dash mat writing business. I understand that phase wise we are adding the furnaces. But otherwise, what is the contribution in a steady state that we should expect over the year or next two years from this business?
- S. Anandan:** Overall, we can expect around INR12 crores annually this business.
- Pranay Jain:** INR12 crores from the three furnaces combined.
- S. Anandan:** I'll calculate this now. Rahul, are you in the line?
- Pranay Jain:** Hello. Yes.
- S. Anandan:** Whatever the volume is correct?
- Pranay Jain:** Yes. So, dash mat writing, as of now we can pencil INR12 crores revenue from all the three furnaces assuming they are running steady state. That's what you are saying, right?
- Management:** Yes, sir. Correct.
- Pranay Jain:** And the margins over here because it's only processing would obviously be lower than our company average. Because it's only part of the process.
- S. Anandan:** It is better than existing, sir. Only the technology, only it is mine, sir. Furnace technology, if we have to buy this furnace as imported, it is INR12 crores. We are just with our own by visiting German and other things, we have built up within INR3.5 crores.
- Pranay Jain:** Okay. So, you are saying the efficiency will be faster.
- S. Anandan:** I request this type of internet technology from visitors, you'll be more easily understanding, sir. As of next month. We'll be happy to explain in person also.
- Management:** Sir, I would like to correct this. In 2026 to 2027, we are operating in full capacity. We are expecting it around INR9.2 crores to INR9.3 crores.
- Pranay Jain:** Got it. Thank you for this clarity on the dash mat writing business. Second thing is, basically, the KTX, all of which we will complete by next year, what will be the potential revenue from all the segments? Have you done that kind of work or it's difficult to project as of now?
- S. Anandan:** As of now, it is very difficult, sir. Because, it is keep adding the one by one additional requirement of the, what we are discussing of the gas shaping and plan energy carrier. Customer also, we are -- joint discussion is going on. The CNCCMO is not included. That is coming around 5.5. Originally, fixed, agreed cost they are ready to accept that increase of cost by going additional capex. It will take another three months to get concluded the new vertical entire revenue part, sir.

- Pranay Jain:** Okay. So, from the wind power business, assuming that we are doing INR75 crores capex, the capacity will be fully tied up with our customer in Germany and Austria or we are looking for more customers also to utilize this?
- S. Anandan:** No. This purchase area only I told, sir. The machine which I am buying only German and Austria. Customer is German customer, sir.
- Pranay Jain:** Okay. But we are in talks with other kind of customers in India and elsewhere also for this business?
- S. Anandan:** See, so far, I have only booked only with this customer. Once everything is set back, we are trying to go for other customer also. We have identified the other customer also. We will be going for other customer also. There is no restriction with the existing customer for going other customer.
- Pranay Jain:** And what is the visibility from German customer for this wind power business next couple of years, do we have?
- S. Anandan:** In 2025 only, they have volumes. They are also working for, we have made agreement also with them. So, they are also working on it. It will take another three months to give a clarity on the exact visibility on that. But, the entire -- We are going to produce and they want to stop importing China and German also. Subsequently, they are planning to export our part to German also. So, we are -- because they are also investing around INR300 crores -- INR400 crores. Only I am, some vertical I am doing. Most of the thing, they are investing in us.
- Pranay Jain:** Okay. So, this is going to be a long-term engagement and like you said...
- S. Anandan:** Yes. German, long-term agreement.
- Pranay Jain:** Got it. And on the planetary carrier side, while it is emerging an exciting space, what are the prospects that we are seeing over here? I mean, is it only ISRO or one or two other names or what kind of development we are expecting in this segment?
- S. Anandan:** So, mainly machine selection, sir. Today also, I came to Coimbatore because of that planetary carrier discussion only. To discuss one of the Indian supplier itself, we want to reduce the cost of import machineries. We are pure core technical peoples of machining, sir. So, that is what we are getting this order.
- Pranay Jain:** Okay. All right. So, we will focus on precision machining, engineering and not really...
- S. Anandan:** Yes. There is a very criticality in there, in the planetary carrier. Just like that cannot do. I am working more than 3 months on this project alone, which machine to be selected and the dimension and the probability inspection method, what to be selected. We keep continuously working. Initially, long time taking time process machine, we have already ordered 15 months. Rest everything, we want to close it before 15 months.
- Pranay Jain:** Okay. This is quite visionary and I commend you and your team on this thing. It will require a lot of capex to run this kind of growth year-on-year. So, I wish you all the very best.

- S. Anandan:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Darshit Shah from Nirvana Capital. Please go ahead.
- Darshit Shah:** So, on the export side, on the last call, we had mentioned that we are in talk with few of the MMCs and also we were in touch with Madras and Sunni, who are asking us to make a few products from them. So, any update on that you would like to throw?
- S. Anandan:** They have added us into the portal, sir. We can view the portal. All the requirements globally, it will come into the portal. We can code. So, last two codes, we could not able to gain because of higher price. They have guided us. Maybe from next code onwards, we are targeting to get the business.
- Darshit Shah:** And any other MMCs, global MMCs, we are talking for exports as of now?
- S. Anandan:** As of now, Madras and only I visited personally and they were discussing. Other than that, [Sumirukku 45:45] also we are discussing. I wanted to start this also further continuation after 3 months because we have taken lot of machines already coming into the factory, implementations and everything.
- We want to quickly do it. So, we don't want to divert our concentration immediately and export business when we get also, we need to promptly deliver. So, earlier I targeted for June. Now, maybe July, August, we will be closely following export business. In the plant, if anybody comes, there is a lot of reshuffling also. New machines coming, the existing layouts are getting changed. So, lot of new things are coming.
- Darshit Shah:** So, once we kind of stabilize the new plant, then we will focus on exports?
- S. Anandan:** Yes.
- Darshit Shah:** And then other segment was the aerospace component. That, also we were targeting something on the machining side?
- S. Anandan:** No, sir. Wind only we are targeting. So, which I am told one machine we are going to buy from Austria. This machine very much capable to do the aerospace components. So, we are going to target that also. Aerospace, there is a separate quality certification required. So, we are going to start that quality certification audit process also. Meanwhile, last month, we got a SMETA 4-pillar audit also. We got through because any German company, we have a SMETA audit passed. They never come and audit us. So, that also we have done passed. We can count it very few people only will do this type of audit passed.
- Darshit Shah:** Sorry, sir. Can you mention what is that audit and what is that audit required for?
- S. Anandan:** SMETA 4-pillar audit, sir. It is a very tough audit. It will come in the employee safety audit.
- Management:** It is a SMETA. S-M-E-T-A.

S. Anandan: Yes. Rahul, you have posted in that NSE also, no? [Rahul? 47:41]

Management: NSE, we are yet to post. Not yet.

S. Anandan: Yes, I think it has come, I think. Approval.

Management: Shortly, we will be posting.

Darshit Shah: Sure, sir. All the best. Thank you.

Moderator: Thank you. Next question is from the line of Jignesh V from Jiva Capital. Please go ahead.

Jignesh V: Sir, there is a new wind capex that you are planning to move. I wanted to understand what kind of products will we cater to for this client?

S. Anandan: Sir, this is wind. There are a lot of products out there. There is a blade. In the blade, there will be a reduction gearbox. We are catering on the main gearbox, sir. Very big gearbox. In the main head, there is a gearbox. That portion, we are concentrating. That part.

Jignesh V: So, this product, you are doing the only person in India or there are few other competitors?

S. Anandan: I not started so far. Already, these are only captive, only they will be doing in-house. They will not be giving to suppliers because huge investment, technicality required. This is the first time from the German customer, we are going to implement by Tican.

Jignesh V: So, going forward, this similar products can also be done for aerospace?

S. Anandan: This machine is capable to do aerospace component also. Such a light that only we are selling. Machine is general purpose machine. It is not a special purpose machine. This can do other parts also.

Jignesh V: So, for this INR70 crores to INR75 crores capex, you would be requiring for next 18 months?

S. Anandan: Correct. 25% only we are discussing with them. That also I am discussing with them for deferral payment. We are managing and paying them. So, when it is required, I thought we will think whether to go for debts or reciprocity. We have not concluded.

Jignesh V: So, the fund requirement will be maybe thought of next year only?

S. Anandan: Next year beginning, yes. Because 60 days before, they will be asking the entire funds to deliver the machine.

Jignesh V: For this, suppose if we do start the production of this wind product, we will be only catering to one client of Germany? As of now?

S. Anandan: We can go to other client also. Once I complete -- ordering the machine entirely and set the process sequence correct, I will start working with the other customer also before machine comes. We made agreement presently only with one customer. One this is not declaring to any

other customer also. Once I order everything completed and timeframe everything roadmap completed, then I will go to other customer also, similar customer.

Jignesh V: And during our earlier calls, you had mentioned that currently automotive is 80% of your revenues.

S. Anandan: Yes. With this, it will be getting reduced.

Jignesh V: So, once this wind comes, it will become 60%?

S. Anandan: Yes. That is what my aim is. 60% to 40%, I want to maintain.

Jignesh V: But that will only be done after 2 years. Till when? Automotive Next year onwards.

S. Anandan: Next year onwards. Now, gas metering increases also. Slightly there will be a change, a few percentage. Then, already we have started the gas metering this month onwards. Then, subsequently next year, middle onwards, it will start.

Jignesh V: So, broadly to understand, this year INR90 crores was your revenue majorly from automotive. So, this automotive will become around INR150 crores. And going forward, more of the revenue will come from the wind aspect?

S. Anandan: There will be a small percentage in non-automotive also, sir. We are doing a special process of induction Nitriding already, sir.

Jignesh V: So, that entire revenue will be around, if we assume, it is INR150 crores. But the over and above this will be wind component that I wanted to understand. So, overall, broadly we can achieve around INR250 crores to INR300 crores in next 2 years?

S. Anandan: Next 2 years, we are aiming, we are working towards that.

Jignesh V: So, around 60%, 65% CAGR every year for next 2-3 years.

S. Anandan: This easily we can come.

Jignesh V: Thank you.

Moderator: Thank you. The next question is from the line of Gaurav Sacchdeva, Individual Investor. Please go ahead.

Gaurav Sacchdeva: Sir, my question is regarding the shareholding. As I remember, you have given around 17 lakh shares to the anchor investors. Am I right, sir?

S. Anandan: Correct.

Gaurav Sacchdeva: Sir, can you tell me as on date, what is the current shareholding?

S. Anandan: Shevaani.

Shevaani Anandan: Yes, sir. Rajesh, sir.

S. Anandan: Hello. Rajesh, he is asking the present shareholding. Are you in the line?

Rajesh Samal: Yes, sir. I am Rajesh. [inaudible 53:31]. Sir, what do you actually need, sir?

Gaurav Sacchdeva: Sir, actually you allotted 17 lakh shares to the anchor investors. So, as on that, can you tell me what is there holdings right now?

Rajesh Samal: What? Anchor investors? I think same only, sir. Till 12 months, they cannot sell, no, sir?

Management: Actually, their shares is in lock-in, actually. I think lock-in period is not 12 months for the anchor investors.

S. Anandan: Rajesh, can you tell?

Rajesh Samal: One second, sir.

S. Anandan: As far as I know, it is 12 months lock-in period.

Rajesh Samal: So, you are asking me the shareholding pattern as on 31st March 2024 or as on date only?

Gaurav Sacchdeva: If you can provide both, as on date or 31st March, whatever is possible for you.

Rajesh Samal: One second, sir.

Gaurav Sacchdeva: Because actually there is very big overhang in the market, till the anchor investor selling is not done.

S. Anandan: Rajesh, I think the anchor investor is selling the share, I think.

Rajesh Samal: Sir, I will do one thing. Sir, please provide your mail id. So, I will provide the detailed shareholding for the company.

S. Anandan: Sir, I think you are right, sir. Anchor investors are selling, I think, sir.

Rajesh Samal: Yes, because shareholding pattern as on 31st March 2024, and because every week there is a...

S. Anandan: No, Rajesh. Sir, question is whether anchor investors are retaining the same or they are selling?

Rajesh Samal: Yes, sir. That I need to check the shareholding pattern, whether they are in the shareholding pattern or not. For that, sir, please share your mail id, so that I will share you the details, whether the anchor investor is holding the share.

Gaurav Sacchdeva: Okay, sir. I will email you separately.

Rajesh Samal: I will share you, sir, both as on 31st March 2024, the shareholding pattern, and as on the current date, what is the shareholding pattern.

Gaurav Sacchdeva: Thank you, sir.

- Moderator:** Thank you. The next question is from the line of Suryanaryan Nayak, who is an investor. Please go ahead.
- Suryanaryan Nayak:** Yes, sir. So, I just wanted to understand the growth we did of 85%. So, how much is value growth and how much is volume growth? So, is it possible to give the volume of metals we have cast and the EBITDA per ton of FY '23 and FY '24?
- S. Anandan:** EBITDA per ton definitely we cannot give, sir. We have different various verticals. We are doing a development. Die casting dies also we are doing. We are doing a die casting part. We are machining the CNC machine. Aluminum and the steel also we are machining. And induction heat treatment also we are machining. All in one row, sir. It is very difficult to give in per ton calculations.
- Suryanaryan Nayak:** So, have you assessed actually how much...?
- S. Anandan:** It is number based. No, it is value based. It is increasing the size.
- Suryanaryan Nayak:** Okay. So, I mean the 85% growth in the revenue is totally attributed to value growth only?
- S. Anandan:** Maximum value growth.
- Suryanaryan Nayak:** Okay. So, can you just give the ratio of ferrous and non-ferrous?
- S. Anandan:** That can be given, sir. I can send you a mail, sir. Because at present I don't have that. We can split and give. We are together only working. Actually, the company is working together only. If you want, we can split and give.
- Suryanaryan Nayak:** So, can it be possible, sir, if you can give a detailed presentation wherein the current status of different capex and different clientele and the products we are actually supplying. So, it will be better because it is due.
- S. Anandan:** Once I complete the capex, as I told, it will take 3 months' time to complete my entire capex ordering. Only 1 or 2 missions I have ordered so far. I will be completing in 1 month time ordering and subsequently, inspection equipment also I will order. Maximum 3 months' time, I can give you entire vision for a total capex, what I am planning, sir.
- Suryanaryan Nayak:** For that vision, at least a status report, a status presentation, investor presentation is required? If you can provide, that will be great.
- S. Anandan:** Okay, sir. Subbaiah? Whatever capex I am not planning, we can do it.
- Suryanaryan Nayak:** Capex and what is the current order book, you are already given. So, if there is any addition to that, you can also give and plus any client additions or anything?
- S. Anandan:** I think every order is coming within 24 hours. I think Rajesh is correct. We are submitting to CS. He is updating.
- Suryanaryan Nayak:** Okay.

- Moderator:** Thank you, sir. Thank you. The next question is from the line of Axay Shah from Kriis PMS. Please go ahead.
- Axay Shah:** Congratulations on the great set of numbers, sir. Sir, our new facility, when will it come on stream?
- S. Anandan:** Sir, the fully owned subsidy facility, 40% already construction completed for night reading purpose. The balance, we are going to start in this month onwards. The new facility totally, which you purchased recently, that is, maybe next year only, it will come into operation, sir.
- Axay Shah:** Okay. Sir, from current facility, how much turnover can we do maximum?
- S. Anandan:** Sir, next year, the target we are doing only with the current facility, sir. This year, 2024, 2024-25.
- Axay Shah:** So, we can do INR150 crores turnover from current facility only?
- S. Anandan:** Yes.
- Axay Shah:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Raunak Singhi, who is an investor. Please go ahead.
- Raunak Singhi:** This year we have a revenue margin of 80% towards the automated side.
- S. Anandan:** Sir, the voice is very low, sir.
- Moderator:** Sir, the participant has dropped from the queue. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Ganesh Nalawade from Kirin Advisors for closing comments.
- Ganesh Nalawade:** Thank you, everyone, for joining the conference call of Thaai Casting Limited. If you have any queries, you can write us at info@kirinadvisors.com Once again, thank you, everyone, for joining the conference.
- Moderator:** Thank you. Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.