Date: 30th July 2026

To,

National Stock Exchange of India Limited	BSE Limited
Listing Department	Department of Corporate Services
Exchange Plaza, Bandra Kurla Complex	Floor 25, Phiroze Jeejeebhoy Towers
Bandra (East)	Dalal Street
Mumbai 400 051	Mumbai 400 001
NSE Scrip: RKFORGE	**BSE Scrip: 532527**

Dear Sir / Madam,

Sub.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")-Earnings Call Transcript – Q1& FY'27

In continuation to our intimation dated July 17, 2026, and July 25, 2026, and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Q1 & FY 27 held on July 24,2026 at 4:30 PM(IST). The same is uploaded on the website of the Company and can be accessed through the following weblink https://ramkrishnaforgings.com/earning-call-transcript/

Request you to take the above information on your record.

Thanking you
Yours faithfully,
For Ramkrishna Forgings Limited

RAJESH MUNDHRA
Digitally signed by RAJESH MUNDHRA
Date: 2026.07.30 16:03:47 +05'30'

RAMKRISHNA FORGINGS LTD. KOLKATA

Rajesh Mundra
Company Secretary& Compliance Officer
ACS12991

Encl.: As above

Great Place To Work Certified JAN 2026-JAN 2027 INDIA

Ramkrishna Forgings Limited

Q1 FY27 Earnings Conference Call

July 24, 2026

MANAGEMENT:	**MR. NARESH JALAN – MANAGING DIRECTOR** **MR. CHAITANYA JALAN – WHOLE TIME DIRECTOR** **MR. LALIT KHETAN – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER** **MR. MILESH GANDHI – WHOLE-TIME DIRECTOR** **MR. RAJESH MUNDHRA – VICE PRESIDENT-FINANCE AND COMPANY SECRETARY**
MODERATOR:	**MR. DINESH KUMAR – 360 ONE CAPITAL MARKET LIMITED**

External Participants:

- Pranav Jain – Ageless Capital Finance
- Siddhaant Lodaya – Sanshi Fund
- Kaushik Jhawar – AK Investments
- Hardik Chheda – Lark
- Mitul Shah – Pantomath
- Vinil Shah – Dalal & Broacha
- Abhishek Jain – CRIS PMS
- Aditya Kumar – Old Bridge Mutual Fund
- Viral Shah – Enam Holdings
- Kumar Saurabh – Scientific Investing
- Jayesh Gandhi – Harshad H. Gandhi Securities Private Limited
- Geetarth Tandon – Green Portfolio
- Bharat C. Shah – BCS Capital Ideas Private Limited
- Harsh Shah – Marcellus Advisors
- Saket – Sagari Capital
- Karan Gupta – CAVI Capital

Moderator: Ladies and gentlemen, good day and welcome to Ramkrishna Forgings Q1 FY27 Earnings Conference Call hosted by 360 ONE Capital Market Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Dinesh Kumar: Thank you. Welcome to all the participants on behalf of 360 ONE Capital Market for Ramkrishna Forgings Limited Q1 FY27 post-results conference call.

From the management, we have with us today, Mr. Naresh Jalan, Managing Director; Mr. Chaitanya Jalan, Whole-time Director; Mr. Lalit Khetan, Whole-time Director and CFO; Mr. Milesh Gandhi, Whole-time Director; and Mr. Rajesh Mundhra, Vice President Finance and Company Secretary.

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

Lalit Khetan: Thank you, Dinesh. Good evening, everyone, and thank you for joining us on this call to discuss the Q1 FY27 earnings. I trust all of you had a chance to review the earnings document that we have shared earlier today.

The global macroeconomic environment remained mixed during the quarter with geopolitical developments and evolving trade policies continuing to shape business sentiment across major markets. While the resurgence of the West Asia conflict remains an overhang and tariff negotiations can arise once again, operating conditions have become more stable, compared with the heightened volatility, which we witnessed over the past few quarters.

While customer activity across key markets has remained resilient, demand across the commercial vehicle ecosystem has strengthened further, supported by healthy production schedules and greater policy clarity around regional supply chains.

Robust GST collections and healthy consumption trends reflect the underlying strength of the domestic economy. Reflecting these favorable market conditions, we are pleased to report another quarter of strong operational and financial performance.

The momentum established in the latter half of FY26 has carried into the first quarter of FY27, driven by robust domestic demand, improving export volumes, and disciplined execution across our increasingly diversified business portfolio.

Our international business recorded further improvement during the quarter, led by stronger demand from North America, alongside improving customer engagement and order execution across Europe. While tariff-related developments remain an area of close attention, the operating environment has become considerably more stable, providing greater visibility and confidence across our export markets.

At the same time, we are expanding our presence across passenger vehicles, electric vehicles, and advanced materials, including aluminum and specialty alloy forgings, broadening our addressable market and creating new avenues for long-term growth.

Operationally, the quarter witnessed continued progress across several strategic priorities. The integration of our casting operations has now been substantially completed, and we remain focused on scaling production, while improving operating efficiencies.

Production ramp-up across the new forging and casting facilities continues as planned. With the majority of our strategic capital expenditure now behind us, our focus has decisively shifted towards sweating these assets through higher utilization, improving asset turn, and generating stronger operating leverage.

With cash flow set to strengthen, we remain committed to prudent capital allocation, and we will seek to reduce leverage while ensuring that adequate capital is deployed towards growth investments and maintenance capex.

Let me now briefly share the financial highlights for the quarter. Consolidated revenue for the quarter stood at Rs. 1,217 crores, which is flat quarter-on-quarter, and it has registered a growth of 19.84% year-on-year.

EBITDA excluding other income stood at Rs. 218.47 crores, that is up by 47% year-on-year and 5% quarter-on-quarter, while EBITDA margin improved to 17.96% from 17.11% in the previous quarter, reflecting better operating leverage and improved product mix.

Profit before tax for the quarter stood at Rs. 65.34 crores versus Rs. 23.9 crores year-on-year, and while profit after tax for the quarter stood at Rs. 46.88 crores versus Rs. 11.7 crores year-on-year, reflecting a growth of 172% and 297%, respectively.

With that, I would now like to hand over the proceedings to Mr. Milesh Gandhi, Whole-time Director, who will take you through the order wins during the quarter. Over to you, Milesh.

Milesh Gandhi: Thank you, Lalit ji. It has been an exciting quarter in terms of order wins. The company continued to witness healthy order inflows during the quarter, reflecting sustained customer confidence in our manufacturing capabilities, engineering expertise and execution track record.

During First quarter FY27, we have secured business worth Rs. 278 crores with a program life of four years from automobile segment. The company also won new orders worth Rs. 15 crores from Metro segment of Indian Railways. Out of Rs. 278 crores, approximately 82% of these orders are in passenger vehicle segment, and 18% from two-wheeler segment.

We continue to witness encouraging traction across both, our existing customer base as well as our new customer engagements, supported by our expanding manufacturing footprint and broader product portfolio. Our diversification strategy continues to make steady progress. While commercial vehicle remains our core business, we are seeing increasing opportunities across passenger vehicles, electrical vehicles, energy, mining, off-highway, and railway segments. The share of our non-automotive business in our order book has continued to improve, reflecting our strategic focus on building a more balanced business portfolio.

Demand continues to be supported by healthy investment activity across infrastructure, industrial manufacturing, and commercial vehicles. While customer discussions across North America and Europe have become increasingly constructive compared to a year ago.

We remain confident of sustaining healthy order momentum and building a strong foundation for long-term growth. I would like to mention we are looking to new ventures within the boundaries of forgings and casting business in non-ferrous products, manufacturing products from aluminum, titanium, Inconel, and nimonic grades, for aerospace, robotics, and semiconductors.

We are seeking to leverage our advanced manufacturing capabilities with our participation as a strong engineering company in high-technological sectors, which have been traditionally dominated by global players. We are confident to create a strong impression.

That's from my side. Over to you, Lalit ji. Thank you.

Lalit Khetan: Thank you, Milesh. Now, Dinesh, you can open the house for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Pranav Jain from Ageless Capital Finance. Please go ahead.

Pranav Jain: Hi, sir. Thank you for the opportunity and congratulations on the results. Sir, my first question is on the wheel JV. Sir, just to understand the TAM, so the other than the 80,000-wheel offtake that we had with the Indian

Railways, how do we plan on utilizing the remaining capacity? And just in addition to that, the 80,000 wheels that we are supplying, the wagons for that will be made by Titagarh, or will be made by the Indian Railway production houses themselves?

Naresh Jalan: In terms of the wheel, we have an 80,000 confirmed order from the Railways, and Railways are going to use these wheels for manufacturing of passenger trains, locomotives, and Vande Bharat. So, these are the three contracted for these 80,000, so wagon does not come into this.

Additionally, to that, our JV partners have an obligation of close to around 25,000 wheels, which takes us the utilization to close to 1,10,000 and for the balance wheels, I think these 1,10,000 wheels manufacturing will take us till end of FY28. And beyond that, we are already working with our export customers and other beyond Europe and North America where we see lot of traction in terms of wheel requirements. And we would not like to name the customers right now. Very soon, I think we will be able to tell our investors in terms of broader wins from the export market in the wheels plant.

Pranav Jain: Sir, just a follow back to that. Sir, 25,000 from, you're saying with the JV partner. Sir, considering the amount of wagon capacity they have, ideally, they require more wheels, right? So, what's stopping us from supplying more to them?

Naresh Jalan: Basically, they can only buy wheels for the private sector wagons, which they manufacture. For Indian Railways, supplies are FOC basis, which Indian Railway supplies to them in casting. The cast wheels, which are manufactured by Indian Railways by themselves in Bangalore are basically used for manufacturing wagons and are supplied free of cost to the wagon builders for use into manufacturing wagons.

Pranav Jain: So, sir, this segment, what is the annual demand when it comes to India as a market?

Naresh Jalan: I will not be able to comment on that. So, basically, how much is the wagon wheel demand, or casting wheel demand, I am not aware.

Pranav Jain: Got it, sir. And, sir, just one last question, sir, on our other businesses of forgings and castings. Sir, going forward, we expect utilization to improve throughout the next three quarters since we had guided for higher utilization by this year end?

Naresh Jalan: Yes, I think gradually you will see every quarter, Q-on-Q, there will be considerable utilization. I think in the first quarter we have done extremely well in terms of our overall utilization and top-line growth. And I think similarly you'll see every quarter this is going to get reflected.

Moderator: Thank you. The next question is from the line of Siddhaant Lodaya from Sanshi Fund. Please go ahead.

Siddhaant Lodaya: Yes. Just wanted to get the timelines on the Rail Wheel project, because we said it will commence in first week of May, the trial. And also, on the Mexico acquisition that we've done, because in the last call we had discussed that this will also start somewhere in May. So, how's that panning out?

Naresh Jalan: First, in terms of RKTR, Rail Wheel plant, already trial production has started, and I think we are expecting to submit samples in the month of August, first 300 pieces of wheels to Indian Railways for their testing and trial. And post the trials, we will be able to comment on bulk production.

But with our working right now, we expect bulk production to start, hoping to full-fledged supply to Railways for their contractual demand by September or October latest from month-on-month basis.

In terms of our Mexico project, production has started, and I think from third quarter you'll see some significant revenues from Mexico. Already this quarter, I think close to around Rs. 6 crores revenues have come from Mexico in terms of our top-line. But significant revenue is to going to start clocking in our books from third quarter of this year onwards.

Moderator: Thank you. The next question is from the line of Kaushik Jhawar from AK Investments. Please go ahead.

Kaushik Jhawar: Yes, thanks for the opportunity. Firstly, great set of execution. I mean, we have been seeing Ramkrishna Forgings for last couple of years. I mean, we are going through some pain period. Looks, like, now we are heading for a good growth. So, I have two questions, mainly what are the target ROCEs for this year and next year, sir?

Naresh Jalan: Lalit, can you take this one?

Lalit Khetan: Yes. So, see, ROCE is just coming back to our old levels. So, this year what we are looking at somewhere between 12% to 15% ROCE this we will end, and next year in FY28 we will target 20% ROCE.

Kaushik Jhawar: Great, great. And secondly, sir, how much of the revenue are we expecting from exports market because we are coming from a de-stocking year?

Naresh Jalan: So, we are looking at almost 35% revenue on a consol balance sheet coming from exports, for a full year basis.

Kaushik Jhawar: Little bit quantification, it will be highest revenues till now whatever we have seen.

Naresh Jalan: It will be highest ever revenue for RKFL in this financial year for ever done in terms of exports.

Kaushik Jhawar: Okay. That's great. And lastly, I have question that two to three years back because of export share were high, you were making 22% margin. Do you see that possibility happening in this year?

Naresh Jalan: As an entrepreneur, we always see possibility of higher margins. Who does not want to earn higher margins?

Kaushik Jhawar: Yes, but execution-wise, sir?

Naresh Jalan: Execution-wise we are looking at higher exports. Environment is challenging in terms of the overall energy prices and other things, shipping costs and all these things. So, we would not like to guide the market in terms of profitability. What we are looking right now is continued growth in terms of balance sheet. And as we have already shown in this quarter, we have improved our margin by almost 100 basis points quarter-on-quarter. This growth in terms of margin and improvement is going to be a continued work, and we are putting all our efforts in the right direction to ensure that we are back to our old profit levels.

Kaushik Jhawar: Okay, great. Thanks. And lastly, you mentioned that you are venturing into aerospace and semiconductor. Can you also throw some light?

Naresh Jalan: I think as Milesh has updated that we are already working very aggressive. We have already started working on aluminum forging and we have started bulk supplies in aluminum forging. So non-ferrous now becomes the next lever of growth for RKFL and it is a journey, which we have just started. So, I think it is at least 12 months to 18 months before we have a significant revenue or product lines from this section. But we are very aggressively working on non-ferrous products of aluminum, stainless steel, Inconel, and other things for aerospace, semiconductors, and robotics.

We have already started, we would not like come up with customer names and other things, but we have already started quoting for lot of RFQs from this sector and accordingly we have already planned our equipment other things in these directions.

Moderator: Thank you. The next question is from the line of Hardik Chheda from Lark. Please go ahead.

Hardik Chheda: Yes. Sir, my question was little bit in terms of margin only. More than one quarter out for the rest of the three to four quarters, could you just guide a broad range for where the margin will be for the next full year?

Naresh Jalan: No, I think, I would not like to give a range in terms of the margin for the full year, but I can only assure you that you will see continued improvement in terms of margin every quarter now. Like Lalit in his opening statement has already said that we are concentrating on sweating the assets right now, and this increase in utilization and plus with export product mix moving up, I think you will see much better margins.

Our intention and our aspiration is to go back to the old margins, which we were already achieving. So, I think sooner or later we will touch that margin, but I cannot give how many quarters it may take to get to that margin.

Hardik Chheda: No problem, sir. Got it. And, sir, in terms of margin, what would be the factors, which could aid the margins more than what you're targeting or what could be the risk factor? Like, if what goes wrong, the margins can come down and vice versa?

Naresh Jalan: Only risk, which we are looking at is the geopolitical issues, which is leading to shipping delays. Because of this shipping delays, there is lot of working capital pressure, which may increase, as well as the prices of the energy. Energy is one of the biggest ingredients in overall our forging setup, may it be for steelmaking or whether it is for forging as such. So, energy happens to be one of the biggest cost levers, and with the war if it goes escalates and energy prices goes beyond control, I think that is one of the major risk, which we are running in terms of our profitability.

Moderator: Thank you. The next question is from the line of Mitul Shah from Pantomath. Please go ahead.

Mitul Shah: Thank you for the opportunity. Sir, I have broader question on the overall based on this last three-four months West Asia crisis, sir? What is our experience in terms of the inquiry level or consumer behaviour on that side, particularly from the non-US geographies in terms of the opportunities, as well as challenges for auto as well as non-auto segment, and the inquiry level has gone up significantly or anything?

Naresh Jalan: Mitul, I think we are quite optimistic for next seven quarters, means next two years, FY27 and FY28. We are confident with the current order book, which we have, I think Milesh's statement states very clearly, we are flooded and we are very, very in exciting times right now in terms of overall demand, in terms of existing products as well as new products, and in terms of new RFQ inflows, which will cater to new order book going forward.

So, we are in pretty exciting times. War is a cost and I think in terms of demand, we don't see any deflection in demand. I think we are seeing incremental demand coming in and that's actually the biggest challenge, which we are facing right now going forward.

Mitul Shah: Okay. Great, sir. Second question on this as we all know that commodity cost as well as freight cost has gone up significantly in this quarter. So, would you like to highlight anything in terms of the quantum or basis point where we are not able to pass on the full commodity impact to the customer? What is the industry-wide scenario in which are?

Naresh Jalan: , I think Mitul, commodity is a pass-on for us with a one quarter lag. So, commodity whatever increases happen in steel, steel is the commodity for us, which is the major basic raw material. That is a pass-on for us. Separate to that, gas and other things, I think that is a cost we will need to work with because this is so much fluctuating, I think customers are not prepared to go ahead and pay that.

Shipping cost, it depends. Right now, we are seeing some abnormal cost increases but gradually we are hoping also that to stabilize because when we started this quarter it had already come down. But this is roller coaster. I think we are working with customer how to absorb this cost, but we do not have a definite answer for this.

Mitul Shah: Yes, sir. Exactly same question I was asking about commodity that because of the lag effect, this quarter we were not able to pass on completely, right? We would have this benefit with lag reflected in coming quarter?

Naresh Jalan: Yes, that is steel price. Only steel price.

Mitul Shah: Steel commodity, yes, correct. And lastly, sir, on this casting production in terms of metric ton has gone up significantly between the quarter. So, can you highlight more details on this as well as any update on the cold forging side?

Naresh Jalan: Casting production, Mitul, had started last quarter. I think you must have seen March press release, stock exchange releases we have sent. The casting plant was capitalized last quarter. So that production has started coming and still the plant is work-in-progress in terms of overall capacity ramp-up, you will see gradual increase in production from casting plant, casting capacity over the next three quarters.

And in terms of cold forging and other things, I think we are working diligently in terms of improving the capacity utilization. I think by almost third quarter we will be more than 70% capacity utilization in cold forging.

Moderator: Thank you. The next question is from the line of Vinil Shah from Dalal & Broacha. Please go ahead.

Vinil Shah: Yes, good evening and congratulations on a good set of numbers. So, my first question was related to margin. So, our gross margin has increased by 535 basis points Q-on-Q, but our EBITDA margin has grown by 85 basis points Q-on-Q. So, if my understanding is correct, even with our volumes not growing significantly Q-on-Q, the entire improvement in EBITDA margins is purely because of increase in our prices and not any operational leverage. So how do we think that this EBITDA margin improvement is going to play forward? Like, we cannot be having price revisions every quarter, right?

Naresh Jalan: No, I think, it is wrong to say that this is only because of price revision. I think because of the better product mix and other things, that is the reason there is increase. I think that gross margins traditionally it has increased, while the EBITDA has not increased mostly because of the energy cost, shipping cost, all these costs we have not been able to pass on.

That is one of the major reasons. Otherwise, if this cost whenever it stabilizes, you will see significant improvement in EBITDA margin also.

Moderator: The next question is from the line of Abhishek Jain from CRIS PMS. Please go ahead.

Abhishek Jain: So, sir, first of all, congratulations for the great set of number in a tough time. My first question on the export market, we have seen very strong numbers Y-on-Y and quarter-on-quarter. So just wanted to understand the outlook ahead, basically what is the guidance of export growth for the FY27, and how is the improvement in the Class 8 trucks orders in the U.S. and improvement in European business?

Naresh Jalan: I think, we are looking at one of the best years in terms of the overall export revenue in terms of RKFL is concerned, both from geographies of North America and Europe. We would not be able to comment on Class 8 truck how it is behaving and what exactly it is resulting to, but in terms of RKFL order book, and traditionally what we are seeing in terms of our existing customers and the new customers, we look at extremely healthy growth and maybe it is not wrong to comment that we should have one of the best years in terms of our overall export in this financial year.

Abhishek Jain: So, as the base of the export is low, so can we expect the 22% to 25% growth in export in this year?

Naresh Jalan: Yes, we are looking at almost 20% plus growth in terms of exports.

Abhishek Jain: Got it, sir. And, sir, in the domestic market, realization has seen a very sharp jump in quarter-on-quarter, so is it because of the change in the mix in the non-auto segment or higher revenue from the casting business?

Naresh Jalan: No, basically, it is a mix of change of revenue from higher mix, because of the demand we have been able to improve our utilization, and we have been able to choose much better margin products and much better realization product. And that is one of the reasons that we have been able to have a higher realization in the domestic market.

Abhishek Jain: And in the domestic market, what is your guidance for the volume growth in this year, sir?

Naresh Jalan: I think domestic market continues to be robust and the demand looks to be extremely good. And with the rainy season almost I think by September going to be, next half looks to be extremely exciting in terms of the domestic demand.

Abhishek Jain: Great sir. And sir, if I see the subsidiaries' numbers, so we have seen a sharp improvement in the EBITDA margin. Now it has moved to the 21% versus 16% in the last quarter. But depreciation cost has increased. So, just wanted to understand what is the reason of the sharp margin expansion in the subsidiary's companies, and what is the reason of the increase in the depreciation cost?

Naresh Jalan: Lalit, can you take this question?

Lalit Khetan: Yes, sure. So, see, margins are, I will say little bit better, or I will say marginally better in the subsidiaries in this quarter than the previous quarter. There is no such sharp increase but due to the higher elimination, you are seeing this 21% margin, but margins are 50 basis point to 100 basis point higher than the previous quarter in the subsidiaries. And certainly the depreciation is increased due to the capitalization in the Q4 in the subsidiary also. Whatever the projects we were doing, has been completed. So that's why the depreciation has gone up and it will continue at this level in the upcoming period.

Abhishek Jain: Got it, got it. And my last question on the aerospace defense segment, so just wanted to understand how much the current contribution from this business, and what kind of the numbers you are looking from this business, and you're also establishing a capacity for the titanium and other alloys. So, if you can throw some light over there because that is a high-margin business and the ASP would be at a higher side. So, if you can throw some light over there?

Naresh Jalan: I think we have zero exposure right now to any aerospace activity right now. Next, we are already in terms of quoting in RFQs and other things. We are looking at in next two years to build up an order book in terms of aerospace and semiconductors and robotics and other things. And we are already putting and establishing capacities to manufacture Inconel and titanium products. So, it is a work-in-progress.

Moderator: Thank you. The next question is from the line of Aditya Kumar from Old Bridge Mutual Fund. Please go ahead.

Aditya Kumar: Thank you for the opportunity, sir, and congratulations on a really good set of numbers. Sir, I'm sorry I joined the call a bit late, but when we are getting into products like titanium and Inconel, do you think there will be a good amount of period that will go into approval of these products and capability building? And if that is the case, then what should be the timeline we should have in our mind that when these products will be operationalized and start contributing to the top line?

Naresh Jalan: Any meaningful contribution, I think it's at least two years from now. So, I think, I replied to the earlier question also, we have zero order book. We have started quoting in RFQs, and we have started building parallelly capabilities as in work-in-progress in terms of our manufacturing of Inconel and other steel. Already, aluminum, we already have in place, and we have already started production, we have already gone into bulk production in aluminum forgings.

But in terms of stainless steel and other things, that is work-in-progress. I think significant portion of stainless-steel forging will start happening, because we have already got some order books from fourth quarter of this financial year. But in terms of Inconel and other things, I think it is still work-in-progress, and it will take at least eight to 10 quarters from now.

Aditya Kumar: Okay, okay. And if we have to build capacities on this front for Inconel and titanium, what is the capex that we have in our mind that can go into building these capacities?

Naresh Jalan: No, right now, we already have capability and capacity, only heating arrangements are being made for heating this steel. Other than that, I don't think there is any going to be major capex in terms of the current RFQs we are handling. There will be no major capex, it may be in the tune of Rs. 10 crores to Rs. 15 crores or at the most Rs. 20 crores to get away with the capex immediately. When we go into significant portion of the business and significant ramping up capacity, then we may need to do additional capex.

Aditya Kumar: Okay, okay. One last question, sir, on orders. We have got Rs. 278 crores of orders from the auto segment. So, is this all domestic that we have got, or what geography we have got this from?

Naresh Jalan: Milesh?

Milesh Gandhi: Out of Rs. 278 crores, this entire business is from domestic, because the two-wheeler business of around 18% that I stated is also a domestic brand, and the 82% order for the passenger vehicle segment is also for the domestic market.

Aditya: Okay. And correct me if I'm wrong, is this two-wheeler business, the crankshaft business that we are doing from the machining facility that we have in our Gurugram business?

Milesh Gandhi: Yes.

Moderator: Thank you. The next question is from the line of Viral Shah from ENAM Holdings. Please go ahead.

Viral Shah: Yes, thank you for the opportunity, sir. Sir, my first question is would it be possible to share the gross and the net debt numbers?

Lalit Khetan: So, Viral, we have shared this gross and net debt number last time and we have been able to improve upon the net debt by another Rs. 100 crores in this quarter. So, last quarter, if you remember INR1,990 crores was the net debt, and it is Rs. 1,900 crores of net debt this quarter.

Viral Shah: Okay, so this quarter is Rs. 1,900 crores. And how are you looking at this number, sir, by the end of the year?

Naresh Jalan: Lalit, you can answer it.

Lalit Khetan: Yes, we have already guided in our last call, we will reduce at least Rs. 500 crore of leverage in this financial year and we are on track of that.

Viral Shah: Okay. So, by the end of the year, we should be down to Rs. 1,500 crores of net debt?

Lalit Khetan: Yes.

Viral Shah: Sir, secondly just related, sir, what will be the capex outflow this year, as well as the capex outflow, as well as the investment towards Rail JV?

Lalit Khetan: Investment towards Rail JV, the first phase is almost complete, another Rs. 20 crores to Rs. 30 crores from our side will go, and total guidance for the capex in this year is somewhere around Rs. 350 crores.

Viral Shah: Rs. 350 crores. Okay, perfect. Thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Congratulations on great set of numbers, sir. I think the rate at, which we are growing, and I think you told in the last quarter also, we'll be hitting 80% utilization by FY27 end. My question is, is that the peak utilization? And if that is so, then after this, sir, what is our next capex plan for further growth since we'll reach peak in one, 1.5 years?

Naresh Jalan: No, I think we are looking at lot of activities right now. We have already explained in the opening statement, and Milesh has already categorically explained that we are looking at already working with customers in aerospace and other verticals. And our entire plan is to ramp up our fresh manufacturing, or new augmentation of any capacities, which we think of is going to be into these verticals. And we will only announce any major capex by end of FY28 when we have a clear visibility in terms of order book and approvals in place in these verticals. And I think till then we can do away with small capex, and I think we are good to go for next two years of significant growth path with the current capex we have already done.

Kumar Saurabh: Got it, sir. Then the debt reduction should continue in FY28 also should be less, I mean, FY27 you said Rs. 1,500 crores, so maybe Rs. 1,000 crores of net debt should be expected by FY28?

Naresh Jalan: I think, debt reduction, leverage reduction, I think in the opening statement also Lalit has very clearly said our company's endeavor is to continue to have the reduction in leverage in terms of our overall debt exposure while company continues to grow. So, I think we are not looking at a zero-debt company, but we would like to keep debt into a significant check in terms of our overall leverage and continue to grow the company.

Kumar Saurabh: Great, sir. And last question, sir, our gross margins were great, but as you said because of energy and transportation fuel cost, little bit of margin hit had happened. So how things are progressing in Q2 so far, do you see any improvement there in the market conditions?

Naresh Jalan: No, I think we have not seen any improvement in terms of market conditions. You are well-aware of the current geopolitical issues and unless this geopolitical issue has some conclusion, I don't think we are going to see moderate energy prices or shipping cost.

Moderator: Thank you. The next question is from the line of Jayesh Gandhi from Harshad and Gandhi Securities Private Limited. Please go ahead.

Jayesh Gandhi: Most of my questions have been answered. Only one question is with the net block that we have currently, what kind of sales can we generate if say we are doing, I mean, if we are working at 100% capacity?

Naresh Jalan: Lalit, can you answer this question?

Lalit Khetan: I could not get the question. Can you repeat the question?

Jayesh Gandhi: Sir, with the net block that we have currently, closer to Rs. 3,700 crores, what is the sales at 100% capacity that we can do, generate in this this kind of net block?

Lalit Khetan: So, the kind of, net block right now we are having, a little bit of net block is under capitalization of casting, all we can certainly looking at asset turn of 2.5 on this. So, if you look at asset turn of 2.5, it will be somewhere around Rs. 9,000 crores of sales on this if we have a 100% capacity utilization.

Naresh Jalan: But I think it is very difficult to have 100% capacity utilization. It is safe to say that we will have almost 75% to 80% of capacity utilization before needing our next capex.

Moderator: Thank you. The next question is from the line of Geetarth Tandon from Green Portfolio. Please go ahead.

Geetarth Tandon: Sir, my first question is any plans to avoid the one quarter lag that you see in the steel prices? Basically, the purpose is to, if you plan to hedge the prices quickly, and if you avoid passing on to next quarter, that would be helpful in increasing margin for the continuous quarter's basis?

Naresh Jalan: No, steel price cannot be hedged. Steel price, I think there is no hedging system for steel price. Alloy steel price is bought on spot quarter-on-quarter. Every quarter there is a price, which the steelmakers declare and based on that that is bought. It means, basically there is no hedging policy in terms of steel price.

Geetarth Tandon: Okay, got it. And sir, ring rolling capacity is already at 127% utilization. So, any plans to add that?

Naresh Jalan: No, we have no plans to add any capacity. We are looking at almost peak utilization continuing at least for next two to three years because of the current order book.

Geetarth Tandon: Sure, got it. And, sir, just wanted to understand, like, if you plan to add any further capacity, so what are the factors based on which you add? Because you are adding a pressing line at 60% current utilization and the pressing line is going to increase. So, based on the current utilization would be reduced. So, overall, just wanted to understand what are the factors based on which you decide?

Naresh Jalan: Basically, we decide based on the order book and customer confirmation, which we have. In terms of utilization, I think the press line, which we evolved to put does not happen overnight or over one quarter. It takes at least four to five quarters from now for the capacity to be in place by when we will be almost around 80% utilization in terms of the press capacity.

Moderator: The next question is from Bharat C. Shah from BCS Capital Ideas Private Limited. Please go ahead.

Bharat C. Shah: Yes, Naresh ji, namaskar. This is Bharat speaking. One of the most important things that I felt in this quarter, or rather this year has been improvement in the working capital. So clearly Lalit ji, what you were saying, that seems to be now finally falling in place. So, operational cash flow after working capital at about Rs. 840 crores last year and probably is highest in the history of the company. And just wanted to understand how do you visualize things ahead?

Lalit Khetan: So, Bharat bhai, see, certainly the focus is on further improving the working capital days, because in this quarter there was a little bit elevation due to this West Asia crisis, shipping cost or transit time. But with the time it will further improve and certainly this journey to improve the working capital days in overall working capital, it will continue and our focus will be to further optimize the same. I will not give any target to that, but certainly we will keep on working on that.

Bharat C. Shah: No, improvement, Lalit ji is a forever exercise. Improvement, learning is a forever exercise. But if there is a tangibility to that, then there is a purpose, and then there is a greater way to measure it and greater way to achieve it actually. So, some kind of target in terms of how much improvement in working capital we are seeking to achieve would give a little bit more clarity?

Lalit Khetan: Bharat bhai, coming to specifics, certainly we will take baby steps. We have internal targets certainly. As we have set the target to improve debtor days by at least five to 10 days, inventory days by another five days, and increase the creditors' days by another 10 days. So, all together it will be certainly 15 days to 20 days of improvement. If this has to happen, this cannot happen in one or two quarters. It may take one year and everything remaining static, or it may take little bit more. So, we have to keep on working towards that.

Bharat C. Shah: So, you are saying that in this year, 12 days to 15 days, next year also 12 days to 15 days?

Lalit Khetan: You should plan for 10-day for each year , Bharat bhai; if you want to do it that way, you should take 10 days this year and 10 days next year.

Bharat C. Shah: Okay. Naresh ji, earlier we were very confident and hoping for turnover of close to Rs. 8,000 crores by the fiscal '28. Now in between lot of this tariff upheaval occurred, there were internal upheavals, and finally I think hopefully all those things are behind us. Now, when do you think we should be hitting that target of Rs. 8,000 crores?

Naresh Jalan: I think Bharat bhai, with all what has happened in past, I think we are one-year delayed. I think with last year's performance and now continuing improving on that performance, I think we have got delayed by one-year and I think we are on track right now with FY29 target as Rs. 8,000 crores.

Bharat C. Shah: Okay. Which means roughly 25% compounded growth from the last year turnover?

Naresh Jalan: Yes.

Bharat C. Shah: Because last year it was Rs. R4,200 crores, so Rs. 8,000 crores means 24% to 25% growth.

Naresh Jalan: Yes. Around 22% to 25% CAGR we will have for next three years.

Bharat C. Shah: And Naresh ji, this time clearly when we get bitten once, we become twice shy. But I suppose there is a large opportunity, we have strength and capability, we have product portfolio, we have client relationships and there is improving market. So would you say that probably the best phase of Ramkrishna Forging hopefully should begin now, given also the fact, although internal upheavals also would have taken some energy for us to get over. And, therefore, if all of this is behind, mentally we are more resilient and overall opportunity has become better outside, and we are better prepared, would you say probably this is the upcoming the most interesting period for Ramkrishna?

Naresh Jalan: Bharat bhai, I think, I can confidently tell you, best period for RKFL has just started and I think in coming quarters, coming year, you will see much more traction in terms of growth, in terms of improvement in balance sheet.

I would not like to comment on profitability other things, but I can tell you one thing very confidently that every quarter you will find significant improvement in the overall balance sheet of the company and overall parameters, which you measure each and every parameter of working capital or utilization or inventory days, everything you will find significant improvement in coming days and quarters.

I think for next three-four years we are extremely confident the visibility what we have that RKFL will be one of the best performers in terms of overall demand side absorption and creating a new brand for itself in these coming years.

Bharat C. Shah: Sure. But if I have to be...

Moderator: Sorry to interrupt, Mr. Bharat Shah. May we request you to return to the question queue for any follow-up question?

Bharat C. Shah: No, I just need to complete this question. If I have to express any bit of skepticism about it, given the fact that we've gone through challenges, what are the factors Naresh ji now you believe gives us far greater confidence about our destiny than, say, what was the case one year back, 1.5 years back?

Naresh Jalan: So, right now Bharat bhai working in terms of passenger vehicle, oil and gas, and nonautomotive sector like earthmoving equipment's are giving us extreme confidence and we are looking at tangible growth, which really shows company in the non-auto sector growth or non-CV growth, and the kind of order book, which we have been able to make over last couple of quarters in terms of our passenger vehicle, I think next two years are going to be exceptionally exciting in terms of our PV growth, and this is going to be the next lever wherein there is going to be transformation in overall RKFL.

Moderator: Thank you. The next question is from the line of Harsh Shah from Marcellus Advisors.

Harsh Shah: Yes, congratulations sir on the great set of numbers. I just have one confusion, sir. So, all you know, everything railway-related opportunity is catered through the JV, right?

Naresh Jalan: No, no, no, I think you're wrong. JV is only for manufacturing of wheels. It is doing nothing else except manufacturing of wheels. Rest, railway, everything is isolated standalone RKFL. RKFL has its own significant order books for railways, which we are working and continuously growing. Wheels JV is only going to be part and parcel of manufacturing wheels, nothing else.

Moderator: Thank you. The next question is from the line of Vinil Shah from Dalal & Broacha. Please go ahead.

Vinil Shah: Yes, sir, actually I would like a more insight into the export growth that you are anticipating. So, could you just give us a color of what segment, or what kind of customer base we are getting there, because you're not commenting on the Class 8 truck growth, but could you just give us a color of how the growth is coming from the export market?

Naresh Jalan: So, I think, I would not be able to comment in terms of the customer's name or brand of the customer. Basically, you can very well see in our presentation also, in Europe and North America both the places we are growing. And new order wins from the existing customers, as well as new order wins from the new customers, both are giving a very big jump into the next year or coming quarters in terms of our overall intake in terms of the order book. So, we are very confident in terms of our export demand and deliverables.

Vinil Shah: Okay, sir. And, sir, in the domestic product mix that you said that it has improved, could you give us a color about that as well, in what segment are we getting a higher margin that our product mix has been better?

Naresh Jalan: No, I think in terms of margins I would not like to comment on individual sectors or individual places. I think overall company margins have been shown. We don't earmark any particular sector in terms of margins.

Moderator: Thank you. The next question is from the line of Saket from Sagari Capital. Please go ahead.

Saket: Yes. So, sir, one quick question regarding the order book. So, I think we have got around Rs. 228 crores from PV. So, within this, what percentage would be electric vehicle because last time I think almost the entire exports PV was towards the electric vehicle if I recall. So, any color on this, sir, any EV portion in this passenger vehicle?

Naresh Jalan: Milesh, can you reply?

Milesh Gandhi: This order, which we have announced, this is not from a PV, sorry, this is completely from the EV, but that is from the domestic side EV, this brand is within the Indian market and actually our requirement is for the domestic manufacturers.

Saket: Yes. So just to be clear, sir, now that you've clarified this, so our entire passenger vehicle order book be it domestic or exports, everything is geared towards electric vehicle, is that a fair statement?

Milesh Gandhi: No, that is not a fair statement. We have both the sides. We are also there serving customers who are into the ICE side, and we are also serving customers who are in the EV.

Saket: So, what would be the breakup, sir, ICE versus EV within the order book?

Milesh Gandhi: In our passenger vehicle segment, I would say around 50%-50%, we are serving both the things.

Saket: And within exports almost 100% is EV, is that a fair statement?

Milesh Gandhi: Currently whatever you would have been seeing sales has been more to the EV, but our bulk supplies to the ICE side also starts, and I think we have a fair acquisition within the 50%-50% range whatever I stated, you will be finding similar numbers coming in the future.

Moderator: Thank you. The next question is from the line of Karan Gupta from CAVI Capital. Please go ahead.

Karan Gupta: Thanks for the opportunity. Just one question, sir, if you could comment on the realizations in the casting division, which have come off quarter-on-quarter. What is the reasoning behind that, and how do you see these going forward? That's it from my side.

Naresh Jalan: No, this is one-off, I think because of the new capacity, which has come up, just to have some utilization improvement, we have done some components, which did not give us the exact right realization. I think with coming quarter, you will be able to see the realization back, or more than what we had reported previously.

Moderator: Thank you. The next follow-up question is from the line of Geetarth Tandon from Green Portfolio. Please go ahead.

Geetarth Tandon: I was asking, can we sustain this 54% of gross margin we booked in this quarter for going forward, or are we looking to go back to the 50-odd percent we were doing before?

Naresh Jalan: No, I think this margin is sustainable margin and you will see improvement on it going forward.

Geetarth Tandon: So, any further gas problem sorted?

Naresh Jalan: I think, already the energy price is at peak when we have this balance sheet in place. So, obviously, I think, God forbid we don't see the energy prices crossing those levels again.

Geetarth Tandon: Got it. So, any improvement in energy prices, we would be seeing increase in margins to a certain leverage will be kicking in. Got it. Sure, thank you.

Moderator: Thank you. The next follow-up question is from the line of Bharat C. Shah from BCS Capital Ideas Private Limited. Please go ahead.

Bharat C. Shah: Lalit ji, while clearly in the first quarter margins have improved by about little less than 1%, compared to last quarter. But I would have thought that rupee depreciation should have helped us, plus gross margin having improved significantly, really the improvement in operating margin has come from internal working and operating leverage and productivity gains, or it is simply due to mathematics of the rupee depreciation and stuff like that and gross margin improvement?

Naresh Jalan: Bharat bhai, rupee depreciation is entirely passed on. I think currency gain is for us every quarter we have to pass on, all our contracts are currency pass-on basically. So, we don't get any significant benefit on the currency, either depreciation or appreciation, we are not affected. So, both the sides, we don't run a risk of currency.

Bharat C. Shah: And this is true for all contracts?

Naresh Jalan: Basically, yes, that is true for all contracts for RKFL. I don't know for other companies, for RKFL, currency is pass-on every quarter.

Bharat C. Shah: Okay. This was not I was aware of. Thank you.

Lalit Khetan: Currency depreciation in the quarter was only 1% to 1.5%.

Bharat C. Shah: Yes, but our margin also increased by only 1%.

Lalit Khetan: Yes.

Bharat C. Shah: It's only on a part of the business, exports being just the part. Okay. No, I got it. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we take that as the last question. I now hand the conference over to the management for closing comments.

Rajesh Mundhra: Thank you. I would like to thank all of you for taking the time and joining our earnings call. We hope we have answered all your queries to your satisfaction. Would like to further inform that you can get in touch with us or CDR if you have further information, which required from us. We look forward to interacting with you next quarter. Thank you very much for joining the call. Thanks very much.

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