

August 26, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Symbol: INDOFARM
BSE Scrip Code: 544328

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051
NSE Symbol: INDOFARM

Dear Sir/Madam,

Subject: Transcript of the Investor/Analyst Earnings Call held on Thursday, 21st August 2025

This is in continuation to our letter dated 21st August 2025, wherein we had informed regarding the audio link of the earnings call with analysts/investors for the quarter ended 30th June, 2025. In this regard, please find enclosed herewith the transcript of the said call.

The transcript is also available on the Company's website i.e.
<https://www.indofarm.in/investor-relations/>.

This is for your information and records.

Thanking you,
Yours faithfully,
For **Indo Farm Equipment Limited**

Navpreet Kaur
Company Secretary & Compliance Officer

Encl: As above

EARNINGS CALL

INDO FARM EQUIPMENT LIMITED

TRANSCRIPT-Q1FY26



DATE:
21ST August,
2025



TIME:
4:00 PM

Company management:



Mr. RS Khandwalia
Chairman and MD



Mr. Anshul khandwalia
Whole time Director



Mr. SM Singla
Finance Head



Mr. Varun Sharma
CFO



Ms. Navpreet Kaur
CS and Compliance
Officer

Finportal: Good day, everyone, and welcome to the earnings call of IndoFarm Equipment Limited for the quarter ended 30th June 2025. The purpose of today's call is to address investor questions and discuss the company's performance during the past quarter. Please note that this call is being recorded and may include forward-looking statements based on current expectations. These statements involve risk and uncertainties that could cause actual results to differ materially. The company undertakes no obligation to update any such forward-looking statement, except as required by law. We encourage listeners to exercise caution and not place undue reliance on these statements. Representing Indo Farm today, we have Mr. Ranbir Singh Khadwalia, Chairman and Managing Director, Mr. Anshul Khadwalia, Whole Time Director, Mr. S.M. Singla, Finance Head. Mr. Varun Sharma, Chief Financial Officer, and Ms. Navpreet Kaur, Company Secretary and Compliance Officer. Without further do, I invite the management to share a brief overview of the company's recent performance and strategic outlook. Thank you, and over to you.

R S Khadwalia: Well, it's Siddhi? Indeed. Thank you very much, Siddhi. Siddhi, would you like to have this presentation first, or I should start?

Finportal: Sir, you can start.

R S Khadwalia: Okay, okay. Thank you very much. Good evening, and welcome, everyone, to this earning conference call for discussing the results of Q1 ended June 25. Along with me, in today's call, we have, our whole-time director, Anshul Khadwalia, CFO, Mr. Varun Sharma, Mr. Singla, Finance Ed, and then, Ms. Navpreet Kaur, Company Security and Compliance Officer. The company financial statement and the earnings press release summarizing the performance of Q1 FI26, has been circulated and uploaded in the stock exchange and on the company website also. I will take you... I'll take you through some of the key highlights of our financial performance in the first quarter of FI26 on a standalone basis, our company has achieved revenue from operations of Rs. 91.25 crore Versus 69.55 crore, 5... 54 crore. In the corresponding quarter of 25, registering a growth of 31.23%. Standalone ABITDA has grown to 11.8 crore against 9.63 crore on Q-on-Q basis, resisting a growth of 22.59%. However, beta margin stood at 12.76 versus the 13.73 on the Q-on-Q basis. The slight reduction in EBITDA margin is on account of the increase in the employee's cost and other expenses due to the recruitment of the additional manpower to achieve the planned business expansion. Expensive growth. Stand on? PBT has grown to 639. 0.18x against 3336.59 lakhs on Q-on-Q basis, resisting a growth of 89%. It is due to growth in the operating revenue and reduction in the interest cost. During the current quarter, the crane revenue has grown to 53.04 crore. Against 38... 38.89 crore in the last quarter. Has... Resisting a growth of 36... around 36%, and tactile revenue has grown 38... 0.20 crore against the 30.64 crore, resisting a growth of around... around 24.6% on Q-on-Q basis. I would also like to update the progress of the new Crane project of the pick and carry Crane for expansion of 3,600 additional capacity. The site preparation and retaining wall construction are in the progress. Front boundary bar is already completed. The backside retaining bar, which is made of RCC, is near completion. The key vendor for the plant, machinery, and prefabricated sets, construction already identified and finalized. Order for required machineries and equipment are being placed, and estimated lead time for planted machinery will be around 2 to 3 months. Next is the Tower Cane Technology tab. We have received the complete technology documentation now. And very soon, we are going to start the prototype development of this product, new product, of fixed tower crane. So, we are optimistic from the medium to long-term prospects of the company, keeping in view the ongoing pick-and-carry crane capacity announcement, and widening the geographical presence by expanding dealer network in the new and existing territory, both in crane and Tractor trade business. Now, I would request the... moderator to open the call for the question-answer session. Thank you very much.

Finportal: Thank you so much, sir. Well, I request all the participants who wish to ask a question may please raise their hand, and we'll take questions one by one. So, the first question will take from Mr. Manan Shah.

Manan Shah: Yeah, hi sir, thank you for the opportunity, and congratulations on decent set of numbers. Sir, along with the segment revenue, it will be great if you can provide the unit level data also that how many units were sold for the set revenue in terms of... for the tractor and for the crane.

R S Khadwalia: ... This number of the last quarter. Director Number is, 600 numbers? 600 numbers.

Manan Shah: Okay.

R S Khadwalia: And the crane number is 273.

Manan Shah: Okay. Understood.

R S Khadwalia: Thanks.

Manan Shah: Sir, we were looking to expand our dealer and distributor network for, specifically for the tractor side, but, based on the presentation, it seems that we haven't added any new dealers during the quarter. So, where are we on that part?

R S Khadwalia: Look, we have already issued the number of LOIs. And, you know, generally, LOI will take little time. And, you know, in this sector business, some dealers are getting replaced also, basically. Some dealers leave the business, some have some different kind of issues in the... because these dealers are coming from, generally, from the ruler background.

Manan Shah: Okay, so there's some partnership dispute.

R S Khadwalia: Although we added some number, but in ultimate number is not increased, because we say, take from the billing how many dealers we are doing the billing, okay?

Manan Shah: But he did.

R S Khadwalia: It is a number is increased, but we have got a lot of LOIs taken during this time. I think Anshul ji, Anshul ji, how many almost no IEB have taken in the last quarter?

Mr. Anshul Khadwalia: Sir, we have taken almost 20 LOIs, some of them are complete... some of them are completing their showroom construction, some are at the stage of hiring manpower, and some are continuing their training at the head office. So, in the next quarter, we will probably see business from these 20 new dealers, sir. Okay, understood. Nice.

Manan Shah: And due to the change in the emission norms, there was some hike expected at the product level, right? But based on the volume data that you shared, I think that it doesn't seem that there has been any improvement in the realization for our products, or hike that we've taken in our product.

R S Khadwalia: No, last quarter, because the stock was available with the dealers, and old emission homes are, continued, okay?

Manan Shah: Okay.

R S Khadwalia: From July 1st, this new emission norm, we can sell the product only of the... with the new emission norm, and there is a change in crane only, not in Tetra. Okay.

Manan Shah: Rain, in some models.

R S Khadwalia: It has gone from term 3 to term 5 state. And in some model, the crane higher than 50 HP category, there it was Term 4 earlier, and that is also going to Term 5. Okay. We... we are... our all the products are approved and okayed, okay? Okay. One is the... first part is this. Second part, you... little bit, you know, little bit slowness will come, maybe one or two months, okay? After that, it'll... it'll... it'll certainly, because of the price increase, and the rainy season. This change came at the rainy season. If the change would have come in the October festival months' time. Or January, then situation would have been different, then the effect would have been much less. Okay, but ... we are... anyway, we can expand the area, because we were not in the whole of the country. For us, it doesn't make any big difference on our values.

Manan Shah: Because one of our large competitor, you know, they guided some softness in sales because of this transition, but what you are saying is that we will not face any such issue, since we were focused only on a very small market, and now as we are expanding our market, we should not face such an issue.

R S Khadwalia: We can't... we can... our volume can compensate with the other area where we were not working.

Manan Shah: And what sort of price hike will we have to take, because of this change in emission norms?

R S Khadwalia: Price, in some machine, it is around 2.5 lakh to 3 lakh, and in some machine, maybe 1 to 2 lakh.

Manan Shah: Okay, understood. And also, I believe, as per the earlier norms, we were manufacturing the engine in-house, and now we will be purchasing the engine from outside, right?

R S Khadwalia: Yeah, yeah, and yeah.

Manan Shah: So, will that lead to any compression in your gross margins? Are you able to maintain it.

R S Khadwalia: We don't feel like this, basically, because whatever price we have increased, we have increased on account of the increase of the price of our input cost. Because the engine, we are paying a little more, that's why we are charging more.

Manan Shah: Understood.

R S Khadwalia: Yeah, yeah, we don't feel... maybe 0.5% here and there, it will be there, but not major.

Manan Shah: And any plans to develop the engine in-house based on the new norms?

R S Khadwalia: We... we are planning, because the tractor is a little behind now. Tractor is in Temp 3A.

Manan Shah: More than a bigger... more than 50 HP category.

R S Khadwalia: If, we have already started discussing with the Bosch.

Manan Shah: So maybe we'll upgrade to Term 5, because again, Term 5, it become a common rail engine.

R S Khadwalia: So there, the investment was more, and we got so many models. Time being, we thought when the emission will come, then we'll upgrade.

Manan Shah: Okay.

R S Khadwalia: Because the crane number is not very high numbers. Okay, so maybe we will do in the future, and we'll keep the option, because we have taken Kirloskar engine also in this range, and, Eicher, Volvo also.

Manan Shah: Okay, and by buying this engine from a third party, should that help in improving your working capital cycle overall?

R S Khadwalia: Sir, I think major impact will not come, basically, because I don't feel that a major impact will come.

Manan Shah: So, sir, is there any possibility, or are there any levers, or is the company working on improving its working capital cycle? Because our overall working capital cycle is very stretched.

R S Khadwalia: We are definitely doing it, basically, because we are not adding any further working capital. Once volume increase. You will see this level will come, very comfortable. Yes, yes, yes, yes, or because of the key. We have created so many Variant in Tractor also. You say it is a mistake or not a mistake, basically, in the past, whatever we have done. But now we got the full bouquet of the product. Wherever we are going, no dealer can say that you don't have the complete range. So we have got a complete range, we have already worked on this. Technically, working is already done. Now it is a matter of increasing only... only it is the marketing. Okay, the cycle will definitely improve much better once, this number increase in tractor, and as well as in Crane.

Manan Shah: So, sir, internally, any sort of number of days ki subsequent target hai, hamara working capital side pe ki hum kahan pe aspire karte hain paunchana.

R S Khadwalia: 150 level, planning. There's, yeah. speed, or rotation.

Manan Shah: Okay. But, sir, do teen saal ke baad 100 din pe a saktay hai kya.

R S Khadwalia: Yes, yes, yes, yes. The number increase, again, we are not going to add more volume in tractor, more model, no variant.

Manan Shah: Okay? And we have done too much of backward integration, that has also added our... this host.

R S Khadwalia: As we are a very backward-integrated company.

Manan Shah: Hmm.

R S Khadwalia: Comparable to other.

Manan Shah: Right.

R S Khadwalia: We are making all the fabrication, all the hydraulics, nobody making hydraulics in the house. We are making all the hydraulic cylinder also. Winches also. We've got our own foundry also. We are going to own sheet metal shop. Our seat metal of tractor even crane? like Bonet and all. This is all done in-house. Even all the fabrication of event tractor also, majority of component we are making in-house. So that has, because of that reason, our... the working capital cycle become quite long.

Manan Shah: Nick, I understand, sir, but the thing is that despite, you know, being so much backward integrated, that impacting our working capital cycle, but ultimately, it should have helped you in your margins then, right? Nito uska benefit kya hai, ki ha mitne backward integrated hai, lekin ultimately feir agar wo margin beneath company ka jo, return on capital employed hai, hotok ban ni rah, na, sir?

R S Khadwalia: agar hum ye backward interhi tektre mein, aurain mein. Krain mein aap contribution dekeng hamar aap competition sehenge contribution, oral contribution better. Or yeh ha mari strength hai, ki hum competitive priceh ke, apna market share bahtasakti hai. In Tetra, can there be how competitive, like, a big company, like, big, big player, like, bigger player, much bigger player, they are having such a large volume. and still survive karte. Expense bh meet out karte hain, it is only because of backward integration. Thi ke backward integration ka ye nuk saane, tit huna hamara capital cycle number, but yet hi kojayaka wants this number increase. And this number is going to increase. This year, we have got a planning of almost 30% growth. Working capital, yay working capital, sufficient.

Manan Shah: Okay, understood. Or, hamne jo ye HDFC Bank, or Bhaki Banks, or vague sah tayap kiata tha to finance. So, how has that progressed, Mala? Yeh quarter mein, we have been able to sell through that channel, or no?

R S Khadwalia: ushi channel se ha, majority uni channel seh tractor bika hai. Okay? Exactly, it's legal, but now the majority business is going from there.

Manan Shah: Okay. More business than our NDFC. Okay. Or hamara NBFC ka jo hai, wo primarily hamara hi equipment ko finance karte hai, ki third-party equipment bhi finance karte hain.

R S Khadwalia: Okay, new tractor, man, we are financing only IndoFarm. Or old tractor, because my dealer is doing exchange business. Those ki inventory ko facilitate karnek LEA, any brand of old tractor, we are financing.

Finportal: Okay. Well done, sir, I would request you to get back in the queue, please.

Manan Shah: Sure.

Finportal: Thank you. We'll take the next question from Mr. Aditya Saint. We'll take the next question from Sanchita Sood.

Sanchita Sood: Hello? Am I audible?

R S Khadwalia: Yeah, yeah, man. Very good evening.

Sanchita Sood: Ugh. Good evening, sir. Thank you for the opportunity. A couple of questions, from my end. So, sir, we saw single-digit revenue growth from FY22 to FY25. So, can I know what was the reason for such slow growth?

R S Khadwalia: Ma'am, that time there were challenges of retail financing was a big issue. And as far as growth, we are not getting growth in other business of crane, where retail financing was not an issue, but there was a capacity constraint. Because of these two regions, we couldn't increase our number in these years, those years.

Sanchita Sood: Okay, alright. And so my second question was that given that our current capacity utilization for tractors is pretty moderate at around 30%, how confident are we of, the next, 2-3 years' growth?

R S Khadwalia: Ma'am, we... this year, we are planning a tentative growth of sector 30-40%. It'll support us. And at the same time, we are expanding our crane business. The whole transmission. Transmission housing, transmission, complete transmission is supplied by Tetra only. It's a part of tractor. Back-end of, complete back end of Tractor. So that transmission is going to huge for our expansion new project, basically. There, the capacity will be 3,600. If we use this capacity also, and

enhance more capacity, the sale of Tetra also, 30-40% growth, which we are expecting, so I think this will go up to around 60% utilization.

Sanchita Sood: safety.

R S Khadwalia: Even in the... in this coming year... next year. So, within 2 years, we are hopeful, 2 to 3 years, that we are going to utilize the full capacity of the plant.

Sanchita Sood: Okay, so just to confirm, so at peak utilization, so tractor, our tractor facility, it can go up to 60%, is that correct?

R S Khadwalia: 60% in next year, next... 26-27 financial year.

Sanchita Sood: Okay, alright. And the last question, so for tower cranes, by what year can we expect to, start producing this, and how much revenue can we expect from here?

R S Khadwalia: Ma'am, this technology document we recently, two, three days back, our team has taken from the China. The whole documentation has completed, and technology papers, and now we are going to start the prototype. In the birthday factory, okay? So we expect it'll take around 3 to 4 months to build up the first factory. Once the first machine is built up. Then, in the last quarter of this month, we'll see some commercial number, maybe limited number, but the next year, it'll certainly give us the numbers. Certainly give us the number, maybe 200 numbers Cranes in the first year, and then gradually it'll grow.

Sanchita Sood: Okay. Alright. Thank you so much.

R S Khadwalia: Thank you, ma'am.

Finportal: We'll take the next question from Mr. Poojan Shah.

Pujan Shah: Hello, I'm audible.

R S Khadwalia: Yes, yes, please.

Pujan Shah: Yeah. So, my first question pertains to, as we have been expecting, we have already expanded our capacity from 1,200 to 3,600, so we'll expand in Q3 of 2025. So, first, thought, Mike, is that the... how much we have spent for the Capex and total amount, considering the first machine, the prototype, and all that stuff, how much, amount we are expecting to spend?

R S Khadwalia: We are expecting, to... to spend everything, I think, the third... by third quarter. 70 crore, around 70 crore, it'll be... it'll be invested in the new plant. Plant and machinery only, because land is already acquired. Land is already helping us.

Pujan Shah: Okay, so land ka value will be around?

R S Khadwalia: Abhi, land value to, we got at a concessional price, otherwise the land value is very high in Baddi. It is the 30-acre area where we are putting a new plant.

Pujan Shah: Okay, sir. So, broader question here, Thaki, as of now, jo apna Crane ka capacity hai wo, kit na utilization pe hai, kya thoughts se we have been expanding to 3X, because, to get a 3X capacity and to manage that is also a challenge altogether. So, just wanted to understand your product idea of how we get into this, and, like, what confidence it gives to export to 3X.

R S Khadwalia: Like I said, we... we are utilizing almost... working on 100% capacity in our existing plant. For the crane production. Pick and carry Crane production. Therefore, we decided, rather, we

want to come back to the two-year back in this expansion business. But because of the land, availability of land, and the IT we have were taken from the government under special pricing. So now we got the land before this IPO, and now we get the money also. In the meantime, we try to negotiate good pricing with all our suppliers, so that we can buy the good machines at a better pricing. And everything is finalized. So, therefore, we are going to make capex. We are very sure that this kind of enhanced volume will be able to sell. Because, our machines are better machines. Comparable to the... available in the industry. Our machines are better. We have given better features. We remained pioneer in giving best feature in the industry. There was no one in the industry when we started the airbrake system. So, by putting air brake in the crane. Our machine become total safe machine. And we always remained, when the industry was a 12-10 machine, 12—10-36 ton, we started with a 14-10-55 fit. And then 16-10, 65 feet height, 20, 10, and then 85 feet height. Like this... Okay, so we have done it, everything. And crane, earlier, we, you know, we, our plan was primarily for tractor, and the crane area was very small. Crane area, we are operating only in 4 acre of land. That was the limitation. That's why we are putting a new plant. And doing expansion. And earlier, we are working only in the small area. Now, once the... we are able to start the new plant, then we'll... we'll... we'll, expand our network across the country.

Pujan Shah: So, Sir, broader question ye hai ki, total industry as of now for the Crane. India me kit na hua jo open supply karte jo open category may jo space mein available here right now. Second, agar manloki, crane kitne sal mein replaceable ho ka heavens once it goes into the field. So, that I'm just understanding ki demand kise guru hoti hai. So, can you give a broad thought on industry, kise EPC players proka karte hai, will that is more on the order led, or pellet broker hot hai, then the order comes into place?

R S Khadwalia: exact data is not available, basically, but jo hum number ham competition se melte hain. Utke basis pay, the last year industry was around 15,000 plus numbers. To prevent....

Pujan Shah: units.

R S Khadwalia: 15000 units and the industry are, At 2020-21 mein dekhenge A. So, yeah, around 5,000th. To... because of the... The infra is increasing The manpower availability is less. And the usage of this crane equipment is multi-purpose. Though the demand of this crane will continue, which I feel, as a... this is my personal assessment, it'll continue this way only. And no. Pardon?

Pujan Shah: Yeah, yeah, continue, please continue.

R S Khadwalia: Regarding when this is replaced, yes, replacing cycle in India is maybe a little lengthy. A big hiring company, good hiring company may be selling the product in 5 years.

Pujan Shah: some....

R S Khadwalia: For your time. As a small hirer, maybe keep it 10 years, okay? But any hirer who is coming in this.

Pujan Shah: business, of hiring business, is, after buying our first machine.

R S Khadwalia: He's coming, after every 3 months, 4 months, he's buying another machine. Because a small fleet owner, they are expanding their fleet. Now. We are selling this machine across all the... even government departments, from defence, Indian Railway, all the refinery, NTPCs, and to the private sector, even the Reliance, Jamnagar, we have supplied many machines in the past. Adani projects, bullet train projects, metros, everywhere this machine is required. And we are producing this complete range. There is a two competitors. One is a Escort construction company, number one

company by the oldest company. Another one more company is also in Haryana, Faridabad company, and we are the third company. There is only three organized players. Because of this, we understand, and establishing this product takes a quite lengthy time, because once you produce, make a product, and the entry level is quite tough in this kind of product. We are hopeful the industry will grow, and ... I think everyone can have the room to grow. For us, it is better, because we are representing in only 15% area, 15 to 20%, Balanced area is vacant for us. So we... we can grow our business in all the areas. Our machine has gone to all the areas, because we have one contractor, it's a Delhi-based contractor or a Chandigarh-based contractor. If he's buying the machine, then he's selling... he's doing the project across the country. So our machine has gone everywhere. And I'll tell you, in North India, we were having a very good market share. Up to 40 to 50%, 50% market share, we are commanding. So this shows the strength of our blood.

Pujan Shah: Yeah, I said, ... So, agar aap bol rahe ho ki , majority, organized market main sirf 3 players hai a... So, unka agar aap capacity bada pau ki kitna kitna capacity pe who log operate kar rahe hain right now, in terms of manufacturing. And so, other than that, do you feel me? Chinese, ... Cranes are also impacting, in the industry, because ultimately, of their agar apan 273 hundred ban pa rahen hain, and baki ka johi to 15000 unit industry ka hai. So, where, where do it come from?

R S Khadwalia: 200 or 300 year quarter ka number diya tha. Yearly to... this year, this year, we are planning 1400 to 1,500 from existing plant. by doing little change there, okay? And new plant of 3,600, we are installed. Okay? So, like this, if you add total, it becomes almost 5,000. And 5,000 become almost... At the current level, if you don't consider the growth, it becomes around 30% plus market share.

Pujan Shah: Oh, good.

R S Khadwalia: Okay, so we are confident that number one player is not having more interest in this business now. Because that is, acquired by a, ... European company, this Japanese company, and they are more focused on tractor business, because Kubota is a... agri business company . Okay, so then the main player is, we were giving a lot of focus on this business. We are hopeful that, due to our product superiority also, so definitely we are going to have these numbers.

Pujan Shah: No, sir, so got it, but aap jaisee industry, ka idea Laga sako kyunki Escort probably ko interest nahi hain, and because kubota acquired them.

Pujan Shah: But, Uska, we installed capacity kit nah ai, bhale expansion na kare, and the player, the other player, how much capacity they have.

R S Khadwalia: Capacity, exactly, I don't have that figure what capacity they are having. I, I, I can't tell, specifically.

Pujan Shah: So, broadly upon Samjay, the 15000 units jo hai, jo apna India in domestic demand hai. Usme se kit na import hai, or kitna will be domestic seh.

R S Khadwalia: These kind of concepts are used only in India. This machine is a pick-and-carry Crane. Let me tell you, maybe export is... Less than 5%. And that... neighboring countries, like Bangladesh, Nepal, and these South countries, Myanmar, something in Kenya and Africa. If some Indian contractor are working there, they are buying the machine and taking it there. Okay. Next is, you asked about the Chinese competition. There is no competition of Chinese companies in this product. Because they are not making pick and carry Crane. They are making Pick crane, picking crane. That is making pick crane that will pick from one side, and at different angles, they'll put on that Thailand. So there, you need one trailer, okay, and one machine. And their machine generally starts from 20 ton, 20, 25, 30 ton

capacity. So, their machines are quite expensive also. But therefore, in this line, Hardly any competition. Absolutely no competition. And, of course, when we grow for the bigger machines, go for bigger machines, like, we are making, our company is making up to 35 tons only. When we go for 50 ton, 60 ton, 80 ton, 200 ton capacity machine, there we'll face... there we're not going to make pick and carry crane. There, we are making pick crane. Similar to Chinese, this SANI, XGMC on Jumline, D3 Chinese Company, working in the bigger cranes. Okay, they are also selling pretty good numbers. So that will be when we... Start making those products. Then we'll have competition in those products.

Pujan Shah: for the properly samajh nahi aa raha hai. So, apan ek unit ka price nikale toh for the quarter specific 20,00,000 ki hai. Kya sab 20,00,000 ki bech rahain hain? Agar 20 lac ka bechte hain to landed sabka equal realisation hai. Apna industry ka size hota hai 3000 crore. 3000 crore ka Koi player nahi hona. These are very difficult to understand the geographical breakup of the competition, as well as the scenario of the industry.

R S Khadwalia: Sir, this industry has faced a very tough time. From 2010 to 2014, even 18. Because you can see the competition data also, okay? Because the infra projects are not coming, the machine was very stagnant, it machines... 3,000 to 5,000, it has taken almost 7, 8 years. The number was 3,000 cranes to 5,000 cranes. Okay, and when the infra increased after COVID situation changed, and this machine utilization increased, and now this machine requirement is more and more, therefore, and that time, 3-4 player came. Are the players closed down? Like, in this business, JCB also came for the making of crane. But they closed down in 2014, 15, I think, 16, they closed. Because the market was not increasing, and it was very high competition. And then, the Mahindra also tried in this business. Sonalika International Tractor also tried this business. Few players came, and they closed off.

Pujan Shah: Perfect, sir.

Finportal: Oh, so never....

Pujan Shah: Actually, I will... I will turn the computer. Thank you so much, David.

Finportal: Oh my god. We'll take the next question from Mr. Pritesh Vora.

Pritesh vora: Hello, sir?

R S Khadwalia: Yes, Mr. Vora.

Pritesh vora: Sir, can you brief me about, like. Like, the action construction has a full bouquet of construction equipment, right?

R S Khadwalia: Okay.

Pritesh vora: Pickup crane in a, The pickup and crane will be a very large segment of... of them, and tractor also.

R S Khadwalia: So, what is our plan? If you want to break up our revenue.

Pritesh vora: How does it look now, and...? How it will look 2-3 years down the line when you expand your... building cranes and other cranes, high-rise cranes and other things. Can you just give me some... Ballpark figure that how the company will look like in 2 years to 3 years' time.

R S Khadwalia: Okay. Of course, initially, we started with the tractor business only. But, we, in 2008, 2009, We built it in this construction equipment. We came in construction equipment.

Pritesh vora: 2008-9, is it?

R S Khadwalia: 8, 9, we started making construction equipment, because we are facing challenge of retail financing in general. Then we thought, okay, because the transmission and engine, that time complete, we are making in-house. And to, enhance our capacity utilization of tractor, then we started this, basically, and this was making synergy. So, in... up to 2017, we are at... not at par, because we were located in tax-exempted zone. So, crane business, we developed so many models. We done the precision. And, development of all these models. But up to 2017, our sale was around 30 crore in this business. 171 And then last year, we'd done the sale of 222.25 crore. This is....

Pritesh vora: Director, from Tractor. From the crane. Last year, you did how much?

R S Khadwalia: 225 rupees.

Pritesh vora: 225,000, okay?

R S Khadwalia: Okay, so this business, and this, this, we... we would have been done more numbers, but there is... we are doing the 100%... working on the 100% capacity utilization. But Tractor, of course, we are having some challenges. We couldn't increase the sale. And the last year, if you take Tractor number, this was 140, 141 crore. Okay, so this was even tractor... Wouldn't become, I think, percentage-wise, if you go, I'll go 35%. 35% Tractor, you can say 65% Crane. Oops.

Pritesh vora: Okay.

R S Khadwalia: Oh, sorry. Okay. At the last year, 50. 55.93 Exactly. This is the crane, and 44% ejector.

Pritesh vora: 55% is Crane, and 44% is green.

R S Khadwalia: It's a similar dashboard. Sorry, 61.36 is a crane, and 38.64 is a tractor.

Pritesh vora: Okay.

R S Khadwalia: This is the two years down the line, because we are doing a substantial expansion in the crane business. The money which we are investing, which we are, you know, raised in IPO, Our capacity will become almost 5,000 crane.

Pritesh vora: And that is, what is the revenue terms? Capacity, 5,000 crane. How much percentage will get to utilize?

R S Khadwalia: Maybe in the first year, 26-27. Year 26-27, utilization will be something around 50%, we are expecting, in the new plant. But the old plant, our utilization remained 100%. Old plant capacity is around 1,400. That will be complete, 1,400 will make, and out of new plant, we'll operate on maybe 50%. 1,800 crane more. 1,800, 1,400, plus 3,000 crane, we are expecting in 2006-7.

Pritesh vora: Okay. And in revenue terms, what it'll be?

R S Khadwalia: Revenue, you can take average cost of \$25 or 25 lakh. Pretty much?

Pritesh vora: Average cost? Average sales?

R S Khadwalia: 25 lakh rupees.

Pritesh vora: Average sales, 25 lakh rupees.

R S Khadwalia: Pardon.

Pritesh vora: So you are saying 25 lakh, so you will do 750 crore a ton over from here, crane itself?

R S Khadwalia: Sir, we are confident of 3,000 numbers. Balance, you can calculate, sir.

Pritesh vora: No, 3,000... 3,000 cranes, and 25 lakh each means 750 crore turnover, right?

R S Khadwalia: No, sir, you can calculate, sir.

Pritesh vora: Yeah, Sorry?

R S Khadwalia: Yes. And you can calculate it, sir. This will be the number.

Pritesh vora: Okay, and what will be the tractor revenue?

R S Khadwalia: After we... we are... this year, we are expecting a growth of, 30-40%. This year, yeah, this is the planning. And next, we will try to grow, because we are going to have the complete range model available. Yeah.

Pritesh vora: How much you'll go next year, sir?

R S Khadwalia: Next year ka figures abhi nahi bata payenge, , around 30-40%,

Pritesh vora: Okay.

R S Khadwalia: And tractor volume was... revenue was... last year was how much? 141 crore.

Pritesh vora: Okay, 141. So, sir, growth, ita, buddy, growth car, 30-40% growth, tractor may cost?

R S Khadwalia: We have recently signed up pay agreement with the HDFC and Kotak. Okay, so retail financing support melegi, so definitely, we are selling a good product and competitive price. So, ... We have done in the last quarter also, the similar albums. In the last year and so.

Pritesh vora: Okay. But sir, aapka margin kya rahega 26-27 main, EBITDA margin.

R S Khadwalia: Maybe 1% here and there, basically, because we are opening new markets. But because new open market main jaate, toh, here we have to give a little discount also sometimes. Okay. In similar range with.

Pritesh vora: Okay.

R S Khadwalia: Yeah. Yes, sir. Thank you, sir. Thank you, I'll come in the queue. Okay, thank you.

Finportal: Oh, thank you, sir. We'll take the next question from Mr. Amit Agarwal.

Amit Agarwal: Hello, am I audible? Hello?

R S Khadwalia: Yes, I don't....

Amit Agarwal: Sir, yes, sir. I just want to know the, unit growth in terms of tractor sales, both a YOY and QOQ.

R S Khadwalia: the Q1 of this, financial year, first quarter. 600 number. The last year's number was 471.

Amit Agarwal: Okay. And, March quarter?

R S Khadwalia: March Quarter was 779.

Amit Agarwal: almost in the name. Okay, so... Sir, and one more thing, like, we are underutilizing this capacity of tractor, and as you said, that in next 2-3 years, we'll be, utilizing majority of the, capacity. So, what do you think will be the major challenges that you're going to face, and you're currently facing, and how you're going to navigate this? Currently in the fast....

R S Khadwalia: Few years, we were facing the retail financing with a major bottleneck. Okay, and retail financing, we have tied up with the two private banks, which are the today, nowadays leading bank, because generally, the technical retail financing business is done by the private bank or private MDFC only. The PSU bank doesn't have more contribution in this. So now, the two leading banks, HDFC and Kotak, both have signed MOU with us. So we are... getting full support from them in the area where the idea is completely developed, like Haryana, Punjab, and Gujarat. And the new area we have to open up, we have got owned NBFC Company, so we will take the support from that NBFC Company. Therefore, we are confident that we can grow our business 30-40% this year. With this, our capacity utilization will increase, and balance, once the new plant of the crane will come up. There also, then the demand of transmission, which will be taken from the tractor plant. So, certainly, the capacity of the cater plant is going... utilization is going to improve much more, much, much. Got it.

Amit Agarwal: Mr. Sir, when did we sign this MOU with HDFC and Kotak?

R S Khadwalia: We started in the, I think. Last year, last quarter of the, 24.

Amit Agarwal: Okay. More than one year, okay.

R S Khadwalia: 8-9 months, you can say. But it takes time some. Once you start signing MOU, then they come, they see the dealership, they open the code, it'll take some time, you know. Still, some code are being opened of some dealer, yeah.

Amit Agarwal: Okay. Thank you, sir. That's it from the side.

R S Khadwalia: Thank you.

Finportal: Okay, next question. And from there. Mayank Agarwal.

Mayank Agarwal: Hello. Am I audible?

R S Khadwalia: Yeah, yeah, Agarwal Sir.

Mayank Agarwal: Yeah, hi, thank you for the opportunity. My question is, like, how much of a percentage revenue is maintenance and post-sale services, and what would be our margin in that segment?

R S Khadwalia: You are asking for paper division? Sale?

Mayank Agarwal: For both the segment.

R S Khadwalia: Both the, both the segment ka, the revenue....

Mayank Agarwal: Maintenance and post-sales services margin, and they're a percentage of revenue.

R S Khadwalia: Because, I'll ask Mr. Singla, he can come back to you on this reply exactly, because this calculation is not in front of me. But it is very less in tactile. Okay. Crane will check up, basically, because it is quite less. Crane...tractor, when we are calculating, is less than 1,000 rupees. 1,000 rupees per tractor as the... as the cost.

Mayank Agarwal: Okay, okay.

R S Khadwalia: Warranty cost, warranty, and everything goes.

Mayank Agarwal: And my next question is on dealer expansion, like, how many dealers are you planning to increase in effort 26, and how much does it take time to... for a dealer to pick up pace and bring in sales? Like, how much sale can we expect on an average from one mature dealer?

R S Khadwalia: I'll ask Anshul ji, because Anshul ji is responsible for the marketing portion of the chapter. Anshul ji, can you reply to this question? How much time dealer will take?

Mr. Anshul Khadwalia: Yes, sir, sure. Sir, currently, we are operating with a mere 140 dealers, which is only covering almost 10% of the country, so we have a lot of area yet to cover. Sir, we are taking a target of adding 80 new strong dealers in this financial year. Sir, the process from identifying a party, then receiving the security, issuing the LOA, LOI, and then further the LOA is a process of almost 90 days. Once the party decides they want to start business. So, for the dealer to full-fledged come into its form with the right training of the manpower, the right penetration, the right demo activities, is further another 90 to 120 days. So I feel a dealer comes after the appointment of dealer, and after completing all the mandatory work, it takes 3 to 4 months for the dealer to come in full action, sir.

Mayank Agarwal: Okay, and how much sale can, like, can we expect on average from one mature dealer?

Mr. Anshul Khadwalia: So, sir, of course, depending on area to area, an average roughly around 6 to 7 units per month is a fair average. I have certain dealers doing more than 10 also, and certain maintaining an average of 3 to 4 also. So, sir, jitna uska average hota hai, utna usko area allocate karte hain. But a dealer averaging 5 to... anything between 6 to 7 numbers, he becomes a profitable dealer, sir. So we need that kind of average, yes, yes.

Mayank Agarwal: Okay, and my last question is on, like, how are you planning to scale up Barota Financing Division going forward?

R S Khadwalia: Barota Finance, can I reply on Zoom yet?

Mr. Anshul Khadwalia: Yes, sir, please, sir, please.

R S Khadwalia: Barota Finance, basically, is a... because we are opening up the new area in tractor, and we... I told you that the 30-40% growth we are expecting, new area we are to go, and we need the support of Barota Finance only. So, all the new tractor of Barota Finance. Will be done in the new area by Barota Finance only. Okay, once the number came there. These other bankers will take the charge, because initially, maybe for the small number, they'll not take the charge of that particular state. Our understanding is, once you have reasonable numbers, and then we will start supporting your dealers there, in that state. We are going state by state, okay? And then we have, also started supporting our dealer that all old Tractors will be financed by our company, because our old dealers, they are doing the exchange business. They buy the old Tractors, do the new tractor. So there are new Tractor... old tractor of any brand also being financed by our company. So, with the whole texture, the... This money, IRR is also better. And, the default is also very less in the old network. There is hardly any default. Cool. Like, this will increase the broader finance business.

Mayank Agarwal: Okay, thank you so much. That was me for saying.

Finportal: Take the next question from Mr. Rahul.

Rahul Rajbhar: Okay, so my question is, in DRHP, the crane realization is mentioned as a 25 lakhs per unit. However, when we back-calculated in FY25 figure that is a 40... 140 crores revenue per one 100... 1,028 units. It comes around 17 lakhs per crane. In... and we get... and can you share the detailed sales breakdown by the crane type, and exact revenue contribution from the crane? And also share the train tractor price of the... for a better comparison?

R S Khadwalia: Yeah, this revenue, we have to check in DRHP. DRHP may be the future that, 23? Okay. Nee, 17 nahi, okay, 25 lakh. 25 lakh, I think we are not given 25 lakh. Even if I, like, now we are... now

we are planning, because... There is a... we are putting in the new plant, we are putting two lines. One is four small crane that we call Hydra. Next is a new generation crane. We are making our new generation crane from 15 ton to 35 ton capacity. But this Hydra... the old conventional crane, we are making from 14 ton to Again, 25 ton. If you'll go new generation crane, there the price relaxation is higher. Therefore, we told now that the relaxation in future. Once the new plants start operational, it is going to be around 25 lakh rupees average, easily. So it can't be... we have not written as something around 25 lakh rupees.

Rahul Rajbhar: Nice.

R S Khadwalia: Rahul ji, there, there is some, some, mistake in study. Okay, okay, I will check my job. In a historical figure, we... we are having only, that... that year, 17 lakh rupees is 17 lakh? Around 17 lakh was the authorization. 17.8 something. 17.89 lakhs licenses in that year. Next, ma'am.

Finportal: Hello?

R S Khadwalia: Yeah.

Finportal: We'll take the next question from Mr. Chinmay.

Chinmay Dhyani: Hello?

Finportal: Yes, sir, you're audible.

Chinmay Dhyani: Yes. Hi, sir, this is Deepanshu from Satva Ventures.

R S Khadwalia: Yeah. Huh?

Chinmay Dhyani: Basically, nice to talk to you after so many days after IPO.

R S Khadwalia: So, sir, a few points, what I wanted to understand now, our business is.

Chinmay Dhyani: On a much faster pace. Okay. So, when can we see the opening of the new plant? By when the exact... the production will start for the new plant?

R S Khadwalia: We are... we are planning to complete by December this plant, and January, we can start the trial production.

Chinmay Dhyani: Okay. In this financial year, do we expect any supply from the new plant?

R S Khadwalia: Certainly some numbers, but those numbers, maybe it'll take some trial time. That number will not be very high, but around 30% growth, we are planning from the existing plant in the crane business.

Chinmay Dhyani: Yes. So, in the fourth quarter, should we expect around 500 to 600 machines in the fourth quarter?

R S Khadwalia: Because, you know, sometimes some machine will have error, some engineers are coming from the China, and we are buying some machine from China.

Chinmay Dhyani: Also, I am not saying from the new plant. From the old plant with 1500 crane, what you are saying for the full year, 14 to 1500 crane. Yeah. So, in the fourth quarter, I am expecting, because fourth quarter is usually our best quarter. So, should we expect 500 to 600 in that quarter, and, say, 900 for practice?

R S Khadwalia: We, we, we, we, overall figure, overall in this year. Whatever the last year figure, 1,000 plus 80,000 machine... or machines, we are expecting around 35... 30% growth minimum. From the old plant.

Chinmay Dhyani: Okay. Okay, understood, sir.

R S Khadwalia: Yeah, yeah.

Chinmay Dhyani: How is the market right now, sir? Because the first quarter for our competitor has been quite low, although we have... because our product range has also expanded, but how is the market right now? How do you expect the post-monsoon kind of scenario, should we expect a similar kind of 30-35% growth, what you are saying? Because last year was also quite a low base. And in the fourth quarter, we were in a very high shape. So, the third, fourth quarter should be, on that high base also, very high kind of growth.

R S Khadwalia: Look, the first quarter, our growth was good, basically. This is almost 31% growth we have achieved in the first quarter of FI26, okay? So this, this month, this quarter can be... The crane growth can be maybe 20-25%, little 5-10% less, but that is going to recode in the next quarters, because the emission norm changed, and because of very heavy rain in north. It can literally affect 5-10% in one quarter, but that will be recovered in the next quarter.

Chinmay Dhyani: That applies.

R S Khadwalia: going to stabilize, price is going to stabilize by the next quarter, when the demand comes. September, October is a season month. And season one, the demand come, and the rain stopped.

Chinmay Dhyani: Yes, because this time the season month is also coming, as the festivals are coming, as....

R S Khadwalia: Yes, yes.

Chinmay Dhyani: Yes. So the... so... okay, let's see what the numbers are. Basically, on this thing, sir, once the new plan comes in, initially, should we... because you mentioned that you have hired new employees, so should we expect some margin compression, because in this quarter also, some margin compression is there?

R S Khadwalia: No, that is we, that team, we are kept in marketing, to expand the marketing, not in the plant. And the plant, we are hopeful the plant cost is not going to increase, because little bit, whatever, you know, production we are increasing, it is not going to increase. But in the marketing, certainly we have kept some team. Quota, considering the long-term growth story.

Chinmay Dhyani: Okay, so what kind of employees we have hired in the marketing side? It is in... is it in the crane, or is it in the tactics side?

R S Khadwalia: In Tractor, also, we have hired the employees for the dealer development area. Okay, and for Crane, we... initially, we were working only 15-20% area, but now we have appointed 5 journal managers across the country. So we want to start across the country, because once the new plant becomes operational. So, we should not have the marketing challenge.

Chinmay Dhyani: Okay. Sir, one question on the Biota NBFC.

R S Khadwalia: Yeah.

Chinmay Dhyani: What kind of Hanji NPA and NNPA are we sitting as of now? How is the asset quality for us?

R S Khadwalia: Asset quality is the... the gross NPA is 4.28.

Chinmay Dhyani: Okay.

R S Khadwalia: Net is... net is 2. Around 2.9.

Chinmay Dhyani: Okay.

R S Khadwalia: Understood.

Chinmay Dhyani: Just to conclude, sir, basically, last year, about 365, 366 crores of total, revenue, what we... Ted. So this year, should we expect to touch 500 kind of number, or that is very ambitious?

R S Khadwalia: You can VIP.

Chinmay Dhyani: Because the pricing has also increased, sir, because, see, right now, sir, the crane machines pricing has also increased.

R S Khadwalia: Yeah, yeah, yeah, crane pricing is... 30% to 35% we are expecting. But that is all....

Chinmay Dhyani: But that 30-35%, what you're saying, that is on the volume, or it is on the... on the revenue side?

R S Khadwalia: It will be on the volume. Tractor, because there is hardly any big increase in the Tractor. There is an increase only in Tractor, crane, crane pricing. That is also in the crane prices that is on the, one side of below 50 HP is a more increase. That the 49 HP Category 1 crane, which is quite popular. And, higher crane, the increase is 1 to 2 lakh rupees only, bigger cranes, because bigger crane already own the term 4 engine. Term 4 to Term 5 increases less. And the smaller crane were on term 3 engine. term 3 to term 5 is a big gap. The engine is totally electronic engine. So there is a more increase, that's why this increase has come in the crane.

Chinmay Dhyani: So, last year, out of 3, 65 crores kind of revenue, what we did, our first quarter was about 69... 69 crores, if I... if I... Remember, so generally, we do the first quarter is at 20%, and the 80% of the business comes. So, according to that, should we expect a 500K revenue in this FY26 as total?

R S Khadwalia: You can, you can add on the 30-35% revenue, whatever we done the last year, please. That is a... that is a figure I would like to share with you. Balances, you know, will definitely try for much higher figures, but ultimately, that is a more logical figure, and if you can generate.

Chinmay Dhyani: No, but I think, basically, the expectation should be that we should be able to reach to 4.

R S Khadwalia: Our expectation with the marketing is entirely different. But, but it is....

Chinmay Dhyani: FY27, we should be at... FY27, we should be at 800 cores.

R S Khadwalia: Pardon?

Chinmay Dhyani: FY27, the next year, because we have to do so large from the... from the new factory, so the next year should be 750 to 800 crores.

R S Khadwalia: Next year, you can consider around 3,000 plus cranes.

Chinmay Dhyani: Yes. Okay.

R S Khadwalia: And... and the tactile growth is on, again, 25 to 30% minimum. Okay.

Chinmay Dhyani: Okay. So, that I think we should be able to meet.

R S Khadwalia: We'll be at that kind of targets, estimates.

Chinmay Dhyani: Okay, sir. Thank you.

R S Khadwalia: Thank you, Zip. Thank you, Z.

Finportal: Thank you, sir. We'll take the next question from Mr. Manik.

Manik Gautam: Hi, thanks for the opportunity. Hope I'm... hope I'm audible.

R S Khadwalia: Yeah, honey. Yeah, yeah, Audible.

Manik Gautam: Hello?

R S Khadwalia: Yeah, Mr. Gautam.

Manik Gautam: Hello, am I audible?

R S Khadwalia: Yes, yes, yes, ubiquitous.

Manik Gautam: So, my first question is that, are you saying that 25 lakh realization will get on the cranes from the new plant, and the present realization will continue for the existing plants? Is that the correct understanding?

R S Khadwalia: Yes, almost correct, because in the old new plant, we are putting a separate line for the higher HP cranes.

Manik Gautam: Hmm.

R S Khadwalia: Yeah.

Manik Gautam: Understood. And, sir, I'm still confused, even though you answered on the working capital part, I'm still confused that, in the previous calls and that in the DRHP, it was mentioned that, if the cranes and the equipments are contributing to the higher inventory, which is ultimately leading to the higher cash conversion cycle. But since we are doubling and rather tripling on the cranes sales. So, I failed to understand how the working capital, or rather the inventory, will decrease going forward. Can you please throw some more colour on this?

R S Khadwalia: We, we have not spoken clearly. I think tractor is, basically, tractor is more integrative, backward integrated, shops.

Manik Gautam: Yeah, close contact.

R S Khadwalia: D.

Manik Gautam: equipments, and it was explicitly mentioned that equipments and cranes are contributing, so equipment, I understand, but once you are increasing the revenue and the...capacity of credit. So, ultimately, the working capital should increase, right?

R S Khadwalia: This will... this will... pardon? Nee Mr. Manik, I would like to share with you. Because we have created more models of tractors, and our tractor range is from 16 HP to 100 HP range, okay? We were the few company that we are having complete range in 4-wheel drive tractors also. 4WD character. And four-wheel drive tractor, complete, we are making in-house. We are all the

components, front, Excel. Even the big companies are not making in-house. This, we are making. To keep ourselves in the race. Because now, the four-wheel drive tractor often is much more acceptable in the market. We should have the complete range of product. Sometime we are targeting the competition dealer, so this work we have already done, we have to spend only in marketing. If the number increase, this will drastically you know, reduce our inventory. We can't suppose in one component model, one size of model, we've got so many types of transmission.

Manik Gautam: We are make... gears.

R S Khadwalia: We have to make forgings. I'm just giving you an example. Forging, they'll tell, sir, we'll do the forging of 1,500 number, 2000 numbers. Maybe that particular gear, I'm using in 2 years. 1,500 is making for me. To like those, we stuck up. And we created inventory. And another thing is, we have totally in-house facility from casting. From gear shop, from hydraulic shop, hydraulic components, all the machings, fabrication shop, seat metal shop, everything is visually done in-house. And because of this, it is our strength. Why we are doing it? Because the number one less, if you go in the market to buy. We will become uncompetitive already.

Manik Gautam: What's up?

R S Khadwalia: We'll become... we will become uncompetitive from the very first day. Yeah.

Manik Gautam: Yeah, that part, I get it, but ... okay, so to give a fair understanding, can you give us the split between the equipments and the finished products, that is, tractors, in the inventory that we have as of date?

R S Khadwalia: That figure is exactly not having with me now, basically. We can share with you.

Manik Gautam: You can share the number with the VIN portal, and our,

R S Khadwalia: CFO will share this figure with you.

Manik Gautam: I'm asking this question because if there are more of tractors in our inventory, and since the emission norms have changed, so is there any wide possibility of writing down those engines?

R S Khadwalia: First, there is no change in the emission norm in Texas, okay? And next is that crane. Crane there is... we have not produced more crane, because in the last month, we started producing only that from 5 cranes, not from 4. So, we don't have any stock. Of the crane, and of the older mission ohms.

Manik Gautam: All right, all right, understood. And, I was going through the expense line items, where I see that power cost to sales, employee cost to sales are almost double to that of our peers. So, how is that going to shape going forward with the increased utilization? Are we going to be close to our competitors, or how will it be?

R S Khadwalia: In Power cost?

Manik Gautam: Yeah, power cost and employee cost.

R S Khadwalia: Okay, employees cost is, because of the low volume, it is definitely, once we increase the volume in the ratio, we are not going to increase the employees. So it'll come drastically come down. And the power cost is because of backward integration, we've got a foundry, we've got fabrication, we've got all swap in-house. So that's why the power cost is little more. Okay? Therefore,

our raw material cost is little, if you compare, the raw material cost is less. Because we are buying basic raw material.

Manik Gautam: Alright, understood. And, coming to the next question, certain cranes, we have... we had a capacity of 1 to 80 cranes a month, a year. But you are saying that in this year, we can even do 1400, 15 here, and 1500 from the existing capacity. So, how is that... how is it going to happen, and will we need to do any bottlenecking capex for this?

R S Khadwalia: No, no capex is done. We have already done some capex already in this area, and we are expecting that around 1,400 to 1,500 crane we can produce here. In this plant, okay? Some area we are utilizing of detectors, some facility we are utilizing from Tractor, because in the tractor, there is a... machinery is also available, and some space is also available.

Manik Gautam: Okay, alright, Sarah, I'll fall back in the queue.

R S Khadwalia: Thank you.

Finportal: Oh, thank you, sir, and if you have any question, you can drop us an email on our IRID, and we would be happy to revert to that.

R S Khadwalia: For now, we'll take the next question from Mr. Kapil Ahuja.

Finportal: Oh, well, didn't....

Kapil Ahuja: Am I audible now?

Finportal: Oh, yes.

R S Khadwalia: Audible, audible capacity, yeah.

Kapil Ahuja: Yeah, what is the total debt that we are having right now, as of today?

R S Khadwalia: A standalone basis? Around 100 CR.

Kapil Ahuja: Okay.

R S Khadwalia: ... consolidated basis, including the NBFC, 165. Around 165.

Kapil Ahuja: Sir, on a standalone basis, what is the cost of the deck? For long-term and short-term borrowings.

R S Khadwalia: Around 9%.

Kapil Ahuja: 9% for long, for short term.

R S Khadwalia: Yeah.

Kapil Ahuja: And so, regarding the Barota finance, so what are the... you must be taking majors to reduce the NPAs, because, so have you got the whole structure done to reduce... to minimize the... the NPAs and the NPAs?

R S Khadwalia: Yes, yes, we are, we are doing it, and this year for NBFC, 120 days, next year is 90 days now. March, 90 days usually. We are calculating on 90 days basis only. Already, we have started calculating on 90 days basis.

Kapil Ahuja: Great, sir. Best of luck, sir. Thank you.

R S Khadwalia: Thank you. Thank you.

Finportal: We'll take the next question from Dolly Chaudhary.

Dolly Chaudhary: Hello, hi sir, thank you for the opportunity.

R S Khadwalia: Yeah, man, thank you.

Dolly Chaudhary: So, sir, I had this question. So, in cranes division, where you say, apna North India ke side pe presence, kafi zada better or acha, liking upon India presence increase karin. So, if you can just throw some light ki last, do teen quarter mein specifically kaun se regions mein expand kiya hai, pan out to hai kesa response raha hai, pricing keysa re us side batange crane mein.

R S Khadwalia: Ma'am, as I... we... we are primarily working in the north, although my, Shubham khadwalia look after this business, but he's away to China this time, because he has gone for the tower crane technology transfer papers, he has gone there. He'll be back tomorrow. North India, we are doing Haryana Punjab, HP, Chandigarh, this part, we are doing very well, okay? But now, in some part, like Tamil Nadu, some dealers were started, and Telangana, one dealer started, Bangor, one dealer is started. Then, those dealers started buying. And now, to support them, we have appointed a last team of service also, around 45 people there in service. Earlier, up to last year, we got 18, 18, 17, 18 people in service, and around 20 people in sales. And now, we have got almost 40-45% in sales also. So, our staff has gone... sales and service staff has gone around 90 in the crane. And we have appointed very senior pupil from one of the leading company, Competition Company. They are the general manager, basically. We have divided the whole of the country in 5 general. I don't... every zone is headed by a donor manager. So they started working there, started appointing dealers, we have recently appointed a dealer in Patna, we had started, there was one dealer in Odisha, we had appointed one more deal in Odisha, one deal in Jharkand, one deal in Kolkata. So, we started appointing dealers so that we'll have the reach for sales and service everywhere across the country. So we are very hopeful, because we are expanding our new capacity in the crane region. Okay, and we started, and Tractor, because I already started getting the finance support from HDFC and Kota. In Tractor also, we have taken a lot of LOIs, as Anshul Ji's already spoken to you, I think, in this call, that we have taken around, 20 plus, this letter of intent is already issued. We are expecting a, around 80, 80 degrees in this year should be additional operations.

Dolly Chaudhary: Yeah, okay, so if you can also, tell about, like, in North India, where we do have a good presence already, so what would be, pricing comparative to the other competitors, and if we add a new area, for example, you mentioned Jharkhand or Tamil Nadu, what would be the pricing difference there?

R S Khadwalia: The existing area where we are popular, we are at par to almost competition. You can say, Escort is charging little more to us, basically, because that is the oldest company, because of their name and all. And there is one more company in Faridabad. Comparable to that company, we are charging almost similar price, maybe \$50,000 plus mine, \$30,000 plus mine is something, okay? In some case, up and down. Almost equal price. And, some models, it's a premium also, because on those models, we are the only, proven, having proven product. Like, the 25 ton crane, the hydra crane, 25 ton crane, basically, or the, longer height, 84, 84 feet, 84, 84 feet. Height, boom height, in those products. Or for the new area. we have given little flexibility, so that once, you know, because this train is more buying by the corporate or hiring companies. And hiring companies buy the machine again and again, again, they are expanding their fleet size. So there, maybe, initially, we have got a capacity to give little low price also, because we are a backward irrigated company, we are making many more components in-house, so we can give little competitive prices also. Or, in the beginning. Once somebody use the machine, then we'll charge the price at par.

Dolly Chaudhary: So, like, maybe 10-15% discount.

R S Khadwalia: No, no, no, no, no. It is maybe 5-6%.

Dolly Chaudhary: by 6 foot.

R S Khadwalia: 5 to 8%. Thank you so much.

Dolly Chaudhary: Okay.

R S Khadwalia: Is it for the first deal, so that he'll understand our machines?

Dolly Chaudhary: Oh, good. Just a, like, a follow-up on the data that you provided before, for the industry size of pick and carry cranes, like, it has grown from 3,000 to 4,000 to 15,000 as of now. So, like, going forward, from here, 3-4 years going forward, what industry size are we expecting from this 15,000?

R S Khadwalia: Especially, ma'am, crane. That crane is a big, large size, but the crane which we are manufacturing, and we are talking about that, that is from, 12 ton to 30 ton capacity, although we are making up to 35 ton. To this range, the pick and carry range, we are expecting a good growth. The way it has remained in the past. Because so many new projects are coming up. So many infra projects are coming up. And moreover, the utilization of this machine is increasing day by day. Because, earlier it is being started selling at the big cities. Then it came to a district level. Now it can subdivision at the sea level. Now it is gone in any villages also. Because at any corner, any corner, any point, people are buying machine, keeping it there, and many activities which are done by labour nowadays shifted to this machine. Now, in our factory also, 4-5 machines are running. In all the factory, you go there, basically, this machine you'll find. Loading, unloading, all activity will be done by this machine. Like earlier, what we are doing, initially, maybe 10 years back, basically, when the crane was not there in Tractor, if the steel is coming, we are loading and loading by labourer. They are taking, I think, full 1 day, four or five labourers, then they are unloading 1 ton 10 plane 10 material from the truck. And now the crane is coming, they charge only 1,000 rupees or 1,500 rupees, and they'll take 30 minutes and unload the machine, this thing. And similarly, the shifting also. Shifting from one place to another place. Okay, because of this, I think this machine become very... getting very, very popular.

Dolly Chaudhary: Okay, okay. And so, what would be this number for tower cranes?

R S Khadwalia: Dolly, ma'am, this, we are going to start the prototype. this year, maybe we are not considering any... affecting any number in this... whatever forecast we are making. But the next year, definitely, next... next... next financial, definitely, maybe around 200 numbers, we'll try to, set. Minimum.

Dolly Chaudhary: The industry size of, like, in volume terms for tower, for instance.

R S Khadwalia: In the last, last year, it is almost 1,500, 1,600 numbers. Concrete. Okay, okay. But it'll grow, it'll grow, it'll grow much faster, because if you see the... the ever gain kind of volume in China, our company, competing company, the kind of population they are having, and we have to go now vertical only, basically, because the land prices are getting very expensive. So if I'm going vertical, this, building construction, then this demand will increase too much. So there, the 50,000 plus Cranes are sold even in China. : So our... our industry is 1,500, so we... we have got a good scope. We are expecting that this is... volume is going to increase. And earlier, some more companies were there. The last few years, maybe 5 years, 10 years back, the days were not good for the tower crane. And many Chinese companies used to supply. Now that Chinese company is out. Because of their transportation cost is too much in this, and transportation cost is increased substantially. Okay, and the labour in China is

also increasing. So now this product is not coming more from China. So it is, it is locally, two players, 3 players are there. So, this product is also having good potential.

Dolly Chaudhary: And so, just lastly, you, as we know that you have done a defence order in Peking area as well. I just wanted to know if we are currently also working on any defence project, do we have something in pipeline?

R S Khadwalia: Madam, the defence, any tender is coming will participate, basically. It is on tender basis only. I don't have any knowledge now, because Shubham ji is looking after this area. He's not here. So, but anyway, we are participating in all the tenders. We are supplying to all the corporate, basically, and TPC also, we got a big order last time. We are getting, as and when that vendor requirement is coming, we are quoting.

Dolly Chaudhary: Thank you for detailed answers, thank you, all the best.

R S Khadwalia: Thank you, ma'am.

Finportal: We'll take the next question from Mr. Amit.

Amit Mehendale: Hello, am I audible?

R S Khadwalia: Yes, I'm EG, audible.

Amit Mehendale: Great, so thank you, thank you very much for the opportunity. So my first question is on the cranes. You know, we are currently selling about 1,000, quantity of cranes, and then we're planning to scale up to 3,000. So, for this incremental, you know, 2,000 cranes that we plan to sell, right, which is almost, you know, a significant jump from where we are. So, what gives us confidence that we'll be able to, you know, scale up so aggressively in a short period of time? And particularly, I mean, I'm looking to understand more on the sales and marketing side of it, like, you know, how many new dealers are we appointing? And I think some of it was discussed earlier, but I'm not very clear. Just looking to check how this 2000 incremental quantity, where it will come from.

R S Khadwalia: Anshul ji, I think, yeah, Train also marketing.

Mr. Anshul Khadwalia: Right, right, right. Sir, I'm in charge of factors, but whatever I have learned with Mr. Shubham, I'd like to share and shed some light, sir. Sir, so when we started this Korean Division, 2016 is when we got a fair playground, right? Sir, after that, wherever we have gone, we are only covering only 15% of the Indian Territory. The rest of us is vacant for us. So if some contractor takes one crane and deposes it somewhere else, it's a different story, but we have only appointed dealers in 15% of the country. Sir, wherever we have gone, we have a very, very strong market share. Rather, I'm talking about we are either in number one or number two position only. Sir, we command a very strong repeated order purchase. Even more than 60%, right? Sir, we have completely changed the fleets of many, many hires because of the kind of product quality that we have. Sir, we have not just been able to crack Indian defence and Indian railways, we have also been one of the... in our very early years of operation, we supplied more than 350 machines to Reliance Jamnagar Refinery. Sir, we have supplied cranes to every big Indian corporate house. A lot of national... and a lot of government companies also, we've been able to supply cranes, and we have got very positive response. So the kind of strength and focus that we had given on the crane, and because the crane is such a product where the customer buys a new machine, maybe sometimes in a few months also, it is a very recurring purchase. The kind of customer feedback, the customer retention. The customer reoccurring nature, the kind of feedback that the corporates have given us, is the confidence that we have. And, sir, this market currently has less competition, and the market is bound to grow. So, you know, with all this,

and India, sir, everyone, India is banking on its infrastructure story, at least for the next two to three decades. So, rather, we feel that we are in this department at a very good time. So, sir, we feel, and rather, IndoFarm has been one of the early companies to be the product leader and innovator in this. Sir, we were the first company to launch SLI systems in Korean. We were the first company to put, there is something called as the hydraulic, outriggers, which gives you more stability. We have the maximum oscillation. So, we were able to make complete fireproof cranes. So, sir, we have been very strong with our product. And now, we feel that if we go and appoint dealers, we need 65 more dealers to cover the territory. We are very, very confident that we'll be able to get good market share. So, there are certain areas, I'll share a small example with you. We developed a crane for Jodhpur Mining Belt, called the Mining Master. Sir, we were able to crack more than 30% market share in the first year itself. So, because of our backflow integration, it gives us a lot of confidence to customize products as per the market needs. And, sir, my brother, Shubham, himself is very, very technically strong. He travels to every market to understand the needs of the market, and works very quickly with the R&D to make a product as per the need. So, sir, I feel this... with all this, we are confident, and with the current market dynamics, that Crane is going to be a very good and strong business for us, and whatever numbers we have given, we should be able to achieve them, sir.

Amit Mehendale: Great, thanks for the perspective. So just, you know, just to summarize, so 65 dealers is what will... kind of what it will take, right, for us to sell 2,000 incremental quantity. Is that my understanding correct?

Mr. Anshul Khadwalia: Yes, sir.

R S Khadwalia: Amit ji, one more thing, you know, this dealer also, the business is coming from corporate also. And, and from the industry also, because industry has a huge....

Amit Mehendale: Basically, just sales funnel with door types in ek, dealer ke through ek direct, is this correct?

Mr. Anshul Khadwalia: It was... it was scary.

Amit Mehendale: 80%?

R S Khadwalia: majority dealers, yeah, maybe 20% come direct bechenge, 20-25%, 75% to 80% will come from dealers.

Mr. Anshul Khadwalia: Yes, sir, from what I know, 60-70% is coming from dealers only, 20% comes from corporates, and 10% comes from tenders and government orders.

R S Khadwalia: It's 25.

Amit Mehendale: Right. Or for dealers, sear usmein dealers bhi hum double karange ki kya abhi jo 65 hum appoint karna chahte hain. So, what is the number currently?

Mr. Anshul Khadwalia: Sir, including service dealers, it is 15 plus 5, 20 dealers, sir, currently. Just because some are exclusively service dealers also.

Amit Mehendale: acha , 20 ka, basically 3X career, 60 kare, 60 ads are incremental. Right. 280 ho jaynege.

Mr. Anshul Khadwalia: Yes. Is that correct? That is correct.

Amit Mehendale: Okay, perfect. And so, jab hum dealer se baat karte hain toh, they may be selling Escorts or some competition also, right? Is that correct?

R S Khadwalia: No, no, no. We are exclusive dealer, exclusion dealer.

Mr. Anshul Khadwalia: Dealers for tractors and cranes are both exclusive dealers, sir. We do not have any multi-brand dealers at the moment, sir.

Amit Mehendale: Okay, but are... I mean, those dealers are selling cranes currently, or they're not selling cranes currently?

R S Khadwalia: So, I'll reply this, you know.

Mr. Anshul Khadwalia: Yes.

R S Khadwalia: Generally, you know, some good employees of escorts, basically. Some are delicacy of escorts, some people are working. They manage the money, okay? Like, there's something... it is mixed, or somebody is, selling the back of order of a company, okay? Back-roader company also, and like one dealer we appointed, he's a dealer of, JCB. Different, different product dealership, somewhere, he's a JAX dealer, that is also a construction equipment company. So, this is the background loader dealers. Like this, we are adding DLS. And this dealership depends on 60 numbers, we have spoken 60 to 80 to cover the India. It all depends, you know? Sometime we got a very big dealer. He's having 10 branches, okay? Then, ultimately, the dealer becomes a little less also. Okay? It depends, and sometime we're getting a new party, then we'll not give the huge area. Then we'll give the small area of maybe 150 kilometres out. So that depends on the strength of dealer. The number of dealer can vary a little bit, but depending on the strength, which kind of dealer we are representing in a particular territory.

Amit Mehendale: Okay, sir. So, it's my last take point. So, agar dealer, suppose, you know, basically, agar side dealers.

R S Khadwalia: Hmm.

Amit Mehendale: Is that sufficient for that person? Is it his part-time job, or what type of dealer is it?

R S Khadwalia: full-time job, sir, he's making good money from the spare part also, because this machine consumes a good amount of spare parts, from service also, and sale also, ultimately, because the machine costs you 35, 25 lakh rupees average. In 25 lac I have raised, if he's making, expense is not very high. If he's making 7-8% also, do he make good money.

Amit Mehendale: Right, sir. And the last question is, the sale, like, the dealers, they don't keep any inventory, right?

R S Khadwalia: They keep inventory. Some inventory they keep, sometimes we are also supporting them, if the... Yeah.

Amit Mehendale: Okay. And so when we ship from a factory to the dealer, then we recognize it as sales?

R S Khadwalia: When, when we ship from factory, then, we'll recognize as it, yeah.

Amit Mehendale: Okay. Okay, so thank you, that's it from my end, and best of luck. Thank you.

R S Khadwalia: Thank you.

Finportal: Thank you, we'll take the next question from Mr. Mahomet.

Muhammed Sufyan Lakdawala: I'm audible? Cool. Hello?

Finportal: Yes, sir, you're audible.

R S Khadwalia: Yeah.

Muhammed Sufyan Lakdawala: Yes, sir. Thank you for the opportunity. So, I just wanted to ask, we have a capacity of 12,000. Till FY25, it was, like, a utilized of 25%, 26% around, right?

R S Khadwalia: Yeah.

Muhammed Sufyan Lakdawala: So, in unit terms, it was around 3,000. And in the crane, we had the capacity of 1280, which was utilized, like, almost, like, 90%, right? So, I just want to understand, this 12,000 units of the corrector, what will be the capacity utilizations in the corrector for FY26 and 27? Because generally, if we see from FY23 till now, the corrector units ranges in the range of, like, 3,500, 3000 only. And, in the crane, which is a utilization of 85%, which you are saying that by de-bottlenecking, it has gone to 1400 units, right? So, what kind of units you expect to sell in FY26, and when this new capacity comes, which will take the capacity to 5,000? So, what kind of units we expect to sell in FY27, or what utilization, I mean, to say?

R S Khadwalia: We are planning this, this year, this financial, current financial year, around.

Muhammed Sufyan Lakdawala: Yeah.

R S Khadwalia: 40% growth in Tractor.

Muhammed Sufyan Lakdawala: Unit-wise, right?

R S Khadwalia: Yeah, yeah, yeah, yeah. With this growth, some utilization will decrease. And next year also, we've got the plans to increase dealer. Without Inter, we are also... we are only working in, again, around 10-15% area only. Balance. Our areas are vacant, okay?

R S Khadwalia: And... Now, we are, as we are having complete product range, so making dealer and appointing dealer, we have already started recruiting good manpower. And next, this capacity utilization will be, increased, because the crane capacity we are increasing, and the crane backend, that is complete transmission, is supplied by the techno division. So, therefore, once we have the capacity, 1400 to 1500 crane capacity, existing capacity, 3,600 we are adding, okay? So, in the 20... 27, 20... 26, 27. We'll have 3,000 plus cranes. You can say 3,000 more transmission. Out of 3,000, at least. 2000... 500 transmission. We will be supplying to Crane Division. So, capacity utilization of factory is going to increase. One, they are... we are... we are forecasting 30-40% growth in this current year. And some growth in the next year also. We are expecting maybe 25-30%. And the 2500 crane. So, like this, capacity utilization will go to 60-70%.

Muhammed Sufyan Lakdawala: Protective.

R S Khadwalia: Yup.

Muhammed Sufyan Lakdawala: Okay, and ... realization, like, it was seen, so generally, you should say the tractor prices on the average was around 6.5 to 7 legs, right? And the crane used to be in the 18 legs, right?

R S Khadwalia: Yes, yes.

Muhammed Sufyan Lakdawala: So, F... so now, going forward, so F526 will be... remain in the same range, and F527, you mean to say, this pricing of the crane will go to, average... will go to 25 legs, right?

R S Khadwalia: We are... we are assuming it's around 25 lakh, going to be 25 lakh, because in the.

Muhammed Sufyan Lakdawala: Next year onwards.

R S Khadwalia: new plant, we are making the bigger size crane, we are putting a separate line for bigger size Crane. This is the two kind of Crane we are making. One we call is a new generation Crane. And one is the old type of that Hydra crane, okay? So, new generation crane earlier, we are having space constraint, so we are not having a dedicated line. Of course, we are making... our product approval is very good there. So, there, we are having, developed the complete range, 15 ton to 35 ton, okay? So, as we are adding complete new line, though, the number will increase more in the new crane also. Therefore, the price relaxation we are expecting, it is going to be around 25 lakh.

Muhammed Sufyan Lakdawala: So, okay. And so, one thing I'm not seeing, like, as... if you see, the contribution from the crane side increasing, and I guess we have a better margin in the crane side, but if we see from FY23 onwards, like, our margin was, like, 30... 17-18%, which fell to 15%, and this quarter was also... it's around... Around 13.5, 13.7%, like, 14% range. So, what should be the stabilized margin we expect? Because if crane contribution increasing, we were expecting the EBITDA margin to further improve for 15%, I mean, you say, but it is either way, I'm gonna use it. I don't understand.

R S Khadwalia: Did you....

Muhammed Sufyan Lakdawala: I'm not getting it.

R S Khadwalia: once... once we go all the areas, you know, once... when we are going to the new area, there we have to compromise a little bit the pricing, okay? Because a new area person has to try, okay. Once these will separate across the country, the definite will start reverse, start increasing. The margins start increasing, because if somebody use my crane. We are confident that he'll buy our Crane again. He's not going to buy the competition plane. The kind of product we are offering. Because we are late intent, we are a late intent, and I may take a look at it. We understood, basically, that we had to do something plus. In our machine. If something plus is there, and we are... we can certainly, certainly get not very high price, but that price we can get. Because we are offering plus.

Muhammed Sufyan Lakdawala: Okay, so we can expect this margin at least to be sustainable, or it can go further down if you're expansion... doing expansion?

R S Khadwalia: Down the line, two, three years, basically, it will definitely, once we've gone across the country, and we have given our machine to all the corporate, ultimately, we'll start, charging that kind of price.

Muhammed Sufyan Lakdawala: So, I'm asking, sir, is 13% margin sustainable? 13-14% margin sustainable for 26-27? I'm just....

R S Khadwalia: Yes, yes, sustainable. Sustainable.

Muhammed Sufyan Lakdawala: Yeah, and going forward, you mean to say it will go back to, again, 17-18%, right?

R S Khadwalia: Yeah, it'll improve, it'll improve, and it'll definitely improve.

Muhammed Sufyan Lakdawala: Okay, but as of now, we can consider it 13-14%.

R S Khadwalia: Yeah. And....

Muhammed Sufyan Lakdawala: One more thing, sir, I just need to ask. So, for FY26, can we expect to sell around, like, in the crane, around 1,500 units, and FY27, around 3,000 units? For the crane?

R S Khadwalia: Yes.

Muhammed Sufyan Lakdawala: Is that somewhere, right? And how much it was for FY25, so can you say for the crane and tractor?

R S Khadwalia: Crane is around 30%, around 1,400, around 1,400 .

Muhammed Sufyan Lakdawala: No, no, I'm saying it.

R S Khadwalia: Sales unit.

Muhammed Sufyan Lakdawala: capacity.

R S Khadwalia: 25087. VSL 1087.

Muhammed Sufyan Lakdawala: Right, 7. So, FY-26 mein, 1500 expect kar sakte hain?

R S Khadwalia: Around 1400, around 14... between 1400 to 1,500 or something. Between. Okay.

Muhammed Sufyan Lakdawala: or FY27 with around 25 to 3,000?

R S Khadwalia: 3,000 we are expecting.

Muhammed Sufyan Lakdawala: But he told you. Okay, thank you, sir.

R S Khadwalia: Thank you.

Finportal: Okay, thank you so much. It was a very engaging session, and now I invite the management to deliver the closing remarks.

R S Khadwalia: Yeah. Anshul? You would like.

Mr. Anshul Khadwalia: Sir, I'd just like to thank everyone on behalf of FinPortal and the IndoFarm management for taking out their precious time. There were definitely a lot of insights for us also, and we hope we see you again, and delivering better results and continuing the momentum. So, thank you very much, and wishing everyone all the best.

R S Khadwalia: Yeah. Thank you, everyone.

Finportal: Thank you so much, everyone, for joining, and if you have any, doubts that are still pending, you can drop us an email anytime, and we would be happy to revert to those. Thank you so much. You can disconnect now.

R S Khadwalia: Thank you, Thanks a lot.