To,
The Manager —Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400051

Date: 25.11.2024

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

Subject: Submission of Transcript of the Earnings Conference call held on Thursday 21st November, 2024 at 04.00 P.M.

Dear Sir / Madam,

In continuation of our earlier letter dated November 22, 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 November 21, 2024 at 04.00 P.M. discussed the Un-audited Financial Results (Standalone and Consolidated) of the Company for the Half Year ended on September 30, 2024.

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

Thanking You,
For Thaai Casting Limited

ANANDAN S
Digitally signed by ANANDAN S
Date: 2024.11.25 21:46:53 +05'30'

Sriramulu Anandan
Managing Director
DIN: 02354202

"Thaai Casting Limited
H1 FY '25 Earnings Conference Call"
November 21, 2024

MANAGEMENT: **MR. S. ANANDAN – CHAIRMAN AND MANAGING DIRECTOR – THAAI CASTING LIMITED**
MR. RAMAKRISHNAN – WHOLE-TIME DIRECTOR – THAAI CASTING LIMITED
MS. SHEVAANI ANANDAN – WHOLE-TIME DIRECTOR – THAAI CASTING LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to Thaai Casting Limited H1 FY '25 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 the star then zero on your 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, Ms. Shevaani, Whole-Time Director.

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

Shevaani Anandan: Welcome to Thaai Casting Limited H1 FY '25 Earnings Conference Call. It is my pleasure to connect with you all of today to share an update on our company's performance, achievements and strategic initiatives. We are grateful for your continued trust and interest in our journey of excellence and innovation.

Established in 2011, Thaai Casting Limited has grown to become a distinguished name in the automotive ancillary sector. Our specialization in high-pressure die casting, precision machining of ferrous and non-ferrous materials and advanced processes like induction heating and quenching set us apart. Our capabilities are further complemented by our commitment to quality as evidenced by our certifications, including the ISO IATF 16949-2016 and the prestigious MSIL green certification from Maruti Suzuki in 2021 for sustainable manufacturing practices.

We take pride in our diverse product portfolio, which caters to varied needs of esteemed clients. Primarily, global automotive OEM, from engine mounting support brackets to battery enclosures for electric vehicles, our products demonstrate versatility, precision and adherence to stringent quality standards. Beyond the automotive sector, our growing focus is on renewable energy markets, such as wind energy components, highlights our strategic diversification.

We continue to enhance the technological capabilities through advanced processes like gas nitrating and gear shipping. Setting industry benchmarks in precision engineering, gas nitrating, a thermochemical surface treatment, strengthens critical components, such as windmill gearboxes, by creating a hard, wear-resistant layer that resists wear, corrosion and fatigue. This process is supported by a SCADA system for real-time monitoring integrated alarm systems for safety and high-end digital flowmeters, combined with ammonia cracker for uniform quality.

With one of India's largest gas nitrating furnaces, capable of handling up to 13 tons per batch, we ensure unmatched efficiency and productivity for large-scale projects. Complementing this, the company's upcoming gear-shipping capability, which leverages state-of-the-art CNC technology and one of India's largest grease and gear-shipping machines to manufacture high-precision gears.

This addition, set for 2025, positions to meet the growing demands for gears in sectors like electric vehicles, wind energy and robotics, further solidifying our key position in delivering high-quality, industry-specific solutions.

In H1 FY '25, we achieved notable milestones. We successfully maintained a strong order book of INR386.83 crores with an execution timeline spanning the next 60 to 80 months, and secured key certifications that strengthen our quality assurance and align with global benchmarks. And we continued investments in cutting-edge technologies, including the SCADA system and one of India's largest gas nitrating furnaces, which enhance our manufacturing precision and efficiency.

I am delighted to present our financial performance for H1 FY '25, which underscores the resilience of our business model and operational excellence. On a consolidated basis, we achieved a total income of INR54.33 crores, reflecting a steady growth. An EBITDA of INR14.50 crores with a strong EBITDA margin of 26.69, demonstrating cost management and productivity gains. Net profit of INR5.37 crores, translating to a net profit margin of 9.89%, with an EPS of 2.15. On a standalone basis, our performance was equally commendable, with a total income of INR48.76 crores, EBITDA of INR12.53 crores and net profit of INR5.37 crores, and a net profit margin of 11.01%.

As we look ahead, we are focused on driving growth through, expanding our market footprint by leveraging the rising demand for electric vehicles and renewable energy solutions, enhancing operational efficiencies with industry 4.0 technologies, enabling us to remain agile and competitive in dynamic markets, strengthening client relationships by delivering innovative, high-quality products and adhering to best-in-class manufacturing practices, diversifying our offerings with a particular emphasis on subassemblies and energy-sufficient components.

The automotive industry's ongoing shift towards electric and sustainable mobility aligns perfectly with our long-term vision. With our strong infrastructure, strong client relationships, and emphasis on innovation, we are well-positioned to capitalize on these emerging opportunities. In conclusion, we remain committed to creating value for all our stakeholders through sustainable practices, operational excellence, and customer-centric solutions.

We thank you for your trust and support and look forward to discussing our questions during the Q&A session. Over to you, sir.

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

Ajay Sharma: So, my first question is, are there any plans to explore automation or robotics used further in your production process?

S. Anandan: Good evening, sir. This is Anand. Already, we are implementing robotics in the die-casting system. We have purchased a new capex, so there is a slight delay in production also. Majorly, we are implementing robotics in that mission. Next year also, we are planning a lot of implementation, at least 30%-40% of robotics implementation to reduce the manpower.

Ajay Sharma: Okay, sir. My next question is, how are you positioning yourself to gain market share in the EV components industry?

S. Anandan: Yes, earlier I told this. Already, we are in the common parts in the cars, like steering wheel, steering pinion housing, mirror parts, suspension parts. Most of the nearly 75%-80% is common parts. Any energy, EV or IC vehicles, our parts will be there.

Ajay Sharma: Okay, sir. Thank you, sir.

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

Murali: Hi, sir. Thank you and congratulations for very good results in H1. Sir, can you please explain about what percentage of revenue this gas nitrating business is going to contribute in H2 and what we are expecting from that?

S. Anandan: Gas nitrating is purely a service job, labor charges. In the revenue part, it will not be there. There is a profitability. It is a service job.

Murali: Okay, sir. The other question is, can you give any revenue guidance for H2? What can we expect compared to the previous H2 financial year?

S. Anandan: Because of the delay in installation, slightly one and a half to two months, still we are trying to close in around 1.30 this year.

Murali: 1.25 to 1.30. So, this is for the entire financial year? Okay, sir. Thank you, sir.

Moderator: Thank you. The next question is from the line of Ronil Dalal from Ficom Family Office. Please go ahead.

Ronil Dalal: Hi. Thank you for taking my question. I just wanted to clarify my previous participant's question. You said that despite the delay of one or two months, you are still on track to meet 1.25 to 1.30 for the year. Is that correct?

S. Anandan: Yes, correct.

Ronil Dalal: Continuing on the same question, the margin guidance was in the range of 27% to 30%. And for H1, we have seen around 25%. So, does that mean that for the year, we are going to be below 27% or do you think we can catch up?

S. Anandan: No, We can catch up. We will be maintained or we can catch up a little bit higher.

Ronil Dalal: So, if you maintain, it will be in the range of 25% and catch up, you mean, would it be closer to 27% or 30%?

S. Anandan: Yes, 26% something like that.

Ronil Dalal: Sure, sure. And the next question is that, you know, like, are there like maybe two or three reasons as to, you know, how come our margin guidance was 27% to 30% but closer to 25% for the first half? Is it like because of some order delay, some cost escalation, any other kind of factors that may contribute for this field?

S. Anandan: It is just delay in the implementation. Some of the, the first question which I told was that, earlier we thought of going with the traditional method. Now, we have converted everything to be in the robotics and the initial itself. So, further to this, we have ordered some of the robotics items from Yemen that is slightly got delayed in the implementation.

Ronil Dalal: So, to clarify that it is not because of any customer order delay, it is because that…

S. Anandan: No, no, no. Yes, new campus, the implementation, the start-up, Yes.

Ronil Dalal: Sure, because some machinery has been delayed and that is the reason that they are somewhat one or two months behind that. Is that correct?

S. Anandan: Yes, sir. Correct. Exactly nearly two months, sir.

Ronil Dalal: Sure, sure. The next thing I wanted to ask is that, you know, are you facing any headwinds in your operation? Because we are hearing that there is large inventory build-up for the CV and passenger vehicle players at the dealer's end. So because of that, are you facing any delays from your customers, any sort of indication?

S. Anandan: Lot of new products and new variety of combination of materials and lot of new products, sir. So, everything sampling and then batch quantities and lot of inventory scripts, that is what. So, in a similar manner, all the developments are completed, it will slowly come down.

Ronil Dalal: So, are you confirming that there is no kind of visibility of any delays from your customers?

S. Anandan: No, no, no.

Ronil Dalal: Especially your three or four top large customers, the order pipeline remains the same or any kind of response you are getting from them?

S. Anandan: Existing customer pipelines remain the same, sir.

Ronil Dalal: Sir, including the top three, four customers?

S. Anandan: Yes, yes, sir.

Ronil Dalal: Sure, sure. And the last question, I had a second squeeze in. The current status for the gas nitriding and wind energy in terms of your capex plans and utilization, maybe for gas nitriding. If you can just throw some light on the same and if you have decided any plan for funding?

S. Anandan: Entire wind energy, initially we started gas nitriding. Gas nitriding, first we have put one furnace. That is 100% through by customer and start of production also from last month it is happening. And this month almost continuous production is going on. They gave a clearance for second furnace earlier. Now, this month they gave a clearance for almost third furnace also.

We are implementing second furnace end of March. Third furnace we are targeting something around August and September, sir, in the nitriding. Apart from this, other product of hollow shaft and planetary carrier.

As original plan, next year end, after September only the installation will get completed. All are European machines in the various countries. So, we are targeting on September SOP and sampling on September or October.

Ronil Dalal: And for wind energy?

S. Anandan: Wind only I am talking, sir.

Ronil Dalal: Okay, okay. So, what would be the contribution for that for this year? Because it will be implemented.

S. Anandan: No, no contribution for this year, sir. It will be, machine will come only by September, sir. August, September. All long lead time machines. 15 months, 16 months delivery time.

Ronil Dalal: Okay, wow. Okay, sure. Okay, thank you so much for answering my questions. Wish you all the best for the coming up. Sorry, one last. I just recollected that, sir, the investor presentation, I was not able to find it this time. Have you, has it not been uploaded?

S. Anandan: Sir, Kirin, sir. It is uploaded, no?

Management: Investor presentation has been uploaded?

S. Anandan: Yes, sir. Kirin, sir. Maybe it is from Kirin. Somebody can tell that it is uploaded, no? Hello, can you hear me?

Management: Yes, sir, please tell.

S. Anandan: It is uploaded, no?

Management: No, no. Press release after this one. I will upload after the meeting.

S. Anandan: Okay, sure, sir.

Management: Already I discussed with Ganesh also in this regard.

Ronil Dalal: Sir, one request, I mean, without the investor presentation, we need the investor presentation before the call, not after.

S. Anandan: Yes.

Ronil Dalal: Okay, thank you so much, sir.

S. Anandan: Sir is telling it has to be uploaded before the call. Not after the call.

Management: Okay, do not intimidate me. Okay, I will discuss with him and I will do it.

S. Anandan: Yes. Do it immediately. We will take this input, sir.

Moderator: Thank you. The next question is from the line of Rachana Sharma from HNI. Please go ahead.

Rachana Sharma: So, thank you so much for providing me this opportunity. My first question is, what are the key growth drivers in the renewable energy component segment, specifically for wind energy?

S. Anandan: Come again? Wind energy?

Rachana Sharma: Yes. What are the key growth drivers in the renewable energy component segment, specifically for wind energy?

S. Anandan: What type of components you are asking? It is all the parts going to the main gearbox. Not in the blade side. The main gearbox. Bigger parts is there, no? Main gearbox. And mainly the customers are end customers, GE, Vestas, and Nordex, and Suzlon. We supply through Slender. Our OE customer is Slender. They are the next to the largest wind gearbox manufacturer in the world.

They have a plant in Chennai. So, mainly we are focusing to Slender. And we are approved by all the OEMs also, GE and Vestas.

Rachana Sharma: Okay, okay, sir. And so, my next question is, are there geographic markets or customer segments you are prioritizing for growth?

S. Anandan: At present, we are not advising for any marketing purpose. Mostly, automobile segment, we do major supplies to Honda and Maruti. Recently, we added Maruti from 2-3 years before. Earlier, only Hyundai. So, small cater to all other OEMs like Leyland recently entered. Tata also we are entering.

Mahindra also we are entering. All the pickup vehicles. Car segment and also we are doing small parts for Toyota and Mahindra Bolero vehicles. Recent new model vehicles also.

Rachana Sharma: Okay, sir. And so, my last question is, what percentage of revenue currently comes from exports? And how do you plan to grow your international footprint?

S. Anandan: At present, we don't do export of any part from our company. All customers have presence in globally, many countries. Already, we have discussed many customers and we visited also, they also audited. We are planning to only do from next year onwards only the export business.

Rachana Sharma: Okay, sir. Thank you so much, sir. That's it from my side.

S. Anandan: Thank you.

Moderator: The next question is from the line of Priya Jain from Green Capital. Please go ahead.

Priya Jain: Hello. So, my question is, can you provide insights into the working capital days for H1 FY25?

S. Anandan: It's around 85-90 days overall at any time. Sometimes, slightly different 5 days.

Priya Jain: Okay. So, my next question is, how do you plan to manage the working capital requirements for the substance like INR386 crores order book?

S. Anandan: See, we want to go for a working capital enhancement, number one. Number two is, once the development things are over, we will be slowly coming down with the inventory also.

Priya Jain: Okay.

S. Anandan: Okay.

Priya Jain: I have one more question. What are the company's revenue and profitability targets for FY26, especially in the context of the growing EV and renewable energy sectors?

S. Anandan: This year, as I told, we will not reduce less than 25-26. We will try to maintain EBITDA for FY26, H1, H2 cumulatively.

Moderator: The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Any specific reason for working capital to go up? And there's hardly any cash left in the company. Is it because of more trial orders being delivered?

S. Anandan: A lot of developments, more trials, all the development activities, trials and the initial batches. We didn't enhance our working capital so far, sir…

Ankur Gulati: Sir, if you can give us some color, how much of working capital in terms of inventory or receivable is stuck in all these development orders?

S. Anandan: In terms of working capital in that inventory?

Ankur Gulati: Yes, if I look at your -- If I look at your receivables, they've gone from INR12 crores to INR25 crores, right? So that's INR15 crores increase in receivables. Am I hearing right? So there is INR15 crores increase in receivables, whereas your revenue has grown only by INR5 crores. So why such a steep increase in receivables when revenue hasn't grown?

S. Anandan: Regular receivables will be the regular terms, sir. When the development receivables will take time, when the PPAP approval comes only, the payment will get collected, sir.

Ankur Gulati: So out of INR25 crores of receivables, how much is development?

S. Anandan: The development will be around INR5-INR6 crores, will be there sir. Entire thing, once the PPAP approval only will come to the -- and a lot of supplies will be on the initial batches of supplies, everything. Then once PPAP is over only, the payment cycle will get started.

Ankur Gulati: Okay, that's fine, sir. Even if I remove INR5 crores from INR25 crores receivable…

S. Anandan: Other supplies also is there, sir. Initial supplies are there. Like minimum batch quantity, everything, the initial payment will not get started. Once production starts, regular payment also will get started.

Ankur Gulati: Understood. So let me rephrase. You guys did INR53 crores in first half. With a receivable of INR25 crores. If you have to do INR130 crores for the whole year, will the receivables increase in the same proportion?

S. Anandan: Yes, sir. Definitely, we will come to INR125 crores, sir.

Ankur Gulati: No, sir. 125 revenue if you do, what kind of receivables do you expect that you will have by the end of financial year? Will this INR25 crores go up to INR30-INR35 crores or it will stay close to INR25 crores?

S. Anandan: No, no. It's close to 25 to 30 maximum.

Ankur Gulati: And how much working capital limit will you, do you plan to draw down in next 6 months to achieve your INR130 crores target?

S. Anandan: Just yesterday only we discussed with our bankers. We are submitting. Initially, I requested only INR5 crores extra. Then later on, after this year completion, we will review and we will come back to you and we will discuss. They are ready to fund, but we restricted only with INR5 crores. We need to submit the reference, Yes.

Ankur Gulati: So, your total debt is roughly INR62 crores, which most likely you are saying will increase by another INR5-INR6 crores, right? By the end of the year.

S. Anandan: By adding this, we need some more capex also. When a new project comes, it's all the captive investment, sir. Any project comes, we will be requiring minimum requirements of VMC machineries and any additional fixtures and leakage machines, washing machines like that. Those investments will be keep coming, sir. We will have additional margin also in that, Yes.

Ankur Gulati: Okay. So, does that mean your debt by end of financial year '25 will be close to INR75-INR80 crores?

S. Anandan: It will add in the machineries alone, maybe another INR8-INR9 crores.

Ankur Gulati: Okay. So, let's say INR10 crores to round off and INR5 crores of receivables -- Right for INR15 crores of extra debt. You are sitting on 62, so you will end up roughly with 77 or if I round it up to INR80 crores.

S. Anandan: Yes, sir. It will -- For next 5 years business revenue, we are investing this.

Ankur Gulati: So, this… Okay. So, after this INR80 crores that you are saying, the machinery will be adequate for next 5 years?

S. Anandan: No, no. The business for that machinery shall be minimum 5 years. The commitment from the customer.

Ankur Gulati: Understood. And what kind of asset turnover do you typically look for incremental capex when you are putting this INR10 crores capex?

S. Anandan: Sir, next year that is what I said from minimum 190, we are targeting 200, sir.

Ankur Gulati: With the same 25%, 27% margin profile?

S. Anandan: Then subsequently any existing business, it is there. Then again the new development will come. The revenue will come for next year only. For that, we need to go for an investment. Last year also we made some investment. The revenues are starting from this year. So, like that for future investment will increase, sir. For the doing, this turnover will not require.

Ankur Gulati: For 190, you don't require?

S. Anandan: Yes. We need to keep upgrade our business to new business model. That time we need a new machinery, new facility, additional capex. And the die casting will not be required. And the secondary process will be keep requiring for every business. So, every part number will require a secondary process, different operation.

Ankur Gulati: So, how much do you invest, let's say, for going up to 190?

S. Anandan: That depends on what type of part we are getting. For the application of washing machine, totally different. We need a INR1.4 crores machine for a secondary operation, which is only available in Turkey. So, we are ordering now. The business will start cater from next year, June, July. Even still I have not booked that in the books.

We have almost discussion finalized, yet waiting for a purchase order. Like this, it varies from parcel to parcel. You visit us, you will understand better.

Moderator: The next question is from the line of Sahil Raj from Samdareeya.

Sahil Raj: Sir, I wanted to ask you that you recently mentioned about the robotics part in the opening remarks. So, what will be the continuation of that in current year or maybe in the year coming out?

S. Anandan: On which one, sir? On which one?

Sahil Raj: The robotics part you mentioned, right? The capex being done…

S. Anandan: The robotics, it is only value addition, sir, to reduce the manpower. It is not more revenue. We are avoiding manpower and then implementing robo system.

Sahil Raj: Okay. So, more of like an assembly line that you are trying to do. Integrating some parts here and there.

S. Anandan: Yes, sir. Yes.

Sahil Raj: And the wind part you said that the capex for that will be done in the next September, right? As you mentioned.

S. Anandan: Yes, sir. That is totally different. Next September only it will come.

Sahil Raj: So, the revenue from that we can see in H2 next year or before that?

S. Anandan: H2 next year will not come very, very minor, sir. Because implementation getting approval from the OEs will go another 2-3 months. Effectively, we get from subsequent year H1.

Sahil Raj: Subsequent year H1. Okay. All right. And this gas management part that you are saying, it is currently contributing to the revenue?

S. Anandan: That is started. Sir, that is started, sir. Started revenue.

Sahil Raj: So, what share of…

S. Anandan: Last month, middle onwards started. This month onwards, continuous production is going on.

Sahil Raj: And what share of percentage revenue does the gas management part…

S. Anandan: It is annual -- monthly around INR9 crores already. All three furnaces. It is service job only.

Sahil Raj: Only servicing. And this includes the furnace too that we are going to launch in March.

S. Anandan: Yes, one second furnace.

Moderator: The next question is from the line of Jignesh Vayda from Jiva Capital. Please go ahead.

Jignesh Vayda: Can you throw some light on the margins which were around 29%, 30% operating margin, which has come to around 25%. So, which are the major factors for the growth in margin?

S. Anandan: Sir, we were doing the other parts other than die casting automobile parts. So, when we are increasing the automobile parts revenue, subsequently the non-automotive parts the same percentage could not able to increase the volumes.

Jignesh Vayda: You mean to say non-automotive parts have lower margins?

S. Anandan: Higher margins. So, automotive only my revenue is getting increased. So the same percentage of revenue is not increased in the non-automotive also. The same percentage increase we can maintain the same.

Jignesh Vayda: But I think going forward…

S. Anandan: Going forward, we are talking 40%, 60%. That is what I am telling I could able to manage with 25%, 26%.

Jignesh Vayda: Okay. Because major orders that you have got are from automotive segment, which has lower margin?

S Anandan: Correct.

Jignesh Vayda: But still we will be able to maintain?

S Anandan: Yes.

Jignesh Vayda: Okay. And the other aspect was the wind business which you told machines will come in September next year?

S Anandan: Yes.

Jignesh Vayda: And the revenue will come after that FY27?

S Anandan: Yes.

Jignesh Vayda: So, there was lack of clarity whether it will be service business or entire revenue will come under us. So, has that been finalized?

S. Anandan: No, sir. December as I told earlier. It will be December or February it will be finalized. One part number compulsory it is not possible to with material only service industry. Another part number it is possible by us with material that we are discussing with the customer. Once the local Indian source only we are identifying. Once we get the source, that will be concluded. Till the source we are getting it will be as a service industry for both the parts.

Jignesh Vayda: That business will have higher margin than our current business?

S. Anandan: Better than automotive.

Jignesh Vayda: Okay, better than automotive, but not like non-automotive who has the highest margin?

S. Anandan: All are more or less same.

Jignesh Vayda: Okay. So, and that you expect to only start after March 2025, after you get all the clearances from OEMs.

S Anandan: Wind business?

Jignesh Vayda: Yes.

S Anandan: 26^{th}.

Jignesh Vayda: Yes, okay March 26.

S Anandan: 25 September machine are coming.

Jignesh Vayda: Okay. Sir, earlier you told that you were doing around 9 kg to 10 kgs of business in auto. So, and that you are planning to expand. So, what is the current parts that we are doing in auto segment in weights?

S. Anandan: Now we have started doing up to 6 kg parts.

Jignesh Vayda: Okay. And we are planning to scale it up to 9 kgs?

S. Anandan: 9 kg parts also will come, but we are not specifically looking on the weight basis. We are on the 10 kgs. What we have machined, that capacity we are looking, sir.

Jignesh Vayda: Okay. And, sir, we have also about given announcement about the orders of INR150 crores.

S Anandan: Yes.

Jignesh Vayda: INR154 crores. So, this was the order that we were awaiting in October, November, which has come.

S. Anandan: Yes, sir. In the pipeline also few business are available. We are waiting for the purchase order, convert to purchase order then we will announce it.

Jignesh Vayda: But the size would not be like more than INR150 crores? All the other would be smaller one

S. Anandan: Maybe 30%, 40% lesser than that. We are concluding, sir. We are almost sign of the LOI. We are getting the, waiting for the purchase order.

Jignesh Vayda: Right. And all these orders have to be executed in next 3 years to 5 years?

S. Anandan: No. From the date of start of production up to 5 years. Even now, whatever last year we were getting, that's all for 26 model launching also we were getting. Now we started getting orders for 27 launching model also.

Jignesh Vayda: So, as and when the model launch date comes, you will start supplying?

S. Anandan: Yes, correct develop by that time, we will complete development validations, the pilot badges, approval process, everything will take more than 1 year.

Jignesh Vayda: Okay. In such kind of orders, what is our working capital since the model production started? So, once you supply the parts, what is the entire cash cycle that you are doing currently?

S. Anandan: For developments, precise cannot tell, sir. It varies from customer to customer, part to part.

Jignesh Vayda: No, not for development, for which?

S. Anandan: Regular is 90 days, sir around 90 days.

Jignesh Vayda: Okay, understood. Thank you.

Moderator: The next question is from the line of Pradumnya Singhania from Rashi Fincorp. Please go ahead.

Pradumnya Singhania: Hi, congratulations on your good results. Our question was regarding your large orders. So, we just wanted to know what the update was. You secured an order of INR220 crores in Feb. So, what is the update on that?

S. Anandan: Whatever this year we are enhancing from above INR90 crores, all this from 220 only, sir.

Pradumnya Singhania: Hello. Can you hear me?

S Anandan: Yes, I can hear you, sir.

Moderator: Pradumnya sir if you can please rejoin the queue.

Pradumnya Singhania: Hello.

Moderator: Yes sir you are audible. We will move on to the next question it's from the line of Chirag Jain from Yogya Capital. Please go ahead.

Chirag Jain: Hi sir. Thanks for the opportunity. Sir I just wanted to know what are the overall current robotic levels at the current plant that we have and what have been - that is the first part?

S Anandan: Sir, robotics - five machines we have done robotics, five activities. Rest everything same previous level. Only once this is completed, all satisfactory, we will go for other machines also. In the machine shop side, only one we have implemented now. The trial run is going on. Once that is completed, that also will be implemented.

Chirag Jain: What would be it in the current percentage terms?

S Anandan: Very minimal. In the die casting side, we can say we have reached around 20%, 25%, but machine shop side, out of 80 numbers, only one machine we have tried.

Chirag Jain: Okay. Fair enough. Sir, secondly, on the future robotic levels, we are targeting to full automation or it would be 70%, 75%?

S Anandan: No, sir all the machines, full automation only we are running even die casting in the machine shop also. We are working towards the avoid manpower interruption because we can get more productivity. No tea time, no lunch time, like that we are working.

Chirag Jain: Okay. Sir, last question on the PV segment. So, are we seeing any being affected by any slowdown on the personal vehicle segment side?

S Anandan: No, sir. Normally market and ours is different, sir. Manufacturing line will never stop, sir. They will produce.

Chirag Jain: Okay. So, we aren't seeing any slowdown in utilization level also?

S Anandan: No, sir.

Chirag Jain: Thank you sir. All the best.

Moderator: The next question is from the line of Divya Agrawal from Ficom Family Office. Please go ahead.

Divya Agrawal: Thanks for the opportunity. So, my first question was about the order book. So, I guess order book ranges around INR350 crores. So, how much of that would be for the next 12 months?

S Anandan: Next 12 months, is it?

Divya Agrawal: Yes, sir.

S Anandan: We worked out on year-on-year basis. This year, we can complete as I told around 125 something and next year, we can go easily to 190. We have order book of around 200. 190 can be easily achievable because we have to raise entire facility.

Divya Agrawal: Okay. Fair enough, sir. Secondly, what would be the break-up of our auto versus non-auto as a percentage of revenue?

S Anandan: Sir, earlier we are in 80-20. We are working towards 60-40, sir.

Divya Agrawal: So, 60 auto, 40 non-auto.

S Anandan: Correct.

Divya Agrawal: Okay. Also, like I just wanted a clarification. You said INR9 crores is for the gas nitriding for all the three furnaces or just one furnace?

S Anandan: One furnace. No, all three furnaces. I said one furnace 90 lakhs per month. Sorry.

Divya Agrawal: 90 lakhs per month from one furnace?

S Anandan: Three furnaces. 30 lakhs per furnace.

Divya Agrawal: Can you repeat that sir?

S Anandan: Three furnace.

Divya Agrawal: So 90 lakhs per month from all the three furnaces?

S Anandan: Correct.

Divya Agrawal: Okay. Got it. Secondly, on the job design work. So, how much of it is currently contributed in the H1 revenue?

S Anandan: Which one, sir?

Divya Agrawal: Job design. I believe we have some revenue from job design?

S. Anandan: Job design, we got around almost INR10 crores order, sir. Now, we are executing almost nearly 50% we have executed. Balance work in progress.

Divya Agarwal: So, this INR10 crores is for what timeline?

S. Anandan: This year’s target, sir.

Divya Agarwal: Okay. So, INR10 crores is for FY25. And regarding the INR154 crores order book that we received. Is it a domestic MNC or like ….

S. Anandan: All are domestic, sir. Maybe vehicles may be exported. All supplies are domestic.

Divya Agarwal: So, is this a passenger vehicle customer, commercial vehicle or what?

S. Anandan: In the automotive, 95% are passenger vehicles, sir. We just recently entered into that.

Divya Agarwal: And, sir, just a clarification. We do not have any presence in two-wheelers, right?

S. Anandan: No sir.

Divya Agarwal: Do we plan to enter anything in two-wheelers?

S. Anandan: No plan, sir. This itself, we are getting a good support from the customer.

Divya Agarwal: Okay, sir. Thanks a lot. All the best.

Moderator: The next question is from the line of Vishal Mehta from Mehta Investments. Please go ahead.

Vishal Mehta: So, first of all, congratulations for such numbers. I had a few questions. So, the first was that as we had said in our annual report also, that for 2025-2026, we are targeting a revenue of roughly INR220 crores to INR225 crores. So, are we on the same line of projection?

S. Anandan: Yes. Because of this delay, these two months, that is what I just wanted to conservatively give INR190 crores to INR200 crores. We are on the same line, sir.

Vishal Mehta: Oh, you are on the same line, okay. And the other thing, although it is a bit far-sighted, but for wind energy business, also the numbers will start coming from 2026-2027, not from next year, from subsequent year to the next year. So, any numbers if you can project for wind energy, what numbers are we looking for? Because you had already told that you are doing some capex of INR70 crores-INR75 crores for wind energy. So, what actual numbers from…

S. Anandan: Numbers exactly we can get only end of December. First week of January, I can declare, sir. Because the negotiations are under, almost the job works are completed. So, which material we are working with the customers, sir.

Vishal Mehta: Got it. Thanks a lot, sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Arnab Bhattacharya who is an individual investor. Please go ahead.

Arnab Bhattacharya: Hi, sir. I wanted to know a few things about the business. I was going through this gas nitriding facility. So, is that a different vertical altogether or should I see this as an enhancement on top of your die-casting like the other parts that you are manufacturing or is it an entirely different vertical? How do I see this?

And I wanted to understand that in your presentations previously which you had shared, you had shared a split of 92% and 8% between die-casting and induction heating and quenching. So, like I want to understand these processes. Is there anything which has, what are the margins on each of these methods? If you can give me some color on that, sir. Thank you. I have one more question. I will come back on that.

S. Anandan: Nitriding is entirely new vertical. So, nothing related with existing production lines.

Arnab Bhattacharya: So, I wanted to know then how do I see the margins in these three lines of operation like die-casting, induction heat quenching and gas nitriding.

S. Anandan: All the machines having nitriding can be split separately but other things have a machining also together, sir. Cannot separate exactly what margin comes in this, sir. You will have common machines will be used for that induction heat treatment also. The same which machine will be used for those other productions of aluminum machining products also. There is a mix in that, sir. Profitably, it will be better than the casting.

Arnab Bhattacharya: Got it. One more question I wanted to ask. I think in one of your earlier interviews with I think on the television while you were doing IPO, you had mentioned about that you are trying to upgrade the mould sizes of your cast. I think you were previously operating on 1 kg ones and you were looking to enter into 8 kg moulds. Is that correct? Have we already entered into this segment?

S. Anandan: Yes, already entered, sir. I told that already we started doing 6 kg parts, sir.

Arnab Bhattacharya: And what are our ambitions at? Wanted to understand these machines you are buying. You keep on saying that in order to grow beyond this or to have higher revenues, you keep need to do capex. I am just trying to understand that capex is for what purpose? Is it just the same machines or you are upgrading your machines and getting into more tougher operations and higher precision?

S. Anandan: New capex which is required for this, not for the same machines, sir. The same machine which is producing the secondary operation only, then and there we may be requiring a new capex. Die casting, already we are for the new order book, we have smaller tonnage machines already we have decided only. Same die casting only going to implement. But rest everything, when you produce the die casting part, it requires a lot of machining processes, secondary operations. That is part to part vary. Those investments only we will be doing, sir.

Arnab Bhattacharya: I am just trying to understand the reason behind why you want to keep climbing up the ladder and you do not want to build parallel lines. Why do we choose to venture into higher modes? Is it because you are trying to target better margins? Is that your view? Because we could also do the same. We could build two lines for 1 kg but you are choosing to go from 1 kg to 6 kg instead of building two 1 kg lines. I am just trying to understand the business reason behind that, sir.

Arnab Bhattacharya: No, it is totally different, sir. It is not possible if you line setup 8 lines, we can do 8 kgs. It is not like that. The machine capacity itself, if it is produced by maximum of 1 kg, above that the machine cannot produce. If we need an 8 kg part to be produced, the same machine only can do. We cannot produce in the number of machines.

Arnab Bhattacharya: Yes, so my question was you want to produce the 8 kg part instead of the previously produced 1 kg part because of lucrative margins or there is any other reason?

S. Anandan: The kg terms, there was a question. So, I explained like that. The machine does not come with the kg terms. It comes with the tonnage parts. Earlier, I was using a 350-ton part. The machine capacity maximum of 1 kg approximately can produce. Now, I have purchased 1,300 tons from 352. This machine is capable of doing up to 8 kg to 9 kg parts.

Arnab Bhattacharya: Awesome. Thank you, sir. I also request you to share. I want two things. On the day you publish your results, it would be very kind if you could also share the investor presentation on that day. And another thing I wanted to request was if you could...

S. Anandan: I got it, we'll make it.

Arnab Bhattacharya: Another thing I wanted to request. If you could write your assessment, your own assessment of how your company did that year on the sale day of sharing. These two things. I think a lot of companies are doing that. So, I am not asking. I don't want to put any pressure on you, but a lot of small companies are doing that. These two will be very helpful.

S. Anandan: We will give, sir. We will note this, sir.

Arnab Bhattacharya: Thank you very much. Thank you for your insights.

Moderator: The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Sir, how are our orders priced? For example, if metal prices go down, our revenues will go down or what is the impact of metal price on revenue?

S. Anandan: Yes, definitely revenue difference will be there. When they go down, go up. It's not much, sir. Aluminum, steel fluctuates not too much. And year on year we can easily assume. So, suddenly within a quarter it will not get dropped, it will not get increased. Slight difference will be there in the total revenue also.

Ankur Gulati: So, out of total cost of goods sold, what are the three, four top metals that you guys consume and what is the percentage?

S. Anandan: Maximum aluminum. Very less steel, sir.

Ankur Gulati: So, when you announce an order, let's say INR150 crores, that factors in a certain aluminum price

S. Anandan: At present, what is the price, aluminum, raw metal price? With that consideration only, with the customer purchase order price only into volume, we announce the order.

Ankur Gulati: So, actual revenue will move around with whatever aluminum price is right?

S. Anandan: Yes, sir.

Ankur Gulati: Okay, got it. Thanks.

Moderator: The next question is from the line of Varun Agarwal from Networthy Financial Services. Please go ahead.

Varun Agarwal: Thanks for taking my question. Sir, I wanted to know what was the opening order book at the beginning of this year, in April?

S. Anandan: Sir, for last year, we have completed around INR90 crores, but that was our fixed orders. But before completing itself, we got an order of around INR220 crores, sir. It is not that today we get an order, tomorrow we can execute, sir. We need to get a minimum order

Varun Agarwal: I am not talking about execution, sir. When we started this year in April, what was the order book size?

S. Anandan: INR220 crores.

Varun Agarwal: And now it is INR382 crores, no, sir?

S. Anandan: Yes.

Varun Agarwal: Out of this INR382 crores, what is the split between auto and non-auto, sir? Approximately

S. Anandan: Whatever enhanced business declare only from auto, sir. Non-auto earlier we were doing 20% and the same 20%-25% only we will retain non-auto. But rest everything new which is going to non-auto majorly from wind, which will be declared once I confirm purchase. Maybe next year I can declare.

Varun Agarwal: Okay, you mean to say in this year first half we did not receive…

S. Anandan: Same 20%. So far declaration same 20%, 80%, sir.

Varun Agarwal: Okay, so this first half also we received non-auto orders?

S. Anandan: First half no, sir. So far no. All the order book which we declared all are automotive orders, sir.

Varun Agarwal: Okay, so whatever was there in the opening that itself continues from non-auto.

S. Anandan: Correct, exactly.

Varun Agarwal: Sir, you are saying, there is the difference in margin between auto and non-auto? Approximately how much is the margin, sir?

S. Anandan: Auto, non-auto?

Varun Agarwal: Yes, approximately.

S. Anandan: Yes, auto comparing non-auto is a better margin, sir.

Varun Agarwal: Approximately how much is the difference, sir?

S. Anandan: Percentage -- I don't know if I can declare or not. It is better margin than automotive, sir.

Varun Agarwal: So just 1% or 2% difference or maybe 5% or more kind of a difference will be there?

S. Anandan: Better than 1% or 2%, sir.

Varun Agarwal: Okay, in non-auto what exactly are the products that we are doing, sir?

S. Anandan: Non-auto we are doing elevator, escalator parts, powertrain parts, sockets, instrumentation parts.

Varun Agarwal: Okay, sir. Thank you so much. And all the best.

Moderator: Thank you. The next question is from the line of Rushabh from Concordant Advisors. Please go ahead.

Rushabh: Hi, sir. Sir, can you give us a summary of your top 3 to 5 customers and out of the total guidance of INR130 crores how much would be achieved from these customers? My next question would be, sir, in the next year you have given a guidance of around INR200 crores, INR220 crores. Again, these top 5 customers will contribute how much and what are the possible ways where our net profit margins will improve from single digit to double digits?

S. Anandan: Top 5 customers who are present, the same top 5 customers only will be paid for the till next year, sir. It is not INR220 crores, INR190 crores to INR200 crores approximately and same customer only top 1 to 5 the variations will be there. The other customers the next month will be other customers. Top 5 will remain the same.

Rushabh: Sir, my question was how much of the total revenue is from the top 5 customers? Sir, because the automotive…

S. Anandan: Top 5 customers is around 50%, 55%.

Rushabh: Okay, sir. We are saying that the top 5 customers contribute 50%, 55% of the revenue and, sir, these top 5 customers have they given any slowdown in the next year's forecast or the next coming 6, 8 forecast and will it impact our business and our net profit margin?

S. Anandan: Single digit to double digit there is a slight gap, sir. Definitely that will convert into double digit, sir. Subsequently, yes. That is not will not give any issue. The top 5 customers, as I told the same top 5 customers will be there for next year also. The rest everything there are lot of customers are there. All these customers will not come into top 5 customers. They will not reduce their business. The revenue comes from all top 5 customers only. Existing customers, new business, sir.

Rushabh: So, sir, just to reiterate my question how much will the business because the top 5 customers assuming that they have given a slowdown in the guidance of their revenue will it impact our business in single digit margins or double digit margins and can you estimate with the profit number so that it's helps us to analyse the profitability of the company going forward?

S. Anandan: You are asking any reduction in the top 5 customers, sir?

Rushabh: And their impact because if the top 5 customers are automotive and the automotive industry is facing a headwind will it impact our profit margins which are currently near 11%, 12% will it come down to 9%, 10% or will they be maintained? And going forward also. Sir, what would be the steps taken if there is a reduction to improve the net profit margins to 15%...

S. Anandan: Sir, OEM sale volume goes up, goes down my cost will never change, sir. So, they are selling 10,000 cars this month next month 5,000 cars my cost is the same, sir. They will not come to the T2 supplier to reduce any costing. Our costing will never change. That remains the same whatever the volume, sir.

Rushabh: Okay, so, sir, if the volume remain the same will our net profit margins increase in the next year?

S. Anandan: Yes, sir.

Rushabh: So, to what guidance can you give from currently 11%, 12% how much will they improvise to?

S. Anandan: So, it will maintain 11%, 12% only, sir because I need to see the depreciation also. We can come around 25%, 26% minimum EBITDA level, sir.

Rushabh: So, currently EBITDA is still at 25%, 26% and next year also the guidance would on 25%, 26%, so assuming that the year before this it was approximately 30% but because of scaling our EBITDA will reduce. Is that correctly to assume that?

S. Anandan: Correct.

Rushabh: Okay, sir. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Sahil Raj from Samdareeya. Please go ahead. Mr. Sahil Raj, your line has been unmuted. Please go ahead with your question. As there is no response we will move on to the next question.

It's from the line of Dhava from Sequent Investments. Please go ahead.

Dhava: Sir, I wanted to understand that you are telling us that around INR125 crores, INR130 crores of revenue can be reached in FY '25 and around INR200 crores, INR220 crores in FY '26. So that's 65%, 70% of growth on FY '25 numbers. Is that right?

S. Anandan: Yes, sir. Around 55%, 60%. I said INR190 crores, INR200 crores.

Dhava: Right. And also about the EBITDA levels and the PAT percentage I kind of missed out on it. Could you just guide for that as well?

S. Anandan: We can make EBITDA level 25-26. I need to come again with the depreciation. Minimum 10% will be there. Whatever it is.

Dhava: Minimum 10% on the PAT?

S. Anandan: Yes.

Dhava: Okay. I just need more clarification on the wind energy that we are planning to do. What is the status of that as in how much we have already done or how much are we going to do in next year?

S. Anandan: It is totally new vertical, sir. So far we never started that business. Only we ordered the machines, sir. The first set of machines is coming next year September only. There is no capex available with that.

Dhava: So we have ordered the machines, right? What will be the cost of those machines?

S. Anandan: Yes, we have ordered the machines, sir. Machines still not yet come. Not yet ready, sir. 16 months delivery time, those machines sir.

Dhava: So you mentioned that – we can do the revenues was there, how much revenues are possible from this you can be able to tell the January?

S. Anandan: I can declare only on January, sir. As I told you, December only it gets completed, everything. Budget cost. So I can declare on January the revenue from that portion. Something we are discussing on the service charges with material also. The raw material source we are looking from India. So those things, workings are going on.

Moderator: Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares And Securities. Please go ahead.

Hardik Gandhi: Hello. Good evening, sir. So thank you for the set of numbers and sorry, I joined the call late so I might ask some questions which might have been already answered. But as per our last discussion eventually on a FY '25 basis we will reach monthly run rate of INR12 crores. So is that still intact or have you reduced the guidance from that?

S. Anandan: Yes, that is same intact, sir. That is what you delayed in joining. 2 months around the delay in implementing the new machinery. Otherwise, just everything going as per that.

Hardik Gandhi: Understood. So are we seeing going forward in the next 6 months? Sorry, I'll ask the question. For the first two quarters or the first half, were there any extraordinary reasons for a slowdown or was it mainly a business-oriented slowdown? Were there any other one-time problems?

S. Anandan: It's a one-time problem, sir. Some of the machines from Germany got delayed. So initially investment and starting the production got delayed, sir.

Hardik Gandhi: So the guidance has been shifted from earlier approximately INR140 crores, INR145 crores to INR130 crores?

S. Anandan: That is INR125 crores to INR130 crores, sir. Still we are trying to increase putting more effort. Otherwise, INR125 crores to INR130 crores, sir.

Hardik Gandhi: Margins will remain intact at least 9% to 10%, correct?

S. Anandan: Yes, sir. Correct.

Hardik Gandhi: That's it from my end. I'll hear the con call and if I have any questions, I'll ask online. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to Mr. Ganesh Nalawade for the closing comments.

Ganesh Nalawade: Thank you, everyone, for joining the conference call of Thaai Casting Limited. If you have any further queries, you can write us at research @kirinadvisors.com Once again, thank you, everyone, for joining the conference.

Moderator: On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.