



M M FORGINGS LIMITED

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

Date: 09 March 2026

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

Dear Sirs,

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

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

1. Please find enclosed the Transcript of the Analyst/ Investor post results conference call held on 05 March 2026, on the unaudited Financial Results for the quarter and nine-month ended 31 December 2025. The results were approved in the Board Meeting held on 13 February 2026.
2. We request to take the same on records.

Thanking you,

Yours faithfully,
For M M FORGINGS LIMITED

Chandrasekar S
Company Secretary
Encl: as above





M M Forgings

...Forging Excellence...

MM Forgings Limited
5 March 2026



M M Forgings

...Forging Excellence...

**“MM Forgings Limited
Q3FY'26 Post Results Conference Call”**

March 5, 2026

**MANAGEMENT: MR. VIDYASHANKAR KRISHNAN
CHAIRMAN AND MANAGING DIRECTOR,
M M FORGINGS LIMITED**

**MR. VENKATAKRISHNAN
CHIEF FINANCIAL OFFICER,
M M FORGINGS LIMITED**

AT

**EVENT: AUTO ANCILLARIES' VIRTUAL INVESTOR
CONFERENCE**

ORGANIZED BY

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

MODERATOR: MR. CHIRAG JAIN, DEPUTY HEAD OF RESEARCH



Your success is our success



Vidyashankar Krishnan:

We have, seen some good recovery in the third quarter, and the fourth quarter seems to be, strong. We are heading towards a similar turnover of the previous year. Maybe with a little bit of growth, one or two percentage points here and there. And, next year, we see strong growth ahead.

The US market is very strong. Indian truck market is doing well. So, subject to similar macroeconomic conditions in terms of geopolitical, tensions not throwing a spender in the works. I think we should be able to easily do 20% growth in the next coming year. We have the parts and the orders for that. We have also consistently invested up to 1,000 crores in the last 5 years, so that was also a good, providing a good tailwind. We should have done probably a lot of good growth in this year, but some customer projects got delayed, and more than that by the macroeconomic conditions insofar as, the Indian, truck market, plus a little bit of internal delays in executing customer projects, all these things together ensured that we continue to be at the same stage.

Also, we should understand that the US truck market had fallen through for us in FY26, almost. Only now it is coming back, rather strongly, but right through FY26, it has been a real down drive, I would say.

The US, which stood at about 16 to 17% of our sales, has slid down to 9%. That's a huge reduction which we have had to face. Otherwise, we would have seen some growth in this year as well. Challenges are, costs. Particularly on the manpower side. That continues to be a huge challenge and manpower availability and also, consequently, productivity of manpower, we are working furiously on that at the engineering level and at HR.

We also see, recently, in the last few days, availability of fuels, fossil fuels coming into question. Again, our materials team is swinging into action, coordinating with manufacturing, and seeing to it that we are bouncing back very quickly on the material side. But, be that as it may, we must have the gas and furnace oil in the shores of India for this to work. That could be a challenge if the Hormuz straight, blockade continues on. I am sure the oil companies in India will switch sources to other places, but, you know, their options are limited, with Iran being one of the top few suppliers in the world.



On the cost side, we have some good news. We have been working on interest costs, as well as our power costs, and we expect to save substantially over there in the coming months. We are commissioning the 16500 ton press and expect to put it into action sometime just after Q1 of this year. Our internal target is June. We may end up somewhere around July, August.

Apart from this, we are also commissioning a 4,000-ton press. All this will take us to a capacity of 150,000 tons. Against which we are headed for about 70,000 to 75,000 tons in this fiscal. And next year, we are expected to cross 90,000 tons of utilization, possibly challenging 1 lakh, 1,10,000 tons internally. That's our goal. So, with these remarks, I would like to invite you all for questions, and I can answer them to the extent to which I can, shortly.

Chirag Jain, EMKAY Global: Thank you, thank you.

Vidyashankar Krishnan: Balaji and Venkat, is there anything, to be added to this?

Venkatakrishnan: I think, the points have been covered, sir.

Chirag Jain, EMKAY Global: Sure. Thank you so much, sir. Participants, we will open the floor for Q&A. If you have any questions, you can click on re-sign button. We will wait for a minute for the question queue to assemble.

We have the first question from Kush Gosrani. Kush, you can unmute yourself and go ahead. Kush, you can go ahead. I think, you're not audible.

Khush Gosrani: Hello, am I audible now?

Chirag Jain, EMKAY Global: Yeah, yeah, please.

Khush Gosrani: Yeah, sorry for that. Just wanted to understand now that we have spent almost 1,000 crores, over next 2 years, what is our Capex plans?

Chirag Jain, EMKAY Global: Sir, you are on mute.

Vidyashankar Krishnan: I am also the same. Yeah, so next, fiscal, FY27, we see about 160 crores of capex. Basically, completing the 16,500-ton press and also, the 4,000 ton whatever remains of that and a little bit on the machining side. About 160 crores. If there are new customer interests, there is, internal accruals to support it. We would go take it up to 200 crores also.



But that will be based on customer interests and cash availability, both together. I think there is strong, renewed demand from a PV, customer. And, also other, customers. So, we expect that, we could, invest additionally as well.

Khush Gosrani: Got it. And, sir, in terms of now that we have reached almost 1200 crores of debt as per September. How should we look in terms of repayment our next two years?

Vidyashankar Krishnan: The next two years, as things stand, Kush, debt levels will remain static. Okay. It will not go up. That is the internal plan.

Khush Gosrani: Okay, and within these volumes going to 90,000 plus by FY27, how much you are expecting machining to be? This year, we definitely saw a dip, but going forward, are we expecting machining mix to improve?

Vidyashankar Krishnan: Yes, machining mix will improve.

Khush Gosrani: Okay, sure. And that should lead to margins being stable or improving from year on?

Vidyashankar Krishnan: Yes, absolutely.

Khush Gosrani: Got it, sir. I'll get back in. Thank you.

Vidyashankar Krishnan: Thank you.

Chirag Jain, EMKAY Global: We'll take the next question from Abhishek. Abhishek, you can unmute and go ahead.

Abhishek: Thanks for opportunity. So, my first question on the export side, so what is the current status of the export, and how is the recovery in is coming into the US and European market? And, how is the current, tariff, is it, come down to 18%, or is it the at the same level of 25%?

Vidyashankar Krishnan: We see strong recovery. Class 8 truck orders have shot through the roof in February. You might have also seen the reports going around. So, that is, auguring really good for M M Forgings. The track market that was absent for us last year is now coming back. We see US exports back to previous levels, at least in terms of quantum. Percentages, I can't say, because overall market for us is also growing. So, I would say that the US looks very positive and should add considerably to turnover.



- Abhishek: Ok.
- Vidyashankar Krishnan: What is the second part of your question?
- Abhishek: Sir, from here, what would be the tariff?
- Vidyashankar Krishnan: Yeah. So, as it is, we come under Section 232. So, tariff would be 25% over and above 2.7% that existed prior. Taking the total to about 27.2%. But where we would be, tariff would come down to 18% or so. Again, fine print is not yet out. And customers are also grouping. Once we hear from them and from customs people, we will know.
- Abhishek: Okay, sir. And, sir, as you mentioned that, you are expecting around 1% or 2% growth in, quarter four revenue, but if we see that, commercial vehicles sales number in the India, that is very much strong in this quarter. And plus, there's a recovery in the export market as well. So, why we have a very conservative guideline of around 2% or 3% growth only?
- Vidyashankar Krishnan: See, you should understand that as far as US was concerned, we have lost almost 10% of revenue. So, where does that leave us? So, we have grown in other geographies, including India, but we have not grown overall, only because the US market has tanked.
- Abhishek: Got it. Answer, on a margin front, we have seen a very deep in the margin in the last two three quarters, and the reason is that, increase in the power cost, and plus that, machining mix is going down. So, just wanted to understand that how the recovery will come into the margin side, because that the power cost will continue to better higher level, as you mentioned, that there is a some issues on the gas supply and all. And the second is that, as the US will not ramp up, then the machining mix will not improve. So, just wanted to understand how the margin recovery will come.
- Vidyashankar Krishnan: First of all, the new jobs that we're adding are all largely, machined, so machining mix will go up, Abhishek. Second question is power costs, we have, I can, happily say that M M Forgings has gone totally green with effect from, 18th of January, from Sankranthi onwards, effectively. So, we have contracted to buy green power. And in the process, we have saved something, so that should result about 15 crores of savings per annum. Almost at current levels, that's 100 basis points on EBITDA. Plus, we're also saving considerably on interest by, of course, this doesn't affect EBITDA, but it affects PAT which is also a significant number, and more



importantly, it affects cash outflow. So, we expect to save at least about 30 to 35 crores on the interest side, relative to the previous year. That, both together, we would save around 45 to 50 crores. And this would mean cash coming into the company. So, on the spent side, we see increase in the manpower cost, power and fuel remains, at least fuel remains a big unknown in the months, in the weeks to come. But it will settle down.

Abhishek: And logistic also?

Vidyashankar Krishnan: Yeah, very, very valid point. Consequently, logistic costs to the US, would also, and Europe, would also go up, because freight is not going to happen through the Suez Canal or nearby. That may, that may also add, but generally, we have seen that customers buy or something of it. But what will happen is that it gets added to top line and is taken away in the bottom in the middle line. So, we have seen as a consequence, EBITDA, it won't be good for the EBITDA side. I mean, the percentage was on the mathematics.

Abhishek: Yes, sir, very clear. Thank you, Sir, that's all from my side.

Chirag Jain, EMKAY Global: Thank you, Abhishek. Participants, if you have any questions, you can click on resend button. We'll take the next question from Jamin Shah. Jamin, you can go ahead.

Jaymin Shah: Yeah, hi, thanks for taking my question. Firstly, I mean, can you hear me?

Vidyashankar Krishnan: Yes

Jaymin Shah: Yeah, so when we just look at the last 12 or 15 months of domestic performance, we have been kind of been trailing the broader CV industry growth, and you have valued the broader reason for such underperformance. We can just provide more details on why, I mean, the reason behind, I mean, the underperformance better, I mean, so internal or external factors, and any specific initiative there underway to address this.

Vidyashankar Krishnan: Sorry, can you repeat your question again?

Jaymin Shah: So, sir, when you just look at, I mean, last 12 to 15 months of domestic performance only, we have been trailing behind the CV industry growth. Or the CV industry volume piece, and you have evaluated the broader reason. Is it because of the customer-side delay, and part of, I mean, our execution piece? But if you can just



provide more details on, what are we doing, any specific initiatives which are underway to address such underperformance right now?

Vidyashankar Krishnan: Okay. First is, largely we have lost out last year in terms of growth because of customer-side delays in terms of launches. And in a few cases, we have had delays in the internal side also, for the CV market. So, both these together have resulted in the delays. The customer-side delays are now behind us. Customers have started coming in. And that's really good news. Second is that at our end, we have ramped up execution considerably, and gone beyond the delay framework.

Jaymin Shah: Got it, got it. And also, so, when you just look at the last 5-6 years, I mean, we have done, I mean, 1,000 to 1,200 crores of Capex. What percentage of those capex are now started generating their revenue?

Vidyashankar Krishnan: You could say something in the region of about 50-55%.

Jaymin Shah: Okay, okay. And, first, I mean, when you just look at the YTD performance, your agri-segment has increased, while on the PV side has decreased. You also brought in new customer on the PV site. So, how should we look at the fragmental mix for the next 1 or 2 years?

Vidyashankar Krishnan: We see, over a period of time, our mix will be something like about 15% of non-automotive of highway, PV is at about 12, so I would say, again, another 15% of PV. 70% should be CV.

Jaymin Shah: Got it, got it. And so, I mean, we wanted to reach, I mean, 6-digit mark on a tonnage front by FY28. So, any incremental new business wins on the programs that will require to reach those marks? Or are we comfortable to reach that mark from existing business wins?

Vidyashankar Krishnan: We are getting new business even as we speak, and that process is on. So, with the current orders itself. should see, our tonnage going into the six-figure level. One condition is that macroeconomic conditions should remain stable. That is always a joker in the back, so I don't have to tell you guys about it, you know far better than me. You handle a variety of industries. So, macroeconomic conditions should be quite, at least not iterate beyond these levels.

Jaymin Shah: Great, then. Sure, sir. Just, one more thing. We understand that the stock is, maybe, probably attractively valued, given the capex that is already accrued and the business that can follow. However, we



have a little bit of debt on the balance sheet, and how would we consider, let's say, if there is something, if the disruptions remain extended, and the prices come down, the equity valuations drop down from here? Is there an openness from the promoter side to infuse more capital if the prices are of lower level, probably inch up their holdings, or consider it as either a preferential or something like that to, one is improve the balance sheet and also signal a much more higher bullishness regarding the environment on the Company.

Vidyashankar Krishnan: I think we see a lot of uptick potential on the share price, but of course, if you say that macroeconomic conditions in the overall market seems to be gloomy. We'll get, definitely being dragged into it. We can't, escape that. Our concern will not be on the share price. Our concern will be more on the cash available to run the business, and the cash needed to run the business. If needs be. Where we could be open to looking at, so, it will not be decided by share price. More, it will be decided by the business requirements.

Jaymin Shah: But so, you would be open to considering an equity infusion?

Vidyashankar Krishnan: We are considering. I'm not saying we're totally open, but we are considering.

Jaymin Shah: Okay, sure. Okay, so thank you so much for listening.

Chirag Jain, EMKAY Global: Thank you. We will take the next question from Yash Mehta. Yash, you can go ahead.

Yash Mehta: Yeah, thank you for the opportunity. So, what do you think will be the impact of the new EPA norms coming up in the US? Do you see any pre-buying in the US because of the EPA norms?

Vidyashankar Krishnan: Yeah, what we have heard from customers is that the new EPA norms will result in strong demand from the rest of 2026, up to second half of 2027.

Yash Mehta: This is driven by some pre-buying as well, right?

Vidyashankar Krishnan: Yeah, the pre-buy would, result then.

Yash Mehta: And so, what is the current production rate in the US?

Vidyashankar Krishnan: Sorry?

Yash Mehta: What is the current production rate in the US?



- Vidyashankar Krishnan: I wouldn't know that exactly, but I would say it would hover around 1,50,000 to 1,80,000 trucks per annum. But that is expected to go well to its high of around the 2,50,000 levels.
- Yash Mehta: In this year, in this 2026.
- Vidyashankar Krishnan: There's a really strong demand.
- Yash Mehta: Thank you very much.
- Chirag Jain, EMKAY Global: Thank you, participants. Gentle reminder, if you have any questions, you can click on raise hand button. We'll take the next question from Sakat Kapoor. Sakat, you came!
- SAKET KAPOOR: Yeah, thank you, Chirag Ji. Namashkar, sir, and thank you for the opportunity. Sir, in your opening remark and in reply to one of the participants, you mentioned about tariff at 25%, plus some numbers you shared. So, currently, the tariffs are being paid by our customers are paying those tariffs.
- Vidyashankar Krishnan: Yep. Customers are paying the tariffs. My customers will continue to pay the tariffs. Tariffs are not our responsibility. It is imposed by their government.
- SAKET KAPOOR: Sir, and in terms of the product profile, are we also in the connecting rods and other segment, or which are the key products, that we have in our portfolio? In percentage terms, if you could just elevate the top 3 products?
- Vidyashankar Krishnan: We are also in the con rod business quite a bit. In fact, on a monthly basis. I would say by volume, con rods constitute the largest of our sales. quantity basis. But being very light parts, and for the LCV, PV and now the CV business, they don't consider it much by way of weight.
- SAKET KAPOOR: Okay, and in terms of order.
- Vidyashankar Krishnan: Therefore, also in terms of, quantity of business, in terms of value of business. Sorry, what was your question?
- SAKET KAPOOR: So, my question was, in terms of the current order booking. Sir, I was looking at our current order book. What percentage would be attributable to the connecting rods, and if you could give the top 3 products that we have in our portfolio.



- Vidyashankar Krishnan: The top 3 products are dominated by the CV industry, what I call internally as ABC parts. Axle arm or knuckle, B for beam, front axle beam, and C for crankshafts. And now we have another C called Conrods. These are the main four parts of our sales, Product families that considered up sales.
- SAKET KAPOOR: And in terms of our peer comparison, for each and every product, we would be having separate, different competitors domestically also, I think.
- Vidyashankar Krishnan: Absolutely. For each product, there is a different for each product, with each customer, there is a different competition.
- SAKET KAPOOR: And taking into account, sir, our, the current capex that we are doing, how is our market share going to shape up currently, and what it is, and how are it going to shape up going ahead?
- Vidyashankar Krishnan: Our market share will improve. One other point one of the previous guys had asked, as to why last year we were a bit sluggish, or this year we're sluggish on sales to the CV market relative to the market itself. The one of the points was that at one with one customer, we were lagging behind on deliveries, and we found that the issue was related to our manufacturing, and particularly one unit which was almost dictating terms of the customer. So, since April, we worked on it, and by July onwards, we have changed the paradigm, and we are ensuring that what the customer wants, we are there ready with the parts well before they want them. That is another reason for the turnover, for the turnaround this year, and that has laid the foundation for a strong FY27.
- SAKET KAPOOR: So, as you mentioned, last point, as you mentioned about the ABC of the same, so we are competing thereby domestically with Automotive XL and Kalyani Fords, and the words of Nelcast. So, these are our competitors, and that is a good, fair understanding.
- Vidyashankar Krishnan: Nelcast is nowhere in the picture. Nelcast is a casting company. We are into forgings.
- SAKET KAPOOR: Sorry, sir, I made a mistake, okay.
- Vidyashankar Krishnan: Kalyani Forge is largely into the smaller conrods and they seem to be having their own problems. So, our competition would be, Bharat, Ram Krishna, and Happy Forge.
- SAKET KAPOOR: Thank you, sir, for all the elaborate answer, and all the best to the team.



Vidyashankar Krishnan: Thank you.

Chirag Jain, EMKAY Global: Thank you, Saqet. We'll take the next question from Abhishek. Abhishek, then go ahead.

Abhishek: Sir, what is the current status of the Abinava Rize? How much total money we have invested in this company, and how much, money we are losing on an every-month basis on this investment.

Vidyashankar Krishnan: We have invested close to 70 crores, and our burn rate is about 1 crore a month.

Abhishek: Okay, and when, this will be positive, sir?

Vidyashankar Krishnan: I will be discussing with a couple of customers, as I said in the conference call, and we are very close to getting something. Once that comes, I will definitely let you know.

Abhishek: So, if you can throw some light on the what are the key products of Abhinava Rizel, and what are the challenges over there? Oh.

Vidyashankar Krishnan: Key products there. Right now, only one product. It's a Motor which provides main power to the vehicle.

Abhishek: In the commercial vehicles.

Vidyashankar Krishnan: Yeah, we can do motors from 3 kilowatt to 300kW. Currently, we're handling motors in the lower kilowatt range for a three-wheeler market. We are also working very closely with customers for four-wheeler orders. There, we might require, beyond just the motor alone. We will require controller, gearbox, and DC-DC converter, etc., because customers today are looking for end-in-end solutions. There, we are working with a few Chinese companies to tie up with them and make our product portfolio bigger, so that we can supply to the four-wheeler customers as well.

Abhishek: So, are we able to cater to two wheelers, OEMs in this space?

Vidyashankar Krishnan: Somehow, we have not looked at the two-wheelers space, because we felt that that would get really crowded and, if you see, other than high-end two-wheelers, we are not there in the low-end two-wheelers, in terms of power.



- Abhishek: Got it. And, sir, in a CV segment, how is our market share, or share of business with the Tata Motors and Ashok Leyland? From last few quarters, we are losing some market share, especially in the domestic segment. So, just wanted to understand, is it a supply issue with the Tata Motors, or also Ashok Leyland?
- Vidyashankar Krishnan: No, there are no issues in the last, few quarters. Since Q2, we have clawed back.
- Abhishek: Okay, got it. And as you mentioned, that you are looking for a 20% growth in the FY27 on revenue numbers, so just wanted to understand how much growth will come from the export versus domestics.
- Vidyashankar Krishnan: Roughly, both would grow by similar levels.
- Abhishek: 20%. But, but as most of the players are targeting around 10% growth in the commercial vehicle in FY27, so, you are looking for the 20% kind of the growth. What would be the region of outperformance? What would be the key levers?
- Vidyashankar Krishnan: The key levers would be the last few years of investment that we have made, and the fact that we should have achieved these goals a year back, or in this year itself. For sure. So, these are the key reasons and these are the tailwinds by which we are expecting better than industry growth. We have had lesser than industry growth over the last, one year, so now we are catching up. You can say that.
- Abhishek: Thank you, sir.
- Vidyashankar Krishnan: Fueled by new product. My product portfolio expansion.
- Abhishek: Got it, got it. Thank you, sir, that's all from my side.
- Vidyashankar Krishnan: Thank you.
- Chirag Jain, EMKAY Global: Thank you, Abhishek. We'll take the next question from Pritesh. Pritesh, you can unmute yourself and go ahead.
- Pritesh: I have this question; we have been in this capacity expansion drive for quite some time. And we have this unused capacity for, quite some time. So, what is why is that we are running on such a high capacity, or we had this capacity addition some years back? If, you know, if you could give some thought process there, it would be



really helpful in understanding your such a large capacity that you run with.

Vidyashankar Krishnan: Always in any industry, capacity is anticipated. Capacity creation is anticipated. You set up capacities, expecting that customers will buy, and that you will be supplying to customers in anticipation of demand. Sometimes. Capacity creation is also intuitive, but that's very rare. In this case, we worked closely with customers, and only then created capacities.

So, the capacity creation was in tandem with customer requirements, and customer requirements did not materialize. Many projects got delayed by more than a year at customer end. That has resulted in a drop in, or, say, lesser capacity utilization. Plus, on top of this, we have had a huge slump in the US market, which used to consume a significant portion of our tonnage.

Now, that also has resulted in a reduced capacity utilization. Both these together have resulted in us not realizing what we should have realized by now. On top of this, we have also, while delving deeper, we find that, on the manpower side, we need to staff a little bit more, so we have taken all those actions, and we are well on target to solving the bottlenecks ourselves one by one.

Pritesh: Okay. The other so my observation is that, you know, you're running on this large plant, or an asset that you purchased. It's been about 4 years now. So, you know, when you have a 4-year unused asset, you know, it may not have gone live or whatever, but then, don't you think it's a fairly longer year that the capacity is unused?

Vidyashankar Krishnan: No, no, see, it's not that the capacity is unused right through. Some of them are used, some of them are not used. So, some of them are still in the making. For example, out of these 2,000 crores, around, 180-odd crores, have been put in the 16,000-ton press with a long gestation period. So, you can't say that, you know, that capacity is deteriorating. Capacity is not even up yet. It's there in terms in monetary terms, but it is not there in physical terms.

Pritesh: So then, in physical terms that we have seen, where your block increases from 1100 crore to 2,000 crore, or 1900 crores. In the last 5 years that I see, there are bouts of 1100 going to 1400, then 1400 going to 1900, so you have invested about 800-900 crores. So, these 900 crores, what all get added in the system?

Vidyashankar Krishnan: I'd be happy to sit down with you and go through the list of assets, but that's not the purpose of this call. We have added largely in the



machining space and de-bottlenecking forge shops. See, in the last 5 years, if you look at it that way, we have grown, indeed, from, around 1,100 crores, we have gone up to 1400, 1500 crores, so there has been growth. It's not that there is no growth.

Pritesh: Hmm?

Vidyashankar Krishnan: So, that growth has taken place. What we're talking is beyond that for crankshafts. We have added machining for, Conrods, Beams, knuckles. We have added some export parts across the board, and all that is getting realized now.

Pritesh: Okay. And my last thing is, in the 4-year, if you had to assess your business, domestic and exports, so what would have been the performance in the 4-year from 1100 to 1500? That we see, how much would have exports grown, and how much would I have domestic grown in this space, from 1,100 to 1,500?

Vidyashankar Krishnan: I don't have those numbers right now. I will have my finance team work it out.

Pritesh: Okay.

Vidyashankar Krishnan: Probably, Venkatakrishnan will answer you in a jiffy

Pritesh: Okay, okay.

Vidyashankar Krishnan: But broadly, you can take that, domestic would have slightly outgrown exports. The overall growth was 50%, domestic would have grown by 60%, and exports by 30%, but I will let, Venkatakrishnan to take the answer. We will come back to you, we will give him some time.

Vidyashankar Krishnan: We can come back to this question in a few after a few more.

Pritesh: Okay.

Vidyashankar Krishnan: Venkat, when you're ready, he just let us know.

RVK: Yeah, yes, sir.

Vidyashankar Krishnan: The question is, what is the growth between 1,100 and 1,500 crores? Has it come how much of as it is grown in exports, and what is the percentage growth in domestic?

RVK: Yeah. Just a minute, sir.



Vidyashankar Krishnan: Now, we'll go on to the next question, Venkat, you can do your Quick work.

Chirag Jain, EMKAY Global: Sure. Thank you, Pradesh. We'll move to the next question. Akash,

Akash Vora, you can unmute yourself and go ahead. Yeah. Hi, sir, hopefully module.

Vidyashankar Krishnan: Yeah, kind of vague, but they're audible.

Akash Vora: Yeah, so, basically, sir, two questions from my side. Firstly, we are trying to install the 16,500 ton. Which is unprecedented, only Bharat Forge has, this kind of tonnage equipment. So, mainly, what is the plan with respect to that equipment? I mean, what kind of products are we planning to build there? And those are particularly for which market? Is it for the export market? Or is it for the domestic market? And which part in particular are we planning there? Yeah, and then I'll come back to my second question.

Vidyashankar Krishnan: Largely, we are planning crankshafts and higher weight front axle beams.

Akash Vora: Sources

Vidyashankar Krishnan: that machine. Overall, overall, we expect turnover from that line to go to about 300 crores. That will require some more investment in the machining side as well, but all that is not factored in in these numbers.

Akash Vora: Understood, but both these products, crankshaft and higher weight front axle beams, that is for the export market or for the domestic CV industry?

Vidyashankar Krishnan: Largely for the export market.

Akash Vora: Okay, and so, sir, secondly, what I wanted to understand is on the gross margin front so, wanted to understand as to where we are facing the issue. Is it more on the raw material procurement? have we faced some challenges in the recent quarter? Or in terms of, you know, processing our forging equipment, have we seen some little bit more amount of rejection ratios this quarter, or how has it worked out? I mean, why it is depleted on a sequential basis.

Vidyashankar Krishnan: We don't see any challenges in the raw material procurement.



- Akash Vora: Understood. And sir, looking back onto the fact that you are looking to export more for crankshafts and beams. So that should, I understand that both these products are machined products. And, since we will be exporting these, the margins should be significantly higher than what we do, currently at a consolidated level in our, at the MM Forgings level. Am I judging it right?
- Vidyashankar Krishnan: You're right.
- Akash Vora: Should be easily 7-8% better than the current set. At least in these two products.
- Vidyashankar Krishnan: At least in these two products, on an incremental basis, yes, but on an overall basis, you can't, you know, superimpose that overall, directly. You have to factor it by the weightage of these parts over the overall tonnage, or overall sales. Kind of understanding? Yes.
- Akash Vora: And, sir, since you said that you are not facing any raw material procurement challenges, so can you give comfort on the end that, you know, our gross margins will come back again to that 57-58% now that, you know, the export volumes are also coming back? And, our CV customer is also, started supplying regularly. Sorry, ordering regularly to us, so, I mean.
- Vidyashankar Krishnan: Yes.
- Akash Vora: Understood.
- Vidyashankar Krishnan: Balaji, I was given to understand that the gross margins are not, so much down. You made a quick analysis. Anyway, we need to dive into it further. We'll come back to you. Can I take your name again, please?
- Akash Vora: Yeah, it's Akash Vora from NVR firm.
- Vidyashankar Krishnan: Venkat, can you note it down? Akash Vora from
- Akash Vora: Envy Alpha.
- Chirag Jain, EMKAY Global: NVMF and the alpha.
- Vidyashankar Krishnan: Provide us a list of participants with their email.
- Chirag Jain, EMKAY Global: Yeah, yeah, sure.



Vidyashankar Krishnan: We'll be happy to add them to our mailing list.

Chirag Jain, EMKAY Global: Absolutely true.

Vidyashankar Krishnan: And, also, give them, so, any specific information?

Chirag Jain, EMKAY Global: Absolutely. I will do, sir. So, we'll move on to the next question, Mr. Lakshmi Narayana, you can unmute yourself and go ahead.

Lakshminarayanan K G

(TUNGA INVESTMENTS): Yeah, am I audible, sir?

Vidyashankar Krishnan: Yeah, yeah, Lakshmi, you're audible.

Lakshminarayanan K G

(TUNGA INVESTMENTS): So, one question, see, as an organization, right, in your own assessment, what percentage of our potential we are actually playing, and then how you intend to increase that potential in the next, 3 to 5 years. And then the second part of that question is that, when you look at growth, right? Growth can be in multiple ways. Could be new products, or new areas, or new customers, better than competition, better than the industry, better margins. How you would actually pan out when you say that I'm actually know, down 5 years, the company has been successful. What are the markers you would actually look at from your vantage point? I think these are the two questions.

Vidyashankar Krishnan: Can you go with the first one again, please?

Lakshminarayanan K G

(TUNGA INVESTMENTS): No, first, as an organization, what percentage of our potential we are playing? Are we playing to 80% of her potential, 90, 60. In your own assessment, the last few years, and the fiscal, very, qualitative, information would be helpful? And how you think you can actually become more efficient or more effective as an organization? What is your thought process on that front?

Vidyashankar Krishnan: Okay, yeah, I'll take that one first, if you don't mind. These are big, deep questions. I would say we are at about we are 50% of our potential. Okay, the capability to do double. Or at the worst, we are at 60% of our potential, we can do 40% more.

Lakshminarayanan K G

(TUNGA INVESTMENTS): Okay, okay. And, what are the specific things you are actually doing it? Because it could be just capacity, it could be increasing



customer, or increasing your own bandwidth. What do you intend to pull to actually increase it in the next, few years?

Vidyashankar Krishnan: Delivery to customers. Customer satisfaction.

Lakshminarayanan K G

(TUNGA INVESTMENTS): And what are the areas you have actually identified as so what can be more effective, right? Is it your expanding bandwidth of leadership, or is it that you have identified a better manufacturing processes? What gives you that kind of a confidence, or what are the plans you have in place right now, which you have spent in the last few years or quarters, that because you called out in your call that 2027 would be a breakout year for the firm. I think two quarters back in a conference call, earnings call you mentioned. So, keeping that in mind, I am just trying to understand what are the changes you have actually done on the ground.

Vidyashankar Krishnan: The second rung of leadership requires to pay a lot of attention to process. And to gaps in realizing the output of the process. So, we are far more focused now on the output side, and getting them to focus considerably on the gaps in the process that are realizing that are resulting in non-realization. So, the focus is on gaps and gap management and associated with the gaps is a passion for excellence across the board. Say, in the headiness of growth. The passion for excellence has taken a little bit of a beating. And that should be revived across the organization.

Lakshminarayanan K G

(TUNGA INVESTMENTS): So, can you elaborate this a little one you said? you said customer excellent, does it mean that you have a person who is even more working with the customer, you have changed your process, or your team?

Vidyashankar Krishnan:

Yeah, for example, one customer. So, with one customer, we found that we had developed all the parts and the processes, but we lost market share last year. So, we found out and we sat with the customer. Now, finding that out at the end of the year is a rather solid story. So, tighten the loops. So, basically, if you were to put it into one or two lines which are very important for M M forgings today, I would say it is the execution stupid and focus on excellence. So, basically, here, be sensitive to, to what you hear without getting downed in noise, and focus on the gaps that what you hear throw up, be it on the customer front, on the capacity front, or on the people front. This is the mantra as we go forward. So, I would say we are at about 50-60% of our potential. We can easily our team is, quite down-to-earth and hardworking, so they



have it in them to achieve that 100%, for which we need a few things in place viz., the availability and the robustness of equipment, which we are focusing upon quite clearly across our forging shops. So, as I said earlier, in the name of heady growth, the excellent side has taken a beating, and so we are using TPM and TPM tools to help us get there.

Lakshminarayanan K G

(TUNGA INVESTMENTS): Got it. And sorry, another second question is that, if you look at the next, 3 to 5 years, what are the markets you have when you talk about growth, right? What are the vectors? Is it new products, new customers, new geographies, or what are the two or three things would be in the top of your mind, when you press on accelerator for, for growth, right? And how you define growth as?

Vidyashankar Krishnan:

We have developed huge competencies in product handling. We are no longer the old MM Forgings that was there even 5 years back, or 3 years back. Our ability to execute projects of a large size, investment tickets in the range of 100 crores and beyond on the machining side. Our ability to, to put in projects, to put in investments which are, what I call as, without any friction with customers insofar as building in quality right from day one into the line, and making you, you know, concepts such as not making bad parts. And detecting bad parts immediately, ensuring that not good parts don't go to the customer. All these pain points, we are removing left, right, and center. And the way we have done it, we have seen from customer feedback that very few people in the world have done so. I would say I can't claim nobody, but very few people have done so. So, we need to get all this cracking, this all this competence humming together, and move forward on customer execution.

Similarly, on the forging side, a massive drive towards excellence, getting back lost products, lost market share, huge thrust on productivity. See, manpower costs are rising very rapidly, and one of the ways out to mitigate them is to look at productivity everywhere and across the board. For example, this year, we are planning to install some 100 to 150 robots. So, each robot replacing about 3%. We need to look at India, we say we have huge opportunity, but we have huge competition for the same manpower from the services industry. Somebody working as a janitor in a mall, does not have to work as hard, or in as harsh an environment as in a Forge shop. So, all those things we are focusing on, and we want to leverage on these competencies in the future. So, these are all competencies that were built / stroke building and path forward is to leverage these competencies and serve more customers



geographically, across geographies worldwide, and in India as well. So, it is a question of leveraging the competencies acquired. Products can be forgings, can be machine forgings. A, B, C, you add another C, you add an S, you add a D, whatever you want, we can add products into the mix. More vowels, alphabets into the mix. But ultimately, it is these competencies that will serve us well, as we go on.

Lakshminarayanan K G

(TUNGA INVESTMENTS): Got it, got it, sir. Thank you, for your comprehensive.

RVK:

Sir, this is regarding the sales growth, over the projects which have been coming a couple of years back. And over, the F26 on an annual basis compared to over F21, the domestic grown by 129% and exports by almost 60%. And compared to F22, the domestic is 69%, and exports almost around 4-5%.

Vidyashankar Krishnan:

So, can we say that exports have been static and domestic has grown considerably? Look FY21 is a, is probably a is also a wrong year to take, because that is a year after COVID. So, 22 should be

RVK:

around 69%, on domestic.

Vidyashankar Krishnan:

Yeah, export static. That tells a story, guys.

Chirag Jain, EMKAY Global: Yeah. I think we are done with the questions from the participants. Thank you, thank you so much, sir, for taking time out and doing this call with us today. Very insightful, and I'm sure fourth quarter would be quite good, as you indicated, and especially FY27. All the underlying factors are turning very, very positive for our business.

Vidyashankar Krishnan:

Thank you, Chirag. Thanks to your team, and thanks to all the participants for making it lively. As usual, with every, session with, such a, I wouldn't say inquisitive, but I use always the word incisive set of, questions, we seem to be learning on how to look at the business better and better, and I hope that we will use these inputs to drive ourselves to a very good level, and, improve ourselves with the expectations of everyone. MMF is raring to go. And this year, we should see considerable, performance.

Chirag Jain, EMKAY Global: Definitely, sir. Best wishes.

Vidyashankar Krishnan:

Thank you. Thank you. Thank you, everyone. Jai Hind.