



KALYANI CAST TECH LIMITED

(Formerly Known As; "Kalyani Cast Tech Private Limited")

Date: 13.06.2025

BSE Limited
P J Towers
Dalal Street, fort
Mumbai – 400 001

COMPANY CODE NO. : 544023

Sub: Transcript FY25 Earning Conference call

Dear Sir/Madam

Please find the attached Transcript in respect to the FY25 earning conference call held on Tuesday, June 10, 2025 at 12.00 p.m. (IST) to discuss the Financial Performance of the Company for the Half year and financial year ended on March 31, 2025.

Yours faithfully,

For Kalyani Cast Tech Limited

Jayashree Kumar
Digitally signed by
Jayashree Kumar
Date: 2025.06.13
10:22:03 +05'30'
Jayashree Kumar
(Whole Time Director)

Reg. Office: B-144, 2nd Floor, DDA Shed, Okhla Industrial Area, Phase-1, Delhi-110020

Factory: Village Mamria Thethar, Distt. Rewari (Hr.)

Tel: 011-26444400, **Mobile:** 09650891119, **E-mail:** info@kalyanicasttech.com,

Kalyanicasttech@gmail.com **CIN:** L26990DL2012PLC242760

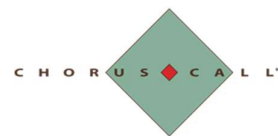


Kalyani Cast Tech Ltd

**“Kalyani Cast Tech Limited
FY 2024-25 Earnings Conference Call”
June 10, 2025**



Kalyani Cast Tech Ltd



**MANAGEMENT: MR. NARESH KUMAR – CHAIRMAN & MANAGING
DIRECTOR – KALYANI CAST TECH LIMITED
MR. JAVED ASLAM – PROMOTOR & ADVISOR –
KALYANI CAST TECH LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Kalyani Cast Tech Limited FY 2024-25 Earnings Conference Call. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

Ladies and gentlemen, please note this presentation prepared by Kalyani Cast Tech Limited is for informational purposes only and does not constitute an offer, recommendation or invitation to purchase or subscribe to any securities. It should not be relied upon for any contractual commitments. The company has based this presentation on information it deems reliable but makes no warranty regarding its accuracy, completeness or fairness.

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I would now like to hand the call to Mr. Naresh Kumar, Managing Director of Kalyani Cast Tech Limited, for opening remarks. Thank you and over to you, sir.

Naresh Kumar:

Thank you, Mr. Ryan. Namaskar, Kalyani family. I am again Promoter and the owner of Kalyani Cast Tech along with you as a stakeholder. So, I hope I am audible to all of you. So, most of the information I have passed through in the form of a presentation regarding what we have done in the last year and what we have planned for the next years to come. So, I will start with the brief introduction of the company.

For the new people who have become our new family members, the company has started the operation way back in 2014 as a small steel foundry and at that time our major customer was Indian Railways. We used to make casting components for the Indian Railways. That is how it is the name of the company is Kalyani Cast Tech.

So, in 2021, the company has diversified into the manufacturing of containers. At that time, this sector was not very good, but now this is a very live and bubbling sector just for the appreciation purpose. Way back in 2021, this particular segment of the industry may not be more than INR5 crores to INR6 crores.

Presently, with our efforts, this particular segment is contributing more than INR300 crores for the Indian economy and providing a good amount of employment opportunities to skilled and semi-skilled people. Till date, the company has manufactured almost 13,000 containers and saved almost INR360 crores of the foreign exchange in the last four years.

It is worth mentioning that at that time, as I told you in 2021, when people were closing the shop, we took the courage to start this manufacturing activity. Our main focus is to design, develop and manufacture containers, special containers, cargo-specific containers, customized containers, so that we can reduce the unit cost of transportation using railways.

We are basically different from our competition in terms of that we provide to our customers full logistic solutions to their requirements. That 2024-25 has been a very eventful and spectacular year for the company. A lot of good events have taken place for us. The company has entered into the, for the first time, INR1 billion turnover and now we have gone beyond it, as you can see in the next slide.

The company has been awarded very prestigious MSME of the year 2024 by Economic Times into the manufacturing sector. We have received the award on 20th March 2025. In addition, there are many other business fair awards which the company has got depending upon its performance and growth. So, this is about the company.

Now, I will briefly tell you about the promoters. Now, there are three main promoters of the company. One is Naresh Kumar. I am basically; I am teaching mechanical engineering from IIT Madras. I have served Indian Railways for 17 years as a Class A officer. I have been an architect of many innovative ideas on Indian Railways like running of double-stack container trains, like running of double stack dwarf containers train electrified route.

I have been engaged in design, development and manufacturing of special containers in order to reduce net cost of transportation. Now, we have started another segment of designing of special new wagons, container wagons especially, to increase the commodity basket for the Indian Railways.

Jai Prakash Bangani is also on the line. He runs his own NBFC firm based in Kolkata. He has been helping company through strategic planning and advising on the financial matters. Javed Aslam has joined from Canada. He is a civil engineer. He is running his own business of real estate in India and abroad. He also advised company for the strategic important issues.

Now, let us discuss the financial highlights of 2024-25. So, the company's top line has increased by 47% from INR95.11 crore to INR139.88 crore almost for INR140 crores. That is what I have indicated during this particular time of the last year. So, whatever we have indicated, it is a matter of great thing for us. Even the steel rates have been down compared to last year. So, but our top line has been as per the target.

So, we made more number of containers in the same top line. EBITDA has increased by 44%. Our profit before tax increased by 45%. And PAT has increased by almost 48%. The book value per share has increased from INR70 to INR80, almost INR90. So, there is an increase of 28%. Earnings per share has also increased substantially by 21% from 16.43% to 19.84%.

And the current ratios have increased from 3.9 to 6.5. There is an increase of almost 6% to 3% percent. And the best part is we are almost a debt-free company. Our debt-to-equity ratio is

0.08%. That is basically in the form of some usage of the working capital. Our major clients, we have added some clients during this particular financial year. DP World has been helping us for the last four to five years. CJ Darel, Tristan Logistics, Navkar Corporation, Mazagaon Dock Limited, which is the Ministry of Defense Company. Western Carrier, Glasswing Private Ltd., NTPC, again a public sector unit. And PCI is a Government of India company.

So, now next about the order book for this financial year. Last year, I have indicated that at this point of time that we have got orders of almost INR80 crores, which we have to complete by almost October last year. So, we have fulfilled that promise. And the total turnover has been more than around INR140 crores. That is what we have indicated.

This time company has got the sound order book presently at about INR110 crore. Out of this INR110 crore, INR31 crores work has been already been done in the first two months of this financial year, which is almost more than INR2 crores more than the last first quarter of the last financial year. The company has adopted many innovative ideas in order to serve customers satisfactorily. And further negotiations are in progress. And we are likely to reach whatever the targeted volumes we have got for this financial year.

So, it is a good start for the financial year. So, I thought let me convey this information to our esteemed investors during this call. Now, as I told you that FY24-FY25 has been a great eventful year for us. So, we have put up a very big expansion plan for the future. The company has acquired 115 acres of land. And out of 144 acres of land, up to 140 within this month, I think we will be completing this around 144 acres of land in our name. And the location of this site is very near to the port.

And this expansion plan will be developed by Kalyani Cast Tech through its subsidiaries or joint ventures, so that we can add value in various segments. So, first our expansion plan is we want to set up a Gati Shakti Cargo Terminal, which will be like a multimodal terminal to provide the facilities for the container loading or the cargo loading from that particular place.

The in-principle approval from Western Railways has been received for our site. We have submitted our detailed project report to the Western Railway because this particular station comes under Western Railway. In this particular land piece, we will be setting up a wagon manufacturing unit with an annual capacity of around 8,000 units per year. And the construction of the factory has already been started.

And basically, this wagon manufacturing facility will be developed in phases starting from 2,400 to 8,000 in another 4 to 5 years' time. Here, we will be having the container manufacturing facilities also for at least 10,000 containers annually and 6,000 at the existing place. So, we have got total 16,000 containers manufacturing facility with us.

We will be setting up a new unit for manufacturing of refrigerated containers at this location. We will be, as a part of backward integration, we will be setting up a steel foundry for bogies, couplers and the wheel set of the railway wagons. There will be some manufacturing units of wagons and containers which will be designed to answer like forging units, etc.

And the capex for this particular expansion will be funded through internal generation, equity, debts and other FDI mode. We are trying for that also. So, in a nutshell, this facility will be one of its kind in the world which has got all major mining solutions under one roof. For example, rail terminal for loading and unloading of containers and other cargo, wagon factory for supply of wagons used for containers and other railway wagons, steel foundry for wagon and container components, container manufacturing for supply of containers and cargo, and other ancillary units to have maximum backward and forward integration.

The idea is that how we can contribute into the reduction of the logistic cost. So, under one roof, all these facilities, this will act as a mini-industrial park and the major multimodal park. So, anybody who wants to send anywhere their cargo from this place using railways can use this facility.

So, we have got a big vision. Basically, as you know, the 2024-25 has been a great year and it has set up a significant milestone for us in terms of growth and operational resilience. Our vision is to put Kalyani Cast Tech Limited as a key contributor to the nation's wealth, employment generation, by way of design, development, manufacturing of special containers, wagons, and other backward-forward integration of various logistic segments in order to reduce unit cost of transportation.

Our company is a true ambassador of Make in India initiative and help in import substitution in a big way. With major expansion projects getting completed in FY25-26, we expect the revenue increase will have a quantum jump from 2026-27 from the additional manufacturing activities.

Presently, we are one of the biggest container manufacturers in India. We have got the vision to become the biggest wagon manufacturer in India through major backward and forward integration projects in line. All these efforts will have significant change in the logistics scenario in the next 4-5 years. In terms of efficiency and unit cost of logistics, we will help India to compete in the community of nations for EXIM and domestic manufacturing.

So, this is the disclaimer. Basically, present as the disclaimer has already been read out by our operator. So, now we can go for any answer from the investor or from anybody else. Thanks for your attention.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Umang from NVEST Analytics Advisory. Please go ahead. Umang, if you can please unmute your line and ask your question.

Umang:

Hi. My first question is on the capex plan that we are having. While Mr. Naresh certainly brings a strong industry expertise, the scale and the complexity of this capex plan that will require the robust execution capability. So, could you share your plans regarding the team building, particularly in terms of leadership hires and the technical talent and the operational manpower to ensure the smooth execution and sustainable operations across these upcoming facilities that we are planning for? So, that is my first question, sir.

- Naresh Kumar:** You want the organization structure for that?
- Umang:** Yes, management, hiring. What are our hiring plans for that?
- Naresh Kumar:** You see, as you know, I have been an ex-railway officer and we will be involving many of the railway manufacturing activities and I have been part of that also in railways. So, I know the expert people who are of the field and we have already hired some of the people and at the suitable time we will hire according to the requirement.
- The idea is not to increase the overhead cost, to keep the overhead cost in mind so that we remain competitive to the market.
- Umang:** Got it. And secondly, you have articulated a vision to become the largest wagon manufacturer in India. However, this segment is already very competitive with well-established players like Titagarh, JWL and Texmaco and the industry currently faces challenges in the terms of slowdown.
- Naresh Kumar:** Yes. Basically, if you see our statement, this is one of its kind facility in the world where you can find so many solutions at one place. So, that will be our punchline and that will be as competitive as we want it to have.
- Umang:** And what can be the order expectations because we are seeing some slowdown in the new railway orders. So, how do you see that?
- Naresh Kumar:** We will not be having any challenge for the orders. Let me tell you very honestly.
- Umang:** Sorry?
- Naresh Kumar:** We will not have any challenge regarding the orders.
- Umang:** Like we will be focusing on orders from Indian Railways only, right? Or we will be looking for the private orders?
- Naresh Kumar:** We will be getting orders from private people, especially the container train operators. You see, the maximum of the manufacturing units are based in eastern part of India. And the wagons which we want to make main requirement is in either the northern part or the western part of India.
- Umang:** Given that your majority expansion plans are scheduled for completion this year and you are talking about some quantum jumping revenue from FY '27 onward. But what I am noticing is we are not speaking about our growth guidance in FY '26. So, can you tell us what is the revenue growth that we are expecting and what is the net margins we are expecting for FY '26?

Naresh Kumar: As I told you, this FY has started with a very good note. We have already got orders for almost under INR10 crores. So, I think I have spoken about the order book when we were discussing about this.

Umang: No. Last year, like you mentioned, 40% to 50% growth. So, what kind of growth...?

Naresh Kumar: Growth will vary between 30% to 40% because the numbers are now increasing. You cannot have the INR40 crores or INR45 crores growth every time. But in absolute terms, it will be more. But maybe in percentage terms, it may not be as high.

Umang: So, you are saying 30% to 40% revenue growth this year, right?

Naresh Kumar: Yes, yes, yes.

Umang: And what kind of net margins we are targeting?

Naresh Kumar: So, margins will be, as I have been discussing, will be between 9% to 12%.

Umang: 9% to 12%?

Naresh Kumar: Yes.

Umang: Got it. And so, this INR110 crores order book that we are having, what is the execution period for it? Like last year, the same time, the INR80 crores order book...?

Naresh Kumar: By October, we will be doing this.

Umang: By October, we are expecting the execution?

Naresh Kumar: Yes.

Umang: Got it. And my last question is on the capex outlay. We are obviously entering into various areas. So, can you tell us like what is the total capex estimated that we are planning for and what kind of fundraise we are planning for this year?

Naresh Kumar: Total capex in next 4 to 5 years will range between INR400 crores to INR500 crores.

Umang: And this year, we will be raising how much?

Naresh Kumar: That depends on how we will go about -- how much we will be able to have the internal generation and through equity. Because as I told you, some of the projects will be done through JVs also. So, depending upon what kind of JV partner will bring and all these things. So, final details at this point of time, I will not be able to speak on that.

Umang: Got it. And regarding the completion of this capex, like you mentioned, FY '27, we will see the quantum jump. So, that means, significant capex will be completed this year only?

Naresh Kumar: We expect that wagon manufacturing should be ready in another 8-9 months.

Umang: Okay. And what about other plans? Like they will be completed over the years, right?

Naresh Kumar: Yes, yes.

Umang: Understood. And wagons may initially, it will be around 2,400 wagons, what you are telling, right?

Naresh Kumar: That is the initial target, but you cannot start at the rate of 2,400 from the day one, because it will take at least 2 to 3 times to have that kind of capacity. Because that is how the railway system works. Immediately, you cannot get that kind of order. But once, depending upon your deliveries and the performance, the number of orders gets increased. There is a process. You cannot say immediately, it's not a binary thing. You set up a factory today and from tomorrow onward, you will get the orders and start doing that kind of thing. It will be an analog system. It will gradually increase.

Umang: Right. Understood. So, you are saying a ramp-up will take time. So, what gives you confidence like FY '27 will be a quantum jump? What is giving you that confidence?

Naresh Kumar: Because then we are starting a new facility.

Umang: So, whatever there will be revenue, it will be incremental over and above what we are doing, right?

Naresh Kumar: Yes.

Moderator: The next question comes from the line of Rohit from Nvest Analytics Advisory.

Rohit: My questions are already answered.

Naresh Kumar: Let's go to the next one.

Moderator: The next question comes from the line of Ashwini, an investor. Ashwini, if you can please unmute your line and ask your question. Since there is no response, we move on to the next question which is from the line of Madhur Rathie from Counter Cyclical Investments.

Madhur Rathie: Sir, I am trying to understand regarding the container manufacturing industry dynamics. Sir, what do you understand...?

Naresh Kumar: Can you please speak louder?

Madhur Rathie: Yes, sir. Sir, I am trying to understand regarding the container manufacturing dynamics versus the Chinese competitors. Sir, we understand that Indian manufacturers are at the cost disadvantage of \$500 to \$1,000. Sir, how are we planning to maintain our margins going forward and are these current margins sustainable based on this cost disadvantage for the Indian players?

Naresh Kumar: Mr. Madhur Rath, I think I have been speaking on this subject at length at many locations. Let me again tell you, we are not into the rat race of the standard containers as far as we are concerned. We make special containers which have got value advantage and many USPs compared to the standard containers and our containers are mainly primarily used by Indian customers who are into the train loading business.

They are called CTOs, Container Train Operators. There are 20 companies who have taken license from Indian Railways to run their own container trains. So, they have to have their own wagons, they have to have their own containers for the transportation of the domestic cargo. And our standards are much more liberal in terms of loading, in terms of volumetric capacity on road and rail compared to the normal international standards.

So, we wanted to take advantage of those standards and we have added USP to each and every containers we make from our factory. So, if you go for import of those kinds of containers from China, we can beat them at any cost. So, that is our strength.

Madhur Rath: Got it. So, what would be the realization difference between the value-added containers that we manufacture versus a standard commodity container that could be imported from China?

Naresh Kumar: When we have started container manufacturing in 2021, import of container for domestic requirement has almost been very negligible. That much I can say.

Madhur Rath: Sir, I am asking about the realization difference that we make on these value-added containers versus the imported ones.

Naresh Kumar: That is coming from our figures here. That is coming from broader view. All these things are coming from our figures.

Madhur Rath: Got it. Sir, what were the container volumes for FY '25 and '24 that we sold?

Naresh Kumar: You see, we did turnover of almost INR133 crores from container business and INR7 crores was from the foundry business. So, if you divide 133 by 2.60, you will get the number of containers.

Madhur Rath: Got it. Sir, for FY '24?

Naresh Kumar: That's what you applied the formula. I told you.

Madhur Rath: Sir, what would be the volume? Sir, I understand the revenue, but what could be the volumes for these?

Naresh Kumar: For what?

Madhur Rath: For container volumes. So, this INR133 crores, what would be the amount of containers that we sold in FY '25?

- Naresh Kumar:** Sir, as I told you, divide INR133 crores by 2.60 lakhs.
- Madhur Rathi:** Okay, 2.60 lakhs. Got it. Sir, just a final question from my end. Sir, what would be the revenue potential of these capex that we are planning, the INR400 crores to INR500 crores capex that we are planning? Sir, what could be the revenue potential for this and what could be the payback...?
- Naresh Kumar:** Multiply by 10.
- Madhur Rathi:** Okay, multiply by 10. Okay, got it. And sir, what would be the payback period that we would expect on this INR400 crores to INR500 crores? Can it be the 9% to 10% kind of a margin...?
- Naresh Kumar:** We have just procured the land and we have just started the project. We have not yet calculated so much. Once we will do it, then we will come to know.
- Moderator:** The next question comes from the line of Saurabh Kumar from Scientific Investing.
- Saurabh Kumar:** So, this is on behalf of Mr. Saurabh. One question, sir, our fixed asset turnovers looks very lucrative, like almost of the INR10 crores of asset, we have been able to do INR140 crores. And just to the last question, to the gentleman's question also, you said almost 10 times. So, what makes us have this kind of very good fixed asset turnover? Is it an industry norm or...?
- Naresh Kumar:** No, no, this is not industry norms, because we do the fair assessment of the capex and we do the very transparent and honest work in this. We do not siphon off the funds from here to there, like other promoters. So, we work very honestly on these things.
- Saurabh Kumar:** Okay. Sir, and between container and wagon in the long term, how do you see the revenue ratio? Just a broad idea.
- Naresh Kumar:** The container will be almost 30% to 35%, 60% to 65% will be the wagon. One wagon cost is almost INR40 lakhs.
- Saurabh Kumar:** Okay, okay. And two more questions, sir. One, in terms of market size opportunity, what is the total market size opportunity, which is relevant, available to us?
- Naresh Kumar:** It is like this, Mr. Saurabh, we create the market.
- Saurabh Kumar:** Okay. And sir, this proposed long-term capex, again, you said like still there is a detailed planning to happen. But broadly, given on current run rate out of this 400, 500 capex, broadly, what percentage will come from internal accruals?
- Naresh Kumar:** Around, I would say, maybe 15% to 20%.
- Moderator:** The next question comes from the line of Dinesh Kulkarni from Finsight.

Dinesh Kulkarni: Really great set of numbers. Congratulations on that. Sir, my question is, like, as you mentioned, we are setting up, adding up new capacity maybe across both container as well as wagons. Could you just give us some cost analysis, like in terms of, say, if we come up with this facility now, within the next two, three years, will our cost per manufacturing of container, right, will it remain the same? Or are you expecting some cost benefits there as well?

Naresh Kumar: To this facility, let me tell you, we are giving not only the cost part, we are giving very value-added services from this particular location. This particular location, hub of cargo, that is number one. Number two is once we make the containers over here and we make the wagons to carry the containers, the person will take their containers on the wagon, which we have manufactured for them, and the cargo will be available to next door.

So, instead of, say, taking, basically, the biggest advantage will be their empty repositioning cost will become zero. And in fact, they will earn out of it. From the single facility, they are getting the wagons, they are getting the containers, they are getting the cargo. So, that is number one.

Number two. If, say, somebody is buying only the wagons from me, and he has got his own container, so he can bring the loaded containers in my facility and load on their wagons from that facility itself. Number two. Number three, if somebody is buying only the containers from me, and they have got the wagons. So, if they want to carry these containers from X point to Y point, so using rail, which is a cheaper mode, they can transport their container empty or loaded from my location to anywhere in India. Number three.

Number four, this particular location is suited to run double stack container trains. So, they can take advantage of double stack, running of double stack container trains from here. Number five, we can make a higher height container, which cannot go on road, but can go on rail. So, from here itself, they can be loaded on their wagon, so that they can move on the rail from one part of another part all over India. So, there are many value-added services, which we are getting from this particular location, nobody has thought of.

Dinesh Kulkarni: Yes, that really sounds great. And really, you know, thank you for such a wonderful explanation. So, what I understand from your explanation is that there is definitely a great value addition for the customers. So, does it give us an ability to charge a little higher on the, you know, whatever the containers are?

Naresh Kumar: That will be the market decided. At this point of time, I don't have the SOP, how can I say at what rate I will sell my product?

Dinesh Kulkarni: Okay, my question is like, okay, so whatever we are getting per, you know, revenue per unit...

Naresh Kumar: Maybe we may charge the same as the market, but through this value addition net cost may be good value addition for the customer.

Dinesh Kulkarni: Okay, sounds great. And you think all of this, you know, current setup will be up and running in the next two, three years, like at least from the wagon front?

- Naresh Kumar:** Wagon factory should be running as per my plan should be running as into eight and nine months from here. This is my best hope, maybe it may take two to three months extra. But hopefully, second part of X as two part of '26-'27, it will start giving the turnover.
- Dinesh Kulkarni:** Okay, sounds great. So, are you saying that, because...
- Naresh Kumar:** We are not developing the whole thing, we are not making Taj Mahal and to make it a cupboard. We wanted to just keep on developing it as we get the money. And basic facility will create it. And then whatever we learn, just like we have developed our container factory like that only.
- We have developed the basic facilities and then whatever we keep on generating from internal generation, we keep on investing into the factory. And that's how we have developed it. We don't want to make a Taj Mahal from the day one, and then start the work.
- Dinesh Kulkarni:** That was my question, sir. So, do you think we have the financial capability right now or we will have to borrow?
- Naresh Kumar:** As I told you, we might have to go for some fund generation, we might have to go through some debt, or we might have to go through some joint venture.
- Dinesh Kulkarni:** Okay. So, you are still working on that, I assume.
- Naresh Kumar:** We are still working on that.
- Moderator:** The next question comes from the line of Kartik Khandelwal from Hem Securities Limited.
- Kartik Khandelwal:** So, I wanted to ask that this estimated capex that we have planned for INR450 crores to INR500 crores, have you decided at what portion of debt we may consider to raise among the same?
- Naresh Kumar:** Let me tell you, Mr. Kartik, we have purchased almost -- we will be purchasing almost 144 acres of land. We have placed orders for almost 80% of our machinery required for our wagon manufacturing, paid the advances. Till now, we have not taken any debt.
- Kartik Khandelwal:** Okay.
- Naresh Kumar:** And now, how it will go? And we have sounded our banks that at a short notice, if we need any help, please be ready. So, that is how it is at this point of time.
- Kartik Khandelwal:** Okay. So, other thing was that we gave a robust target of INR4,000 crores of revenue in the next 7 to 8 years. So, among the same, can we assume as of now that what percentage of the same will be from wagons, from containers and from our...
- Naresh Kumar:** You see, when I have -- I want to set up a factory making 8,000 wagons a day, a year. So, as I told you that around INR40 lakhs is the cost of one wagon at this point of time, depends on the

so many things, steel rates, that etcetera. So, this makes how much? Almost INR3,200 crores rupees. Kartik, are you -- can you listen to me?

Kartik Khandelwal: Yes, sir. I am listening. I have connecting with the same...

Naresh Kumar: So the main revenue driver will be the wagon manufacturing and other JVs or other things which we have planned. In fact, we started getting heaters from MNCs also to set up their shop or base. So, it will be a -- we will develop it as an big industrial park.

Kartik Khandelwal: Got it, sir. Okay. And so, moving forward, any plans? We talked about the same earlier as well. So, any plans about the containers or shipping segment as well? Or we are planning for railway only as of now/

Naresh Kumar: Unless government support us.

Kartik Khandelwal: Okay, after the government support, sir. Okay, got it, sir. That must be all, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Bharat Bhushan, an Investor. Please go ahead.

Bharat Bhushan: Good afternoon, Mr. Naresh.

Naresh Kumar: Yes, Bharat ji, tell me.

Bharat Bhushan: Congratulations on your very good set of numbers. But my question, I think most part of them has already been answered.

Naresh Kumar: Yes, I have confidence in the promoter and the company, Bharat ji.

Bharat Bhushan: I have, sir. I have. And still, that's why I'm holding on to it. And my simple question was, most of the part, most part of my question has been answered. But still, that question is on your expansion plan. You said more major part of your -- you have six different major plans, expansion plans. Out of that, how much you will, which one you complete in this financial year? And which will linger on in the next financial year?

Naresh Kumar: The container part and the logistics part will be completed by March '26.

Bharat Bhushan: Okay, sir.

Naresh Kumar: And wagon part will be completed, hopefully, hopefully by maybe July, August '26.

Bharat Bhushan: Right, sir. And when we are planning to start construction of factories for refrigerated containers?

Naresh Kumar: We have already started the construction of the factory. Now, in each portion, we will make refrigerated container, normal container or wagon. That is to be decided by us.

Management: Okay, you don't need any separate machinery for that...

Naresh Kumar: No, no, we don't need any specialized kind of structure for refrigerated business.

Bharat Bhushan: Right, that was my question. So, most of your all expansion plans will finish, half of them will finish in this financial year and rest will be in 2, 3 years, I suppose.

Naresh Kumar: Yes.

Bharat Bhushan: Right, sir. Yes, I think most of my questions are answered, sir. That was the thing I want to ask. Thank you, sir. Thank you very much and bravo to your all-expansion, big-dreamer expansion plans and hopefully wish that they are completed in time.

Naresh Kumar: Thanks a lot.

Bharat Bhushan: Thank you.

Moderator: Thank you. The next question comes from the line of Nikhil Gupta, an Investor. Please go ahead.

Nikhil Gupta: Sir, I just wanted to understand about receivables. Like, receivables is increased substantially, but as compared to turnover, it is not that much increased. But still, I want to understand what is the average receivable on, like, period, receivable period.

Naresh Kumar: Mahajan, ji, would you like to say something?

Management: Yes, definitely.

Naresh Kumar: Mahajan, ji, please tell something about this finance question.

Management: Yes. Average receivable will be in the tune of INR20 crores.

Nikhil Gupta: Okay. So, going forward, even the turnover will be increased, but our receivable will be on INR26 crores or INRR30-odd crores.

Management: Definitely, receivable will be increased.

Nikhil Gupta: Okay. Thank you, sir. Thank you.

Moderator: Thank you. The next, the next question comes from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Naresh Kumar: Ankur ji, please tell.

Ankur Gulati: You are talking about wagon, what percent?

Naresh Kumar: Yes, please?

- Ankur Gulati:** These are freight wagons, so what percent are wagons, goods, the wagons...
- Naresh Kumar:** When you are saying wagons, it is always referred to the freight, and the passenger is referred to as coach.
- Ankur Gulati:** And sir, on this dwarf container is accumulated...
- Naresh Kumar:** Everything, dwarf will go, normal will go, big containers, small containers, we will do all the provision. Even if somebody wants to carry 10 feet containers, we'll make the provision for that.
- Ankur Gulati:** Okay. Sir, one more question, till date how much has been spent on this, on the new land that you are acquiring, can you give that idea?
- Naresh Kumar:** Let confidential. Let it be confidential. But we haven't received the loan yet.
- Ankur Gulati:** And the 10,000 container, the refrigerated container, that is still in the Haryana factory.
- Naresh Kumar:** The refrigerated container is there only.
- Ankur Gulati:** Okay. Thank you, sir.
- Moderator:** Thank you, sir. Thank you. The next question comes from the line of Paramjeet Singh, an Investor. Please go ahead.
- Paramjeet Singh:** Hello sir, congratulations for the set of numbers. Sir, just want to check for your wagon manufacturing as well as your containers, your customer sets stays the same, right? Whoever is buying containers, will be buying wagons also.
- Naresh Kumar:** That might be different also because somebody may not need the containers only wagons. So we can supply them the wagons. Somebody may not need the wagons only containers, so we can give the containers. But you are right, more or less the customer segment will be the same. And in addition for the wagons there will be internal Indian rail as well.
- Paramjeet Singh:** Okay, okay. So, any of your existing customers, have they only -- have they already shown interest in wagons, or are they also kind of doing some JV with you for any of this?
- Naresh Kumar:** These people are waiting for our facility to come up.
- Paramjeet Singh:** Okay. Okay. Great, sir. So, one more thing, I mean, just to confirm, you said there's 10,000 containers, additional to 6,000 capacity that we already have. This will come up first, right? Because this is expected to be up by March.
- Naresh Kumar:** Yes. This will come up first. This will come up within this financial year. Let me tell you this thing. For the container manufacturing unit, I don't require approval from anybody. But for the wagon factory to come up, I require the approval from the government, from the Minister of

Railways. These are the machines, these are the equipment, these kind of sets, these kind of things. Once done, then only they will approve it.

Paramjeet Singh: And you mentioned in-principal approval has already been received, right?

Naresh Kumar: In-principal approval for the logistic park. That is Shakti Rail Terminal. That is a separate business entity, segment, not entity, segment. And let me tell you, for this particular wagon factory also, we need this terminal. That is a must requirement for that.

Paramjeet Singh: Right. Yes. Terminal would be needed for everything, right?

Naresh Kumar: Yes.

Paramjeet Singh: Okay. And wagons, you have all...

Naresh Kumar: Even for the railway wagons, in fact, we require a railway line inside the factory. At least 800 meters long.

Paramjeet Singh: Okay. And for that, you already have the approval when you have started.

Naresh Kumar: We have got the approval for the plan from the Western Railways. In-principal approval, we have submitted our detailed project report. It will take another month's time to get that approved. Then we'll start doing construction.

Paramjeet Singh: Okay. Sir, last year, you gave an order book of INR80 crores to be done by October. And obviously, there were remaining months, and you ended up doing INR140 crores. This year, you have an order book of INR110 crores, again, to be done by October. So, can we expect a revenue of INR200 crores this year? I mean, you have been -- proudly said you have reached a billion rupee club.

Naresh Kumar: I wish there should always be earnings.

Paramjeet Singh: So, you have the visibility and confidence that INR200 crores...

Naresh Kumar: I mean, capacity-wise, not an issue. If something else happened, I don't know.

Paramjeet Singh: Okay. Okay, sir. So, last year, whatever numbers you mentioned, INR133 crores divided by 2.6. So, roughly 5,100 containers were manufactured and sold. So, this year, you'll be able to do much more. So, these 10,000 containers and your 6,000-container facility, these are two different facilities, right? So, what is the distance between these two?

Naresh Kumar: Yes, 6,000 is the existing facility, which is in Haryana, district Rewari. And this new facility has a new location.

Paramjeet Singh: So, what is that new location? What is the name of the port near which you have got this land, sir?

Naresh Kumar: We'll disclose it at the right point of time.

Paramjeet Singh: Okay. Okay. Okay. That's fine, sir. Okay. That's it from my side. Wish you all the best, sir.

Naresh Kumar: Yes, thanks a lot Paramjeet.

Moderator: Thank you. We take the next question from the line of Umang from Nvest Analytics Advisory. Please go ahead.

Naresh Kumar: Umang, you are back again. Tell me what you want to know?

Umang: Hi. Thanks for the follow-up, sir. So, we were saying 2,400 wagon in FY '26, right?

Naresh Kumar: No, no, no. I'm saying that much capacity in the phase.

Umang: Yes, yes. That much capacity we'll be having for that year. And ramp-up will obviously take time. So, have you any number in mind, like what kind of percentage of ramp-up that we can do in FY '27?

Naresh Kumar: So, that depends on how good the response I'm getting for this 2,400 capacity. You see, when we started this container facility, we were not able to make one container a day. And now we are making almost 20 containers a day and even don't come to know. To make that main container per day we get fully exhausted. So, this is a process which everybody has to pass through. And speculating for such a distant future is not possible.

Umang: No, I was asking this because you mentioned two things. One is you are expecting good growth in FY '27. Secondly, you also mentioned to one of the participants, like our customers are waiting for our products, right? So, that is why I asked like anything in the coming.

Naresh Kumar: Yes, we expect a good kind of order from our customers. But at this point of time, I cannot put the numbers to it.

Umang: Got it, sir. And so, like on the container side, so can you put some number, like in the terms of market share that we are going to have?

Naresh Kumar: Somebody else, Mr. Paramjeet has put numbers himself to this side. So, let us work on those and if there will be some...

Umang: No, no, I am asking for the market share right now we are having in India.

Naresh Kumar: Difficult to tell. As I told you, we are the market creator. We do not depend upon the market.

Umang: Like means overall demand in the terms of volume, any idea like...

Naresh Kumar: No, no idea, no idea, no idea, no idea.

Umang: Got it, sir. That's it from my side, sir. All the best for the future. Thank you.

Naresh Kumar: Thanks, thanks a lot.

Moderator: Thank you. The next question comes from the line of Kahokan Sarkar from Deloitte. Please go ahead.

Naresh Kumar: Yes, Mr. Sarkar.

Kahokan Sarkar: Hi, sir. First of all, congratulations to you and your team. You are doing fantastic.

Naresh Kumar: Thanks a lot. Thanks. Keep blessing us.

Kahokan Sarkar: Yes, sir. A few of my questions already got answered. So, a couple of questions I have. Sir, last time you were talking about Dubai plan.

Naresh Kumar: Okay.

Kahokan Sarkar: So, are still there any hope or because this time you are not mentioned.

Naresh Kumar: Let me tell you very honestly, the containers, existing containers which we wanted to make, the rates have come down drastically in China and Vietnam. So, at this point of time, that project is on hold. If we get some opportunity, we have already submitted our application to government, depending upon their feedback and all these things. So, that project will have to be seen. We have to -- as I told you this year, because of various reasons, China wanted to dump anything and everything anywhere.

So, this time, existing container market has not been so good, but we have been lucky that we got good domestic market. And for our special container, demand is rising. So, we are working on that.

Kahokan Sarkar: Okay, sir. So, and as you are developing your new greenfield near to port, is there any future plan like you are going to export container?

Naresh Kumar: If government supports us, that thing we have kept into mind, that will be an additional bonus for us. Because capacity increase for container manufacturing is not a big challenge for us. We have got a lot of land. We have got a lot of covered area. We are going to have a lot of covered area. So, we have kept that thing into mind. If it comes, that will be a bonus for us. But we are not counting main business plan based on that.

Kahokan Sarkar: Got it, sir. And also during the award ceremony, you are talking about an example you are giving. So, our Prime Minister visited one country, most probably France, I am not...

Naresh Kumar: Yes, yes, yes. That opportunity was there. The Prime Minister was sure. So that's why I told you that there is a good possibility the government might support in this venture. So, government

also knows that unless they support us, we cannot compete with the Chinese companies for manufacturing of standard containers.

- Kahokan Sarkar:** Got it, sir. That's clear now. Thank you, sir. And best of luck. We have very big...
- Naresh Kumar:** Thanks a lot. Thank you.
- Moderator:** Thank you. The next question comes from the line of Amitabh Chakraborty, an Investor.
- Naresh Kumar:** Am I online?
- Moderator:** There is no response. Yes, sir. You are connected. It was the participants line that was on hold. We will move on to the next question from the line of Ashwini, an Investor. Please go ahead.
- Ashwini:** Sir, I wanted to ask two things. Firstly, the revenue of INR140 crores this year, if you could give me a rough break-up of how many specialized dwarf or low LPL containers were there and how many normal containers...
- Naresh Kumar:** You can mail it to me. We will answer you via email. Now I haven't done this analysis yet.
- Ashwini:** Okay, sir. I will mail it to you. Secondly, I wanted to ask, the approximate capacity that I understand is around 6,000 containers. So, the growth that we are planning this year, the capacity that you are talking about, if it is live in March, are we doing any expansion to cater to that growth?
- Naresh Kumar:** Yes, we have already done. We have taken some amount of land on lease for the storage purpose. So, that's how we have increased the capacity to some extent.
- Ashwini:** So, the existing Rewari facility...
- Naresh Kumar:** Yes.
- Ashwini:** Okay, sir. Thank you. I will email you the question.
- Naresh Kumar:** Yes. Thank you.
- Moderator:** The next question comes from the line of Ganesh Nagarsekar from Bharat Bet Research. Please go ahead.
- Ganesh Nagarsekar:** Sir, my question is about the capacity of our wagon. So, we make value-added containers there. So, we can sell some premiums as well. In our wagon, there is a patent for a drop container. So, will there be any major differentiation in the wagon? What will be our right to win in that market?
- Naresh Kumar:** You have to ask next month. You asked this question next month.

- Ganesh Nagarsekar:** Next month. Okay. Got it, sir. For Gati Shakti terminal is there any other monetization source for. How will that be monetized?
- Naresh Kumar:** How will we monetize? We will operate ourselves. I am a railway person. I know how to operate a terminal.
- Ganesh Nagarsekar:** Okay. Got it. Sir, the last question is about the containers. You said that our container sells for around 2.6 lakhs. So, in the generic market, the container which is without customization, what will be the average cost of that?
- Naresh Kumar:** Basically, as I told you, we make many kinds of containers. To have a unitization kind of thing. If someone asks, how many containers have you made? Our lowest container unit is 2.6 lakhs.
- Ganesh Nagarsekar:** Okay. Got it. Sir, what will be the range of lower band and upper band? If you give a broad idea.
- Naresh Kumar:** I made 8 lakhs yesterday and 9 lakhs yesterday. So, 9 lakhs divided by 2.6 that container will be that much.
- Moderator:** Thank you. The next question comes from the line of Pavnish from Ritu Financial Services. Please go ahead.
- Pavnish:** Good afternoon, sir. All my questions have been answered. Sir has asked and answered. I just have one request to you. Whenever you understand correctly, whenever you raise capital or raise any share.
- Naresh Kumar:** Definitely, we will share and we have got plan to raise capital.
- Pavnish:** So that daily investors also get a chance to participate in it. That's my request.
- Moderator:** Thank you. The next question comes from the line of Venkat Velupalli an investor. Please go ahead.
- Venkat Velupalli:** Congratulations, sir, for good set of numbers. Thank you for giving me this opportunity. You said talking about JV Partners. Did you initiate any dialogue with any partner?
- Naresh Kumar:** We are in a very initial stage. Let me tell you very initial thing and that depends upon various things. So unless something concrete comes out, I cannot dilute that.
- Venkat Velupalli:** Okay. And last question, sir. This Gati Shakti Terminal, when is the expected time to be opened and what is the revenue approximate revenue can be generated from that?
- Naresh Kumar:** You see, this Gati Shakti Terminal although it's a separate business entity we wanted to make but this is just you can say mandatory requirement for the wagon factory also. But wagon factory will not use it to maybe only 10% to 20%. That's the time I have to use it for the commercial purpose.

I have been getting various fillers from the market that they would like to use it once it comes. So number then is very difficult at this point of time.

Venkat Velupalli: Okay, sir. Thank you. All the best.

Moderator: Thank you. We take the next question from the line of Vishal from Smart Horizon Opportunity Fund. Please go ahead.

Vishal: Good afternoon. My first question is the revenue and growth rate. What is the main track behind the year-on-year revenue growth of 49%? Can you break down a little bit the high value of a casting versus a cargo containing?

Naresh Kumar: Sorry, I didn't get your point.

Vishal: I'm asking what is the main track behind the 49% year-on-year revenue growth volume and expansion or a price hike? Can you break down the growth rate with the high value casting versus the cargo containers?

Naresh Kumar: You are asking how we are growing so fast or something else?

Vishal: Yes, what's the reason? Can you break down the revenue growth rate from the casting?

Naresh Kumar: Our strategy is how we can do the innovation that can suit our customers. It is not only the innovation of the container. It is the innovation of how you take payment from the customer. That can also be innovative. Also, the customer to some credit or all, that is also one of the innovative things. So, we apply so many innovative things and then customers are attracted to us.

Vishal: Next question regarding the balance sheet. Receivable and inventory has raised significantly. What is the driving force and how we are going to manage the working capital?

Naresh Kumar: Good question. Mr. Majahan ji, tell us.

Management: We will definitely manage our working capital. So, maintaining inventory at a very particular place so that the maximum requirement of our footprint.

Naresh Kumar: I can only say that my utilization of working capital last year was I have not paid even 10 lakhs of interest over the whole year. I can only say that.

Management: Questions are receivable also to pay in time.

Vishal: One more question for the cash flow related. Operating cash flow is significantly lower than the past. What causes this gap and how are you guys going to improve it?

Naresh Kumar: We have never seen a cash deficit company as far as last year is concerned. As you see, I don't know whether figures are there in the balance sheet or not. Our interest payment towards

working capital is not for the whole year, may not be INR10 lakhs. So, we are managing very well. We have got INR14 crores of working capital. We are managing with that very well.

Vishal: One more question. Any dividend or buyback plan?

Naresh Kumar: No, no buyback plan.

Vishal: Dividend?

Naresh Kumar: Dividend and all at this point of time we are in the expansion mode. So, we need capital at this point of time.

Vishal: You said expansion. You have purchased 110 acres of land. What is the strategy when going to that the project will be completed and what would be the impact on the top line and the margin of that?

Naresh Kumar: Too early to ask this question. We will come back once the project is at certain stage.

Vishal: Okay, so probably how many years do we need to take for the completion of this project?

Naresh Kumar: We will talk with more confidence next year this time.

Vishal: One more question. Your current footprint seems largely in domestic market. Any target for the customer segment for your private housing in the future upcoming? Your present footprint is currently in the domestic market. Any target for the market or the customer segment for your private housing for the increase in the market share of your company?

Naresh Kumar: I didn't get your question. Sorry. Pardon.

Vishal: You are in the domestic market. Is there any plan in the future to expand your boundaries in the future? Internationally or?

Naresh Kumar: You said it is ex-container. I think I have answered many times.

Vishal: Okay. Thank you, Naresh ji. Your numbers are looking good. I wish you luck for the better future.

Moderator: Thank you. Thank you. We take the next question from the line of Madhur Rathie from Countercyclical Investments. Please go ahead.

Madhur Rathie: [inaudible 0:63:44] Our gross margin is reduced. Sir we want it to know from how many months we can pass on pricing to our customer. [inaudible 0:64:05]

Naresh Kumar: I didn't get your question. Can you repeat it?

Madhur Rathi: Sir want it to know gross margin which was 23% in H1 it is 20% now in H2 it is because of steel price...

Naresh Kumar: What our target is that our PAT targets are 9%-12%. We wanted to keep those things into mind. What was in H1 or H2 explanation for that will be difficult for us.

Madhur Rathi: Sir I just want it to know after how much time pricing we can pass on to the customer?

Naresh Kumar: Which cost you are talking for pass on?

Madhur Rathi: Raw material sir if our steel price increases by 10% then for next 2-3 months we can...

Naresh Kumar: Basically, our orders are not very timely. Maybe 3-4 months. If there is a small change in 3-4 months, we adjust our self. We don't pass on to the customer.

Madhur Rathi: Yes. Maximum orders are executed. In 3-4 months it get executed. I understood. Sir, one more question. We are ordering 2.6 lakhs per container. Can we take it to 3 lakhs?

Naresh Kumar: This is the value of a very basic container. We make containers worth 8 lakhs, 8.5 lakhs, 10 lakhs. For the numbering purpose, we divide 10 lakhs by 2.6 lakhs. That becomes the equivalent of that particular container.

Madhur Rathi: I understood. Sir, one last question. What will be the cost differentiation? Or technology differentiation?

Naresh Kumar: After a month.

Madhur Rathi: Okay, sir. Thank you for answering my question.

Naresh Kumar: Thanks, Madhur.

Moderator: Thank you. We take the next question from the line of Ankur Gulati from Genuity Capital.

Ankur Gulati: We are adding a new terminal. Sorry, I should have asked this earlier. You are saying that you are adding a new terminal to the Gati Shakti policy.

Naresh Kumar: Yes.

Ankur Gulati: Will there be any government subsidy which I am assuming will be there in a month or two?

Naresh Kumar: There is something from the Gujarat government.

Ankur Gulati: Okay. Let's wait for the details. Will it be on DFCC? Yes. Gati Shakti will be on DFCC?

Naresh Kumar: No, Gati Shakti is happening everywhere. But it will be on DFCC.

- Ankur Gulati:** Perfect. Okay. Thanks a lot.
- Moderator:** Thank you. We take the next question from the line of Dinesh Kulkarni from Finsight. Please go ahead.
- Dinesh Kulkarni:** Hello, sir. Thank you for giving me the opportunity. Actually, my question is very basic. Just in case. Because I am new to the industry. Do you have an idea? How many containers India is importing from China or any other countries? How many can we replace?
- Naresh Kumar:** Do we have any information of that sort? It is like this. There are two types of containers we are dealing with. One is the existing containers which are being used for the export and import of cargo. They are predominantly manufactured in China. And they don't belong to any country or anything.
- They just keep on moving from one place to another through sea. Another container is the domestic containers. As I told you, after 2021 there will be very few containers which have been imported by any of the container train operators for the domestic use. I hope this answers your question.
- Moderator:** Ladies and gentlemen, we have lost the line of the participant. We move on to the next question from the line of Paramjeet Singh, an investor. Please go ahead.
- Naresh Kumar:** Yes, Paramjeet, tell us what was left?
- Paramjeet Singh:** Sir, I wanted to ask about Dubai which is already answered. Just one thing. If your order book is INR200 crores, will you be able to deliver from your current facility which is like INR6000 crores?
- Naresh Kumar:** I told you that capacity is not a constraint as far as the container is concerned. We will increase the capacity. That is not an issue. The issue is that there should be consistent orders.
- Paramjeet Singh:** So if there is an order, it will be delivered, right? Yes. Whenever you do any JV request, you will disclose it to the exchange, right?
- Naresh Kumar:** Yes, it is mandatory. Okay.
- Paramjeet Singh:** Thank you, sir. That's it from my side. Thank you and good luck.
- Naresh Kumar:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, there are no more questions in the queue. You can proceed for your closing comments, sir.



Naresh Kumar:

Thanks a lot, everybody, for hearing me out and giving their attention and time. I hope we will be able to meet your expectations through this venture. Till now, whatever we have been saying, we have gone by God willing.

We were able to complete that and we are up to that mark. I wish God willing we will stay ahead and whatever we promise, whatever we do, God is with us. We will do much more good works and generate value and wealth for the country and employment for the people in and around in India and elsewhere. Thanks a lot. Thank you so much.

Moderator:

Thank you. On behalf of Kalyani Cast Tech Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.