



RAMKRISHNA FORGINGS LIMITED

Date: 18 November, 2025

To The Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 BSE SCRIP CODE: 532527	To The Listing Department National Stock Exchange of India Limited “Exchange Plaza” C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 NSE SYMBOL: RKFORGE
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Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Call Transcript – Q2 & H1 of FY 2025-26

This is further to our intimation dated 8 November, 2025 w.r.t Earnings Conference call with Analysts/Investors on the Unaudited Standalone and Consolidated Financial Results of the Company for Q2 & H1 of FY 2025-26.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Conference Call Transcript held with Analysts/Investors on Wednesday, 12 November, 2025 at 18:00 Hours (I.S.T).

Copy of the same is also being made available on the website of the Company at www.ramkrishnaforgings.com.

This is for your kind information and records.

Thanking you.

Yours faithfully,

For Ramkrishna Forgings Limited

Rajesh Mundhra
Company Secretary
& Compliance Officer
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Encl.: As above



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Ramkrishna Forgings Limited
Q2 & H1 FY '26 Earnings Conference Call
Wednesday, 12 November, 2025

MANAGEMENT:

- Mr. Naresh Jalan – Managing Director
- Mr. Chaitanya Jalan – Whole-time Director
- Mr. Lalit Khetan – Whole-Time Director and Chief Financial Officer
- Mr. Milesh Gandhi – Whole-Time Director
- Mr. Rajesh Mundhra – Vice President-Finance and Company Secretary

Moderator: Mr. Joseph George – IIFL Capital Services Limited

Moderator: Ladies and gentlemen, good day, and welcome to the Ramkrishna Forgings Q2 FY '26 Earnings Conference Call hosted by IIFL Capital Services Limited.

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

I now hand the conference over to Mr. Joseph George from IIFL Capital Services Limited. Thank you, and over to you, sir.

Joseph George: Thank you, Muskaan. Hello, everyone. On behalf of IIFL Capital, I welcome you all to the 2Q FY '26 Results Conference Call of Ramkrishna Forgings.

I also welcome the senior management of Ramkrishna Forgings. We have with us Mr. Naresh Jalan, Managing Director; Mr. Chaitanya Jalan, Whole-time Director; Mr. Lalit Khetan, Whole-Time Director and CFO; Mr. Mileshe Gandhi, Whole-Time Director; Mr. Rajesh Mundhra, VP- Finance and Company Secretary.

Now I'll hand over the call to the management to take the call forward. Over to you, sir.

Lalit Khetan: Thank you, Joseph. Good evening, everyone, and thank you for joining us on this call to discuss the Q2 and H1 FY '26 earnings.

In Q2, we continued to operate in a challenging global environment, geopolitical tensions and shifting trade alignments which disrupted supply chains, while currency volatility and higher input costs added pressure on margins. Across key international markets, OEMs and customers adopted a cautious stance moderating order volumes and rationalizing inventories. Collectively, these factors created a difficult backdrop for the global manufacturing and automotive sectors, affecting both volumes and pricing across geographies.

Our international business also felt the impact of this tariff and duty on exports from India along with reciprocal tariff imposed by the U.S. on other countries and that has the effect of raising the final retail price for end consumers, which in turn has had a bearing on buying decisions. Thus, sales velocity has been subdued for our international OEM customers.

In contrast, the domestic environment proved more supportive - strong macro fundamentals, such as steady industrial output, resilient IIP growth, moderating inflation and softer interest rates have contributed to a healthier business climate. The Government's recent GST rationalization initiative has provided an additional boost, helping revive customer sentiment in automotive sector after a period of subdued demand. Lower tax reduced onboard prices across vehicle categories.

In recent years, we pursued a strategic imperative to strengthen and diversify our domestic presence through focused investments and product innovations, particularly in railway and passenger vehicle segment. Domestic business is picking up with good timing given the challenges in global business, and these efforts are now yielding results.

The Railway segment is gaining healthy traction with our products being integrated into the bogey assemblies. Our newly launched vertical supplying castings to railways has made a promising start and is well positioned to scale up meaningfully in the coming quarters. Looking ahead, our priorities include the introduction of new product, optimization of capacity utilization and further diversification of our revenue base.

Now let me share some financial highlights for the second quarter. For Q2 FY '26, we reported a consolidated revenue of Rs. 907.53 crores, that is lower by 10.6% on quarter-on-quarter basis compared to Rs. 1,015 crores. The top line was constrained by subdued demand and tariff on exports, which impacted revenues from international customers.

EBITDA, excluding other income is Rs. 122.54 crores in Q2, lower by 17.5% quarter-on-quarter compared to Rs. 148.61 crores in Q1 FY '26. EBITDA margin stood at 13.5%, lower by 110 basis points from the previous quarter. Profit after tax is negative. We have incurred a loss on consol basis at Rs. 9.5 crores in Q2 FY '26.

In the current quarter, this above loss is basically due to the few factors. One is the forex loss incurred by the Company on import of equipment that is amounting to Rs. 6.77 crore and impact of tariff is Rs. 10.75 crore, which we have to account for in terms of the settlement with the customers. Loss of Rs. 3 crore, we have incurred on account of operations in Mexico operations and a loss of Rs. 4.84 crore been from the JV, again, on account of forex loss on imported equipment. Cumulative impact is about Rs. 25.26 crores on overall profitability of the quarter. Otherwise, this quarter, we could have posted a much better result.

A few more highlights in this quarter. In August '25, the Board approved allotment of 9,75,000 Warrants to the promoter entity, percent of the promised fund infusion and an amount of Rs. 51.19 crores of 25% of issuance amount has been paid upfront and balance will be paid before March '26.

The Board has approved another proposal today to issue 34,00,000 Warrants at a price of Rs. 588 per share and total amount being Rs. 199.92 crores to Mr. Chaitanya Jalan, our Promoter.

Further, amalgamation proceeding of Multitech Auto and the step-down subsidiary MAL Metalliks with Ramkrishna Casting Solutions Limited is progressing well, and we expect the order from NCLT in Q3 FY '26. So that's on the update from my side.

Now I hand over the proceeding to Mr. Milesh, Whole-Time Director to update you on the market. Over to you, Milesh.

Milesh Gandhi:

Thank you, Lalitji. I would like to brief the fraternity here.

During the Q2, the Company secured new orders worth Rs. 1,116 crores with a program life of 4 years, excluding the railway segment. Out of this Rs. 1,116 crores order wins, 69% came from the automotive sector worth Rs. 777 crores, 27% came from the railway segment, that is Rs. 296 crores and 4% came from non-auto, that is around Rs. 43 crores.

This reflects our continued progress in our company's diversification strategy. Excluding railways, all order wins were from international geographies. This is worth mentioning. And we would also like to state that for Indian Railways, the Company received orders for the fully finished assembled bogey frames. And with the required approvals now in place, the bulk dispatches have already commenced.

Apart from this, we have also received a very strong demand in castings for the railways, and we have bagged orders worth Rs. 200 crores for the same. That's from my side. Thank you.

Lalit Khetan:

Thank you, Milesh. That's all from the management side. And now the house can be opened for the Q&A session.

Moderator:

The first question is from the line of Siddharth Bassi from SASS&B.

Siddharth Bassi:

I will ask a few questions and I'd like it, if you could answer them one by one. So that will be great. Firstly, regarding the drop in revenue and the drop in EBITDA margin. In the last con call, the management had told us that from Q1 onwards, Q2, Q3, Q4 will be looking progressively better,

where there'll be an expansion in margins and a growth in revenue. So, what made the revenue drop and the margins reduce?

Because in the last call, you had also mentioned that the impact of tariffs was only Rs. 6 crores on a U.S. customer. So that's nothing compared to our top line. So, management now saying that the tariffs have led to a reduction in revenue. Does seem a little off from the last call. So, could you just explain the disparity, please? And then I'll ask the other questions.

Naresh Jalan:

Siddharth, actually assuming that in the first quarter of the year, the tariff was only 25% and post reciprocal tariff of 25%, the tariff went up to 50%. And there was a lot of confusion until mid of September, when the government of U.S. has clarified that automotive tariff is only going to be 25%. And that led to a slowdown of dispatches for the customers because they were not prepared to pass on any tariff beyond 25%, which had been agreed by them initially.

Second is that overall, it is tariff-related activity has just not affected U.S., it has affected our Mexico also because overall demand in U.S. has gone down drastically beyond the projections, which we have received from customers. And on a rational approach, we did not want to continue shipping material and parking them in the warehouse and affecting our cash flows.

That's the reason, as a rational company took a step to cut down on the inventory because if you see right now the projections which the customers or any U.S. is coming out that from first quarter of their calendar year, the situation is going to improve over there in U.S. And that's the reason we took a stand. And after all this clarification came, we have seen, again, the pullback in terms of shipments have started happening.

Siddharth Bassi:

Okay. So, you're saying basically that post Q1, so Jan, Feb, March onwards, you're going to see traction in the U.S. market. Now obviously, since they're already halfway through the middle of Q3 as well, what sort of traction are you seeing in Q3? Is it Q3 better than Q2?

Naresh Jalan:

Obviously, it is significantly better than Q2.

Siddharth Bassi:

Okay. Wonderful. Sir, are we then on towards Q3, Q4 guiding for higher revenues and higher margins, like EBITDA margins upwards of the high like 18, 19 sorts? Or what are we looking at?

- Naresh Jalan:** In terms of revenue, we still maintain that with the kind of capacity we have already put in place and capacity up and running. And as promised that most of our capex will be completed by 30th September and capacity in place, we still believe that the projections which we had given at the year-end results, means at the March results of double-digit growth, we still maintain that on the full year basis, we will be able to maintain our commentary of double-digit growth for the full year.
- Siddharth Bassi:** With the higher EBITDA margins than the 15%, 16% range? I think back to proper stability.
- Naresh Jalan:** We are back to proper stability. So, to your question only, I can very confidently say with half of the quarter gone by, where we can confidently say now that we are, I think, worst is behind us.
- Siddharth Bassi:** Right. So, one question more. We've been plagued with a lot of onetime losses in the last quarter. Last quarter, there was fluctuation in steel prices and revenue loss on equipment coming in. This quarter also, we have now seen these onetime losses in terms of equipment, etc. So, Sir, can we now finally put a close to all these onetime losses on next quarter or are we still expecting some of these new customers.
- Naresh Jalan:** I think, currency is not in our control, Siddharth. If the Rs. 88.63 tomorrow moves to Rs. 91 or Rs. 90-plus, we are basically helpless in terms of managing currency. It is a global event and currency, if it goes down or goes up, I think we cannot control. And these are all notional losses. Basically, this has to be provided in the books.
- These equipment, which are like for JV other things, still the equipment have not been put to use, and they are not generating any revenue. But as per accounting standards, we will need to provide for this. But that's the bottom line, how the accounting standards are maintained.
- Siddharth Bassi:** Sir, what I mean to say is have we bought all the footprint that we needed to, so that there is no further transaction of that equipment is taking place because capex is done?
- Naresh Jalan:** Capex is done, till the equipment is put to use. Any currency, which is being fluctuating, like for a stand-alone side, I can confidently say that we are not importing any more equipment, all capex has been through. But the hit in terms of the JV, which has come, our wheel plant is going to start as per our presentation also, you must have seen we are confident to start operations from March '26 onwards and trial runs to start from January onwards.

So, post that only we can confidently say that anymore hit is not going to come into the books. But till then, obviously, till that work in progress is there, we will need to continue to take that hit.

Siddharth Bassi: Right. Sir, since you guided that already through middle of Q3, we are certainly profitable, like you mentioned. Any hazard a guess on the EBITDA margins? Is that possible for you?

Naresh Jalan: No. I can only tell you we are back to normal, and I think third and fourth quarter is going to be extremely surprising and extremely on the upside of the results.

Siddharth Bassi: Wonderful. Sir, a couple of questions in terms of the pledging of shares. So, the promoter basically pledged Rs. 200 crores with Tata Capital. Friends of mine at Jio told me that there was also a conversation at Jio Finance for pledging to take money. So, what was the money used for? Or is being used for?

Naresh Jalan: We have not pledged any shares to Jio Finance. We have only pledged to Tata Capital that is basically to fill up the warrants.

Siddharth Bassi: To fill up the warrant. So, the initial Rs. 2,100 warrant or these ones, Chaitanya is getting right now?

Naresh Jalan: Initial Rs. 2,100 warrants, Rs. 50 crores have been already paid and balance like Lalit has said in his opening statement before the year-end, we have pledged the shares at one time. We do not want to continue on a daily basis, but the full amount has been secured and that payment will be made before March.

Siddharth Bassi: Okay. Sir, just one last question from my end now. Sir because the inventory issue that we have and the management has done a great job in sorting that out, but sir, are our bankers or anyone else concerned in terms of giving us working capital lines or in funding our inventory or we are facing any financial challenges there?

Naresh Jalan: No. We have not faced any funding challenges or any institutional issues from our bankers.

Lalit Khetan: Just to clarify, we are having Rs. 700 crores to 800 crores lines available in my balance sheet as on date.

Siddharth Bassi: Okay. And I really hope that Q3 and Q4 really do bring out dividends for yourself and the shareholders.

- Naresh Jalan:** Regarding your hope we're extremely confident that we will come good on this.
- Siddharth Bassi:** Wonderful, that calls for celebration next time we speak on call next quarter.
- Moderator:** The next question is from the line of Sunny Gosar from MK Ventures.
- Sunny Gosar:** My first question is on the debt levels. So, debt levels have substantially shot up as on September '25 to, I think, more than Rs. 2,500 crores. So, can you give some colour on what has led to this sharp increase in the debt?
- Lalit Khetan:** Sunny, I will answer this because you can see the profit has been muted. So, there are no cash accrual happen in the first 6 months. And that has almost gone up by Rs. 600 crores in the 6 months, that is mainly on account of the capex program companies incurred of Rs. 400 crores, and you can see Rs. 200 crores reduction on account of creditors of the company.
- So that has led to this level. But debt level is going to sharply recover in H2 with the promoter infusing money, Rs. 150 crores coming back from the income tax and certainly the operating leverage improving on account of improved sales and profitability.
- Sunny Gosar:** Sure. So as per the cash flow statement, the consolidated capex for H1 was about Rs. 485 crores. So, for the full year FY '26, what is likely to be the level of capex outflow? So basically, what's the incremental outflow in H2? And by March '26, what is the likely debt levels that we should see from the current, say, Rs. 2,500 crores, Rs. 2,550 crores, of gross debt?
- Lalit Khetan:** So Sunny, Rs. 500 crores to Rs. 600 crores reduction we should expect by March '26 from here.
- Sunny:** And this includes the contribution from the warrant money from the promoter?
- Lalit Khetan:** Between everything, Rs. 500 crores to Rs. 600 crores should go down till March '26.
- Sunny:** Got it.
- Naresh Jalan:** So basically, Lalit wants to say that Rs. 2,400 crores is basically leaving aside that we are close to Rs. 2,400 crores of debt and likely Rs. 600 crores of debt will be reduced by financial year-end.

Sunny Gosar: Got it. And in terms of the capex amount, what is the further outflow in H2 FY '26?

Lalit Khetan: Sunny, I think we have already completed our capex from a little bit on the maintenance capex side and a little bit on the completion of the facility we are commencing. So, it should be less than Rs. 100 crores.

Sunny Gosar: And going forward, like now we are at almost 400,000 tonnes of capacity and utilization levels are reasonably low. So, we have substantial like leeway to grow. So, what should be the outlook in terms of capex for FY '27?

Naresh Jalan: Next year, capex will be negligible, less than Rs. 100 crores of capex. And next year, utilization will move to close to around 85%. And I would be glad to tell you the casting facility, which is going to be entire 45,000 tonnes of capacity, which we have installed and we're going to be up by end of this quarter, the entire capacity of 45,000 tonnes is almost sold out in terms of overall capacity.

So, we are going to have an entire utilization of this capacity to the tune of 80% to 85% next year in a mix of railways and domestic and exports. And, like Miles in his opening statement has said, that in castings we have got a huge traction from Indian Railways. And this huge traction will lead to very high utilization in terms of the casting capacity and realization improving drastically from our casting facility.

Sunny Gosar: Got it. Got it. That is very helpful. And sir, one last question from my side. In terms of your guidance for H2. While we understand some of these new capacities will ramp up substantially, what is the assumption that you are making on the underlying markets? Are you expecting them to basically bounce back sharply or remain at the H1 levels because that will also kind of determine what kind of revenue and growth you are able to achieve in the second half of the year?

Naresh Jalan: I think domestic market has really bounced back very sharply post-GST cut. And with the projections whatever, we have till March right now, it is showing a very good traction and I think we will be able to do much better than what market overall grows in terms of with the capacity and with the kind of share of business, we have been able to gain and that is already showing in our Q2 numbers also in terms of our domestic growth.

And in terms of exports, U.S. has started and within U.S., the new customer wins, I think in the presentation also we have elaborated that new customer order wins, we have been able to convince customer our marketing has done a good job. And we have been able to pull ahead the

timings in terms of offtakes, and we have already started shipping material from this quarter onwards for several of our new order books for North America and oil and gas within North America.

So, all this taken together, we expect and we are very, very hopeful with half of the quarter already gone by this quarter and the coming quarter, we should be doing extremely well in terms of achieving our top line numbers and achieving a full year guidance growth, which we had given initially.

Moderator: The next question is from the line of Mitul Shah from DAM Capital.

Mitul Shah: First question is on margin side, sir, if I look at your presentation, utilization Q-on-Q has dropped from 69% to 60%. So, drop is not very big. So, margin contraction seems to be slightly beyond operating leverage. So, is there any pricing pressure also?

Naresh Jalan: Mitul, I think Lalit in the previous question has already answered. Margins, almost Rs. 25 crores hit has come just due to a notional forex loss which we had to book in terms of our imports and equipment. And in terms of exports, there is no margin hit, but basically, lower exports has affected our margin.

Mitul Shah: So, then the second question is on the order wins. This other orders you have indicated about 4 to 5 years lifespan, but this railway. So, this Rs. 200 crore as well as Rs. 96 crore, railway and the Rs. 200 crore from the railway casting. Are these executable in the next 1, 1.5 years?

Naresh Jalan: These are all annualized.

Mitul Shah: Okay. And lastly, on the railway project, Sir, we are about to start the operation in March '26. So, what is further update or any trial runs, or anything is likely to start soon in next 1 or 2 months? Or March '26, we'll start with the trial runs initially and commercial production will start somewhere middle of '27?

Naresh Jalan: January, we are starting trial runs. And we expect and we hope that from March onwards, we start commercial production.

Mitul Shah: Sir, lastly, considering this current global scenario and U.S.-related challenges, what would be our long-term strategy to diversify this on the non-U.S. export side in terms of the client addition or geography addition?

Naresh Jalan: Milesh, I would want you to answer this question.

Milesh Gandhi: I would like to state that currently, we are already as you see in this quarter, whatever we have won on the order wins, this has all come from the international geographies. This showcases one thing is that we are adding lot of traction from the international market. And at the same time, we are not only securing orders in North America, but we also secured orders from European market.

If you go with the H1 total order wins, you would have noticed one thing that with regard to Europe itself, we have already backed a lot of orders to this time and taking into Q1, I think Rs. 927 crores worth of orders have come from Europe itself. And at the same time in North America, like Rs. 307 crore came from this PV segment. So this showcases that the Company is working on the diversification strategy. And currently, we have been able to bag good orders as Mr. Jalan already stated, that we are also able to work in this period, wherein we have been able to develop the samples and PPAP lots all faster so that we can go for a faster launch as this being an alternate purchasing proposal, which we have received from customer. I hope I have answered it.

Moderator: Next question is from the line of Joseph George from IIFL Capital.

Joseph George: All right. So, 1 clarification. You mentioned that about Rs. 25 crores of one-off impacts because of FX and Mexico losses, etc. were there in the quarter. I want to understand how much of this Rs. 25 crores is in stand-alone and above EBITDA?

Lalit Khetan: So, Joseph, if you look at Rs. 4.82 crores of JV is certainly in the consol and Rs. 3 crores Mexico is also in consol account. The loss on account of tariff on account of forex of Rs. 6 crore is in the stand-alone, and that is above EBITDA.

Joseph George: Understood. So effectively, you're saying approximately Rs. 16 crores to Rs. 17 crores of EBITDA?

Lalit Khetan: Rs. 17 crores standalone EBITDA, yes.

Joseph George: Rs. 16 crores, Rs. 17 crores. Okay. Understood. So that was one. The second thing I wanted to understand was, we have this 25,000 cold forging capacity, which was supposed to be 70% booked by 1 million customers and really there's aluminium forging capacity, which is also booked by a firm order. What is the status of these 2 capacities and the underlying orders? And when should we expect revenue generation?

Naresh Jalan: Cold forging already has started revenue generation. And I think we are almost at 40% utilization right now. There are bugs, which we are trying to settle down. And I think we are expecting next quarter close to around 60% plus utilization. And going into FY '27, go to around 80%, 85% utilization in the cold forging side, which will be, I think, the peak utilization.

And in terms of aluminium forging, our samples, PPAP and everything has been accepted. And from this month onwards, this current month onwards, bulk shipments have already started. And I think we expect the utilization to go to 85%, close to around March or April of next year.

Joseph George: Understood. The last question that I had was, if you look at the order flow announcements in the last, say, 5 or 6 quarters. I'm just reading out some of the numbers, I'm sure you know them. So, in 1Q FY '25, there was a Rs. 1,680 crore new order flow. In 2Q FY '25, it was Rs. 1,500 crore. In 3Q, it was about Rs. 700 crores. And now in the first half, it is Rs. 1,700 crores, Rs. 1,800 crores.

So overall, in the last 6 quarters, you've received new orders of some Rs. 6,000 crores to Rs. 7,000 crores. I want to understand when will these orders start generating revenues in aggregate? I don't want to get into individual orders across businesses.

Naresh Jalan: I think, there are parts of orders in this, which are based out of Europe, they are going to start in phases from next year onwards. And I think, if you consolidated tell me of the entire order book, you will be able to see the entire order book getting into production from FY '28 onwards.

But already part of the order book has started from this quarter, and that's the reason we are extremely confident to meet our export sales of whatever we did in previous in spite of market being on the slowdown. And then going forward, from Europe and other places, we are looking at starting sales from first quarter of FY '27 and almost by last quarter to reach 100% of this order book getting into sales.

Joseph George: So would it be fair to assume that all these orders aggregating to somewhere between Rs. 6,000 crores to Rs. 7,000 crores. Say in FY '28, we will have an annual revenue generation of, say, approximately Rs. 1,000 crores, would that be a safe number?

Naresh Jalan: Safe number will be close to Rs. 1,000 crores plus to very safely say, from these order books.

Moderator: The next question is from the line of Sunny Gosar from MK Ventures.

Sunny Gosar: So basically, what I wanted to understand is we have about with the current expansion, about 400,000 tonnes of capacity between forgings and castings. So, what would be basically the peak utilization or peak volumes that we can achieve out of the current capacity? And what is the peak revenue, which can be generated from this capacity?

And my second question is, as the earlier like pre the inventory issue, our margin used to be 20% to 23%. But that had a specific business mix in terms of largely forging. Now with the business mix changing to castings and forgings and some B2C products, which include assemblies, what is the new normalized margins we can assume when we reach a reasonable level of capacity utilization.

Naresh Jalan: So, to answer your question one by one, I think at the peak utilization in terms of revenue, if we have the right product mix, which we presume in calendar year '27 by end, we should be having with the kind of order wins, which we have had. This should be anywhere with the current capacity reach a revenue between Rs. 6,200 crore to Rs. 6,500 crore, depending on the commodity pricing because commodity pricing is directly linked to the overall top line.

In terms of margins, it is extremely safe to say that with the premix of casting and forging and with the kind of growth in terms of B2C axles and all, we may not be able to touch 20% to 23% because that was only for forgings. But in a premix of both the things, we are on the safer side, 17% to 18% margin going forward.

Our aspirational growth still remains to go above 20% plus. But I think it will take some more quarters or year, because kind of value add, we are also introducing in the system. We are hoping that much ahead of our calculated time, we will be able to come to those margins also. But very safely, we can say that in a premix of casting and forging, 17% to 18% margin, we are going to get back to those figures very soon.

Moderator: The next question is from the line of Saket Saurabh from Sagari Capital.

Saket Saurabh: So, sir, I think I understand that Q2 had a lot of tariff-related disruptions. But you had guided that based on Q1 call led by Q4, the stand-alone margin might start getting back to the 20%-odd level. Now in the updated scheme of things, when do you see that those stand-alone margins of 20% coming up? Is it now Q1 or after '27?

Naresh Jalan: In stand-alone, we still see that by Q4, basically, now we have 2 businesses, castings and forgings. Like in my previous answer, I have said at a blended basis, we're looking at 17% to 18% margin. On a stand-alone

basis at RKFL we still are optimistic that we'll be able to come back to those margins by last quarter or maybe by the first quarter.

Saket Saurabh: Okay. Another point is, so one of our listed peers, Bharat Forge said that let's see this entire North America thing seems to be right now too uncertain. But we are confident that we would be back on growth path. I think tariff was more of a disruption rather than demand disruptor. Is that a fair understanding?

Naresh Jalan: No. I think tariff has nothing to do related with that. Tariff has disrupted demand also in North America. But at RKFL, because of our new order wins and new customer wins over there, we will be able to mitigate the demand disruption in our existing customer with the addition of new customers, wherein we will be able to pull back all those dollars, which we are losing in our current customers because of the demand issue from the new customers.

Saket Saurabh: Okay. Fair enough, sir. Now another question would be, are we say, I think one of the focus areas of the management has been to diversify away from both auto as well as North America and Europe, you already talked about you are making steady headway.

So, any colour on, say, getting into defence or such kind of engineering settings where I think offerings like ours have reasonable demand. So, any thoughts on that, sir?

Naresh Jalan: We have actually, I think, reasonably done well in terms of our railway. And I think we are going to ride this passenger vehicle and railway boom, and we are very focused right now in improving our railway output and improving our penetration within the railways. And I think that is a huge sector to bring in a lot of traction and new opportunities for us.

In our opening call, our marketing head also has elaborated the kind of traction both in casting and in assemblies we have had from railways. And we believe that there is going to be a significant opportunity for us going into next year and year beyond that. So, we would like to first encash that opportunity on a stand-alone basis plus the wheel project, which is going to come into production next year. We are looking at almost 40,000 wheels in FY '27 coming from the joint venture.

So obviously, taken together, we are looking at a big uplift from railways itself into FY '27. So, I think our basket is full, we would like to first move one by one, while we will keep on encashing this opportunity and grow in railways. Defence is also a likelihood going forward, but we are not immediately working anything big on defence to make investors aware. I

think at the right opportune time post we are done with railways in terms of our growth, we would like to focus on defence.

Saket Saurabh: I think the railway wheels setup that we are coming up, say, and you're projecting around 40,000 wheels. So, what's the revenue uptick that we would expect from that JV? And what kind of margins? Would they be above RKFL stand-alone or the blended 17%, 18%, what kind of margins that we are looking at the JV level, of course, you have I'm not looking at RKFL share right now, but more a JV what's the top line and the bottom line?

Naresh Jalan: 80%, 85% utilization, which we expect to have in FY '28. We are looking at almost Rs. 1,600 crore to Rs. 1,700 crore revenue from that operation and that will be a 17% to 18% opportunity for us in terms of EBITDA margins.

Saket Saurabh: And what kind of utilization you're expecting for FY '27, sir?

Naresh Jalan: FY '27, we are targeting only 40,000 wheels, which is going to be close to around 30% of the utilization.

Moderator: As that was the last question for today. I would now hand the conference over to the management for the closing comments. Over to you, sir.

Rajesh Mundhra: Thank you. We would like to thank all for taking out time to join our earnings call. We hope we have been able to answer and address all your queries. For any further information kindly get in touch with us or with CDR India.

On behalf of Ramkrishna Forgings Limited, we wish you all a good week ahead. We look forward to interacting again in the next quarter. Thank you very much for talking with us again. Thank you.

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

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