

SEC 69 / 2025-26

November 24, 2025

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G

Bandra Kurla Complex

Bandra (E), Mumbai 400 051

Maharashtra

Symbol: **MUNISH**

Dear Sir/ Madam,

Sub: Transcript of Investor call held on November 24, 2025

In furtherance to our letters dated November 21, 2025 and pursuant to Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the transcript of the Investor call held on November 24, 2025 at 12:00 p.m. (IST), for your information and records.

The above information is also available on the website of the Company: <https://munishforge.com/>

Thanking You,

Yours faithfully,

For MUNISH FORGE LIMITED

DAVINDER BHASIN

DIN: 00780268

Managing Director

MUNISH FORGE LIMITED - EARNINGS CONFERENCE CALL H1 FY 2026**Corporate Participants:****Davinder Bhasin, Munish Forge Limited- Managing Director****Dev Arjun Bhasin, Munish Forge Limited- CEO****Manoj Kumar Pandey, Munish Forge Limited- CFO****Moderator:****Khimil Soni, NNM Nextgen Advisory Private Limited- Research Analyst****Moderator:**

Good afternoon, ladies and gentlemen, and welcome to the Munish Forge Limited H1 FY26 Earnings conference call. I'll be moderating today's session. We thank you all for taking the time to join us. Before we begin, Please note that this call is being recorded. All participant lines will remain in listen only mode during the management commentary. After that we will open the floor to the Q&A session.

Statement made on today's call may include forward-looking statements which are based on the information available with the company as of today and are subject to risk and uncertainties. Actual results may differ materially from these statements. The company does not undertake to update them except as required by applicable laws.

I'm pleased to introduce the Senior Management team joining us on the call today, Mr. Dev Arjun Bhasin, Executive Director and Chief Executive Officer, Mr. Manoj Kumar Pandey, Chief Financial Officer. With that, I would now like to invite Mr. Dev Arjun Bhasin, Chief Executive Officer.

To deliver his opening remarks over to you, Sir.

Yeah.

There is some technical difficulties. We'll resume in a moment, please. Thank you.

Apologies for the delay.

The technical difficulties are all resolved now. Let's start. Good afternoon, ladies and gentlemen, and welcome to the Munish Forge Limited H1FY 2026 Earnings Conference Call. I'll be your moderator in today's session.

Davinder Bhasin

Yes, please. Can you hear me?

Moderator

Yes.

Davinder Bhasin

Good afternoon.

Dev Arjun Bhasin

Good afternoon, everyone.

Moderator

But.

Dev Arjun Bhasin

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OK.

Yes.

Moderator

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Dev Arjun Bhasin

Thank you so much. Good afternoon, everyone, and thank you all. Thank you all for being here for Munish Forger's first ever earnings call.

So the IPO itself was a major milestone for the company and I would like to thank everyone in Munish, would like to thank all our investors for helping us and you know for joining hands with us on this journey and becoming an established player in the Indian defence story.

I'm pleased to share that our story, you know that our business fundamentals remain strong, stable and on track. We continue to see robust demand across the board, be it domestic or in exports. The first half of the year has laid a solid operation foundation.

And we are entering the second-half with excellent order visibility and strong customer commitments. During H1, certain dispatches were rescheduled to the next half, mainly due to the regional floods in Punjab.

And the geopolitical developments with our neighboring countries.

These events caused minor timing shifts in deliveries. All orders remain intact and have been planned for H2. Operationally, our plants are now running smoothly.

As I said before, so now they are running smoothly and are back to normal. So our team has demonstrated excellent resilience. You know we have prepared to serve service and elevate demands expected in the second-half with a strong efficiency and consistency.

And with the IPO funds, uh, coming in now, uh, you know, it's gonna be a strong push for us to meet our targets.

Financially as well, despite some dispatches, you know, dispatch difference, we maintain robust profitability and you know, demonstrate an inherent strength of our model.

So this gives us confidence that the H2 will be significantly stronger and as scheduled orders and convert a volume normalizing. Sorry, sorry about that.

So looking ahead, we, you know we remain optimistic regarding where we're going and you know we have a good demand of our customers. We have you know we have this good support and we have visible orders moving forward with.

You know.

You know with good customer relationships and we are looking forward to achieving those targets in the next half of the year. You know our team has done very well. So I'd like to thank my employees and my team for this.

Despite the issues, they have maintained a great push in achieving the targets for the H1 and you know they have worked religiously, they have worked very hard and they have been able to despite the floods and despite.

The, the world looming over us, they have done a great job on moving forward in achieving the targets of the first year and we hope to keep this momentum going for the next half of the year to achieving our yearly targets.

So other than that we have also been able to you know say that for the 120MM HE bombshell we have been provided you know they had proof tested our shells, the samples we've given and we've been given a bulk production clearance from that.

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Which is again another great milestone for us and moving forward, we should be able to manufacture this and dispatch this and then in the coming year.

So you know the approvals like these show our commitment to the industry and to the nation. So going forward, we expect a revenue of about 205 CR for the financial year of 2026 with a part of approximately 10%.

So this remains in line with the long term vision of increasing profitability in products like defense and consistent revenue increase from our heritage businesses of flanges and scaffolding. So our order book remains resilient.

At approximately 113 CR with the defense contributing close to 70-71 CR in that. So these secured orders give us confidence in achieving the targets, revenue and profitability. So thank you.

Moderator

Thank you, Mr. Dev Arjun. I would now like to invite Mr. Manoj Kumar Pandey, our Chief Financial Officer, to walk us through the financial highlights for the first half of the financial year. Over to you, Mr. Pandey.

Dev Arjun Bhasin

I think them, uh, Mr. Pandey might be having some technical issues, so um.

I think I'll move forward with it.

Moderator

In just a minute, sorry.

Dev Arjun Bhasin

So, I think Mr. Pandey is having some technical issues, so I'll move forward with the figures.

So I think the next few months is to walk us, walk you through the financial half of the year. So the company achieved a revenue from operations of around approximately 82 CR, our profitability, our profitability improved even before the IPO proceeds came in with a EBITDA for H1 standing approximately at 13 CR and you know given the health of the giving us a healthy EBTIDA margins.

Of approximately 15.5% you know as compared to 13.4% from the previous year. Profit after you know PAT was approximately around 7 CR.

Delivering a PAT margin of approximately 8.48.5%. So we remain committed to, you know, our operational excellence, value creation and transparency, you know, transparent governance and we continue our journey of growth.

And you know, we'd like to take you all, you know, with us for that journey. So thank you.

Moderator

Uh, thank you, Mr. Bhasin.

Ladies and gentlemen, we now move to the question and answer session. To ask a question, please use the raise hand feature or you can also type in your questions in the chat box. We request participants to limit themselves to two questions at a time and rejoin the queue for any follow-ups.

Uh, we have a question from Nishita. Nishita, please. Uh.

Uh, go ahead.

Nishita

Hello.

Moderator

Yes.

Nishita

Hello, yes, am I audible?

Dev Arjun Bhasin

Yes

Nishita

Yeah. So I had a question; in the IPO call, you had mentioned that you are now venturing into railways and that you are bidding for railway tenders also. So can you give an update on that from the current order book of one month 3 crores? Is there any order booking from railway also or how is it?

Dev Arjun Bhasin

So we have gotten a couple of developmental orders for railways. We are currently manufacturing those. The sampling process is a bit of you know longer process where we have to develop the process product itself. So we are currently developing the product and we are looking forward to dispatching those and getting our clearance from that.

Currently in the order book, it's not such a big amount, but we, you know, we've given ourselves some time to be able to achieve this and next year we should be focusing on railways as well. So currently this year is all about developing the orders and getting our name out there in the railway market.

Nishita

OK. So when do you see us getting significant orders from railway like in FY27, are we targeting, how much are we targeting to get orders from railways?

Dev Arjun Bhasin

So the next year we are targeting you know for as well we are looking to have that contribute to our overall sales. But currently like I said, it's all about just developing the orders and we're currently working on that as well as we do have two developmental orders.

With us and we shall be moving forward with those and yes, next year we can, you know, we hope we can see real ways being a part of our order book and can see real ways being, you know. Being contributed to our sales.

Nishita

OK. So currently we only have two developmental orders from the railways, right?

Dev Arjun Bhasin

Yes, that is correct.

Nishita

And my second question is that you gave a PAT guidance of around 10% and currently we are at 8% of PAT. So do you see us reaching the 10% guidance in FY26 or is that for FY27?

Dev Arjun Bhasin

No, that is the target for FY26 and we will you know we are moving towards it. We have increased it from previous years and it is just you know it depends on the product mix that we have been.

Sending and currently the product mix is shifting more towards you know defense and defense orders, especially with the IPO proceeds coming in now. So we will see an increase in the margins in the next quarter or in the next half.

Nishita

OK. So product mix is going to be the main reason for the increase in the margin expansion, is that right?

Dev Arjun Bhasin

Yes, that is gonna be one of the major reasons.

Nishita

OK. OK. I'll join back the queue. Thank you.

Dev Arjun Bhasin

Thank you.

Moderator

Thank you, Nishita. Next question we have from Raunak. Raunak, please go ahead.

Raunak

Thank you Sir for the opportunity. So my first question is.

Davinder Bhasin

Am I? Am I audible?

Moderator

Yes, Devenderji, you are.

Davinder Bhasin

Yeah, sorry. I just wanted to add one more line that today morning we got the information from the sales that a third order from railway is on the way. And so this is a prestigious order, the third one.

So we're getting into the Vande Bharat segment with this.

Moderator

And that's amazing, Sir.

Davinder Bhasin

Yeah, that that's a very good news.

Moderator

Uh, you have a question regarding that?

Raunak

Yes, yes. So my first question is what kind of defense execution did we see in H1?

Dev Arjun Bhasin

So in H1 we saw about approximately 35 to 40 CRS worth of sales from defense and we are looking to increase that moving forward.

Raunak

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OK.

So like gross margins have increased this quarter by 25. So could we attribute the defense execution to this increase in gross margins?

Dev Arjun Bhasin

Sorry, this is this for. I'm sorry, I think I just misspoke for defence itself. We've seen approximately around 9 CR and we are gonna be looking at around 40. 35 to 40 CR for the year.

Um, uh, sorry about that. Just have to, uh, uh, correct myself on that.

Sorry, uh, so could you just repeat the second question?

Raunak

OK.

On the second on, my first question is that really on that because gross margins have significantly improved in the H1 that is from around 36%, it's from 43%. So what are the reasons behind it?

Dev Arjun Bhasin

So as I said, the product mix is one of the major reasons for it and that is what we're going to you know again look with the product mix that's gonna change, it's gonna we're aiming to increase that to around 10%.

Moving in the you know for the next half.

Raunak

OK. And my second question is, so our other expenses have also increased a lot. So does this include the issue related expenses or is it yet to be taken into account?

Dev Arjun Bhasin

So could could you just clarify on that question please this?

Raunak

Yeah, the the other expenses part this quarter has increased to around 19% which was in the FY25 around 13%. So like so I am asking like is the issue related expenses for the IPO taken into account?

Or is there any other reason for this in case?

Dev Arjun Bhasin

So some of them, yes, the issue related expenses are taken into account as well. As we are starting to see the inflow of that money, we shall, you know we're increasing towards that this year we have.

As we spoke about it beforehand as well that we had to purchase a couple of machineries and we were looking to purchase a bit more. So all of that is gonna contribute to this and it's otherwise you know it's as per plan that's moving forward.

Raunak

OK.

OK, and what kind of machine, Sir?

Dev Arjun Bhasin

So we had taken couple of CNC and VMC machines earlier and this you know and some induction furnaces. So we have a couple of more induction furnaces that we have place orders for the group are going to be.

Purchasing. So it's basically mixed with that.

Raunak

OK, Sir, thank you for answering my questions. I'll get back to you.

Dev Arjun Bhasin

Thank you.

Moderator

Thank you, Raunak. Next question we have is from Mayank Gupta. Mayank, please go ahead.

Mayank Gupta

Thank you for giving the opportunity. Now my first question is regarding that you mentioned earlier that we are just. Just a second.

My first question was what is the gross margin in defense sector? Now can we expand it further considering we are at 50% capacity utilization?

Dev Arjun Bhasin

See the margin percentage will remain similar to what it has been. The only thing is with the capacity utilization and with the inflow of the IPO money, that's gonna help us increase our efficiency and our utilization of our capacity.

We can see larger sales numbers, but the PAT (margins) will stay approximately similar to what it is currently. We will have you know targets to improve it as well, but it's not something I want to commit to anybody currently.

But yes, we, you know, every company wants to increase their profit margins as much as they can and we have a couple of things working in the background related to that. But as of right now, yes, they'll stay similar to what they happened.

Mayank Gupta

OK, understood. Second question is regarding that previously you mentioned that 150MM bomb shell has a huge demand. So can we are we exporting to other countries or do we have restrictions on exports?

Dev Arjun Bhasin

They don't know. I mean there are restrictions on exports to certain countries, but otherwise we can export otherwise and we will be moving forward with that as well. We are looking for.

Um export partners or export opportunities uh in in the Um 155MM shells Um. But currently our major focus is with uh you know trying to uh with the Indian defense itself as they have uh.

A lot of demand for the said product and it will be beneficial for us to just utilize that in front of us. But yes, we do have our eyes and ears open for opportunities with exports for 155 MMM.

Mayank Gupta

OK. My last question is regarding in your website, it is mentioned that you manufacture tank tracks for T90 tank and only three sources available in India. So what are the other two sources? Can you mention that?

Dev Arjun Bhasin

I mean the different companies that are that are making it, you know and they're basically our competitors in these factors. So they're the ones that are basically manufacturing this.

Mayank Gupta

OK.

Moderator

Thank you, Mayank. Uh, next question we have is from Hasmukh Gala. Hasmukh, please go ahead.

HASMUKH GALA

Hello, can you hear me?

Dev Arjun Bhasin

And yes, Hasmukhji.

HASMUKH GALA

Hi. So Sir, since you said that in H1 you faced floods and there was war like situation. So what would be like how many months production had happened in H1?

Dev Arjun Bhasin

So uh, I mean.

So basically we had achieved a turnover around 82-81 CR approximately that and for I mean for this quarter (Half) that was our target was around 100 CR.

Usually in the hotter months the production in, you know in Punjab is on the lower side anyways, that's just a historical aspect. So we did achieve pretty close to our targets despite the war, despite the Floods and which is, you know, which is more than, you know, which is approximately what we did last year. But given that this year we had a couple of months of, you know, just to just the war situation and the flood situation.

Dev Arjun Bhasin

I'm actually kind of happy with the results and how the team has been able to meet, you know, stay close to our targets and be similar to what we did last year despite these issues. So given that, I think I'm very confident regarding the next half of the year.

Where, you know, now that everything is in place and with the orders being delayed and you know they just moved into the next quarter, we can now move forward and start selling and you know, getting our turnover up.

Sure.

HASMUKH GALA

OK, so Sir, and you said that you have a order book of around 113 CR. So can you, in that you said 71 CR is of defense. So can you bifurcate like in defense what order books like you have orders for, how much order is for?

Train tracks and how much order is for bombshells? Sorry, tank tracks and bombshells.

Dev Arjun Bhasin

Yeah, so Hasmukh, I don't have the details, the exact details with me currently, but if you want I can have my team send them to you.

HASMUKH GALA

OK. Yeah, that would be great, Sir. And Sir, you said that our margins have increased. So what would be the reason for the increase in the margins?

Dev Arjun Bhasin

Sure.

So it has been due to the product mix itself, the products that we're working on that has been one of the major shifts and otherwise it's been the utilization of our, you know the the new machines that have been coming in that are decreasing our costs.

But mostly it's been with the product mix.

HASMUKH GALA

OK, Sir. And Sir, have we got approvals for 120 MM, 155 MM and 105 MM bombshells?

Like since we are bidding for that, so have we got the approvals for those things?

Dev Arjun Bhasin

Um.

Yes. So we have gotten the the clearance for 120MM for 105MM. We already you know we're past suppliers and we already had clearance and we're manufacturing and supplying those and.

For 155 we do have the order for it. We're just at the, you know, we're just working towards to getting the confirmation to manufacture and move forward. So it's just a bit of technical.

That that's going on with the government and we were hoping to clear that up and move forward as soon as possible with that. And I just confirmed with my team. So we have around 27 crores of bombshell orders and the rest are for the tank tracks.

HASMUKH GALA

Thank you so much, Sir, and all the best .

Dev Arjun Bhasin

Thank you. Thank you so much.

Moderator

Thank you, Hasmukh. The next question we have is from Mr. Darshan Gala. Darshan, please go ahead.

Darshan gala

Hi, uh, hi, can you hear me?

Dev Arjun Bhasin

Hi Darshan, how are you?

Darshan gala

I'm good. I'm good. How are you, Sir? Congratulations for a decent set.

Dev Arjun Bhasin

OK.

Thank you. Thank you so much.

Darshan gala

I'm just trying to understand since how are I could target FY27 from defence. So we need to start the bidding process at earliest. What would be the bidding pipeline? You know, how many contracts have we bid for or what might be the status for it? And are we looking for a time change only or are we bidding for other bombshells as like 155-120M?

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Dev Arjun Bhasin

So we so now we're bidding for tank chains and for bombshells it's both and we'll you know we'll keep on bidding as the tenders come up. Currently as you said this year we're planning to achieve somewhere around 35 to 40 CR.

Of sales with defense and we have a total auto book of around 70 CR. So you know the rest is again in the pipeline for next year basically. So with that in mind, we are actively working on it and you know getting as many tenders as we can.

Well, with the with defense team for have a solid grounding for the mix, yeah.

Darshan gala

All right, all right Sir. You just said that if we have one order for 155, but we are waiting for the final approvals we get from the government. Can you can you shed some light? What would be the timeline confirm and maybe the size of it?

Dev Arjun Bhasin

Uh.

See this is uh we we do have uh like we we.

Davinder Bhasin

Can I, can I, can I take this one?

Dev Arjun Bhasin

Yeah, sure.

Davinder Bhasin

Yeah, because I I need a little correction here. This is not 155, we have 105 with us 155 we are, we just came to know that. There are very big companies buying. If you remember in the past we said that we are trying to develop 155 which we successfully developed and now we are in touch with the companies which are buying in bulk. We already quoted for two tenders to Ordnance Factory Kanpur.

Darshan gala

Yes.

All right.

Davinder Bhasin

155 which are still pending and we are yet to hear from them, but parallelly we are in touch with the, you know, companies like Adani Defense, Reliance and even Tata, they are into this in.

So they need a big number of shells and so we are working with them. Then we are working with some filling plants as well, those who want to buy the shells and export directly.

So this is the on the back screen which is going on and we should hear something very soon, maybe December, January they should happen and otherwise to answer your second question.

Darshan gala 41:46

Wonderful.

Davinder Bhasin 41:51

Was are we going into other products? Yes, we are going into other products, but for the present setup which we have in Munish, so we are best suited for the track chains and the shells.

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And if you look at the forgings in our segment, so the maximum demand from defence comes in the shell category which are usable, these are not reusable, these cannot be repaired and for tracks like it does not have a.

A life of 5000 kilometers, you just have to fire it once. So the maximum forging is consumed in shells only. So we're trying to explore more and we are if we go into other segments then we have to put up, you know, other facility also.

So we parallelly working on that.

Darshan gala

105 MM as well, 120 and 155 as well.

Davinder Bhasin

I shouldn't say 155 because we have developed it on our own and we quoted for the tender. So once we get the tender then we should say that we are OK, we are approved once we execute the order.

Darshan gala

OK.

Yes.

Davinder Bhasin

Only then technically we should say that we are approved.

Darshan gala

All right. So Sir, what would be the capacity? Like how much bombshells can of 155 MM? If we get orders, can we make full layer in our capacity?

Davinder Bhasin

Yeah.

155 Yeah, I should say we can. We should be easily doing 5-6 thousand per month.

Darshan gala

All right. All right, Sir. Thank you so much. I will get back in the queue. Thank you so much, Davinderji. Thank you so much, Dev.

Davinder Bhasin

Thank you. Thank you. Thank you.

Dev Arjun Bhasin

Thank you. Thank you.

Moderator

Thank you, Darshan. Another question we have is from Nishita again. Nishita, please go ahead.

Nishita

Yes, so I just had a question on the Capex. So what is the update on the Capex that we are doing?

Dev Arjun Bhasin

So for the capex, a little bit has been utilized as you know as the money is trying to flow in now and As for the IPO

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proceeds itself, we you know we have appointed in monitoring agency.

That is, you know that is just monitoring all the funds that are coming in and going forward. So we are we are moving forward with the proceeds as we planned and hopefully you know we'll start seeing the results pretty soon with the.

Regards to that.

Nishita

OK. So what is the total capex that we're doing for the whole year of FY26?

Yeah.

Dev Arjun Bhasin

Uh, for the total it was somewhere around uh 6 Cr if I'm not mistaken. Um.

Nishita

OK, OK, understood. And uh, my next question is on the order book. So you mentioned that we have 113Cr of order book. What is the execution timeline for that?

Dev Arjun Bhasin

So the execution timeline for this is around, you know we we have a couple of months regarding this, but it that that's more of a timeline that the longest available time we have.

Half, which is around another six to seven months.

But this we have the we can execute it earlier if needed or you know as our plan. So this is just the longest timeline that that we have to clear up these orders.

Nishita

Oh.

OK, so like the 113 Cr of order book we need to execute in six to seven months, right?

Dev Arjun Bhasin

Yeah, that that is correct. And as per your other question, I just want to correct myself, it was around 7 CR for Capex.

Nishita

OK and CR of CapEx for the whole year of FY26, right?

Dev Arjun Bhasin

Yeah.

Nishita

OK. And uh, my next question is you mentioned that we just received a third order from Railway, is that also a developmental order and what if you can give some more detail about that order?

Dev Arjun Bhasin

That will be a done middle order and I think for the details, Mr. Bhasin will be able to, you know, give you a better detail on that than I would be as it just came in today.

Davinder Bhasin

Yeah, sure. See these, I mean, if you understand the system of getting into railways, the railways don't give you a bulk order in

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the very first go. So they always give you a developmental order.

So now this order and suppose we are now getting an order for 403 sets, so which will be around you know 5-6 lakhs, 7 lakhs and the expenditure of on this order will be quite huge, maybe I will say 20-25 lakhs.

Nishita

OK.

Davinder Bhasin

On the development of tooling, technology, gauges, etcetera. So we that is our investment into this, this product. So once we have executed this order, the railway is not going to pay us for any developmental cost.

Davinder Bhasin

So once we have developed this product then we will be eligible to participate in the bulk orders or the bulk tenders forthcoming. So this is the strategy that is why we have kept very low targets. So of say 1 CR for these products, but if I have to achieve 1 CR order in one year I have to develop at least 20 products.

Davinder Bhasin

So 20 products will cost me in terms of time efforts. We will take long time to develop these, but then next year we will be eligible to participate in these 20 products and based on that we have. Taken a figure of around 35-40 CR turnover from railways.

So that is how it moves.

Nishita

OK. So we are expecting this 35 to 40 CR turnover from railways in FY27.

Dev Arjun Bhasin

Mhm.

Davinder Bhasin

27 Yes, we will achieve it before that, but for you, yes, it is 27.

Nishita

OK. And how many or how many products have you already developed? You mentioned that like we need to develop 20 products in total. So how many products have you already developed?

Davinder Bhasin

See all we already got the this is the 3rd order we got and then the 4th one is also on the way but three orders we got to now we're developing. First one is going to go by December.

And our first one is going to go by December and probably in December we'll have to give the second one also. 2nd January is the last date. So December we'll give the second one also third one which you're going to get today. So that will be January, February.

Nishita

It is.

Davinder Bhasin

So it it's, you know, it's a lot of hard work. We need maybe three months, four months to develop a part, but we have to develop that in one month, 1 1/2 month.

Nishita

OK, OK, understood. So generally for developmental orders, the execution time is for a month or two is if what I'm understanding, is that correct?

Davinder Bhasin

For developmental orders. Developmental orders, yes.

Nishita

OK. OK. And like how many products do we have in pipeline for development?

Davinder Bhasin

Like I said, we have three and we have quoted for more and we expecting more orders, more tenders in December. So we'll quote for more.

Dev Arjun Bhasin

OK.

Nishita

OK. OK. Understood. Understood. OK. Thank you so much.

Davinder Bhasin

Thank you, Nishita. Thank you.

Moderator

Thank you, Nishita. We have another question from Darshan Gala. Darshan, please go ahead.

Darshan gala

Hi, Devendra. One more question I had. How many development plan can railways selected products, couplers, excel parts, buffers. So how many products select and how do we, how do, how will we develop these products?

Davinder Bhasin

That is it.

Darshan gala

What was the strategy behind it?

Davinder Bhasin

Uh.

Dev Arjun Bhasin

So OK, you wanna take this one?

Davinder Bhasin

Strategically, see. Yeah, I get it. See strategically when you're focusing on a new segment, then you have to see. I'm very sure this is what we follow. I'm very sure you know about this. So we use 80-20 formula.

Dev Arjun Bhasin

Thank you.

Davinder Bhasin

So we try to see which parts are difficult to make and which parts are going to pay us more if we do hard work today. So we select those parts #1, then #2 we hired a consultant.

Who has been into railways, railway business for last 20 years and he knows the ins and outs of everything. So we hired him for the sales purpose. So he tells us this product is coming, this is good, this is running.

So that is a great help and so this is a normal, you know, strategy that is, that is how you do it. So we are picking up those parts which are difficult to make. Not many companies can do it, for example, if you see.

Casting, it's not very difficult. There can be thousands of companies making castings.

But then if you see how many are making steel castings, so you will eliminate, I will say 90%. So 90% don't make steel castings and if you say alloy steel castings, so then you again eliminate some percentage.

And then you come harden and tempered castings and machined castings, then you eliminate majority, only a few numbers are left. So we fall in that category. So we're trying to use our expertise to pick up those parts.

Which involve all these processes.

So that's how we, you know, do the 80-20 formula and pick up the products.

This.

Darshan gala

Understood, Sir. I understood that we pick up niche products where there is no much competition. So if I understand these development orders must be for couplers.

Davinder Bhasin

These are no, no the and these are the couplers was one part. Then there was one pin bracket which we picked up. Then there is control shaft which is about you know 3 feet long piece.

And there are many parts coming, you know, they use a lot.

Darshan gala

All right. All right. I was just trying to understand what kind of segments have we entered, you know, considering that I've understood that you only enter into where there is less competition and margins are very good. I have one more question, Sir, like in FY27, which means like next financial year 2026-2027.

Darshan gala

What would be the revenue we might be doing from railways?

Davinder Bhasin

I think Arjun, do you have it?

Dev Arjun Bhasin

For the railways, yeah, just one second.

Davinder Bhasin

Before I have FY 27-28. I think we decided about 30-35 Cr.

Dev Arjun Bhasin

Yes, something, something similar to that. Um.

But we'll we'll, I'll, I'll just double check it. I don't want to commit anything.

Davinder Bhasin

We we can let you know. Uh, Darshanji, we can let you know.

Dev Arjun Bhasin

Yeah, we don't wanna commit to anything.

Darshan Gala

Definitely, definitely.

Davinder Bhasin

But I I am going to utilize the next year as a developmental year. If I get some sales, I'll be very happy, but we will be developing more and more products for railways and sales will come.

Darshan Gala

All right. All right, Sir. Thank you so much.

Davinder Bhasin

Thank you.

Dev Arjun Bhasin

Thank you.

Moderator

Thank you, Darshan. I think we have one. We are running out of time. We have time for just one more question. Madhur, we have a question from Madhur. Please go ahead.

Madhur.

Madhur Rathi

Oh, yes, Sir. Thank you for the opportunity, Sir. I wanted to understand regarding what is the current revenue mix between defence and other components, other industries that we cater to.

Dev Arjun Bhasin

For defense and the other other industries.

But.

Madhur Rathi

Oh, yes, Sir.

Dev Arjun Bhasin

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So currently it's about you know approximately 10 to 12% but that is about that is to increase as you know as we said earlier when we are moving for the IPO.

Manufacturing these products takes a bit of a longer time. So now that you know we've been manufacturing them, so now the sales are gonna come from these products, so that that percentage is gonna shift.

Madhur Rathi

And the rest, so I understand that out of the 82 crore that we did, 9 crore came from defence. What was the other industries that like led to the 70 odd crore revenue during H1 of FY26?

Dev Arjun Bhasin

Sorry, could you just repeat that?

Madhur Rathi

What was the revenue mix from the other industries that we catered to apart from defence, the 9 Cr that we did for defence during H1?

Dev Arjun Bhasin

So majority of it has been from flanges and on the second number it's been scaffolding, you know, with the third being the defense itself. But as I said, those are about to change with the now that the, you know, defense products have been manufactured that will be shipped and we'll see earnings. in sales from defense in the second-half of the year.

Madhur Rathi

Got it. Sir, what would be the revenue potential from our current capacity and the CapEx that we are planning for FY26?

Dev Arjun Bhasin

The capex is mainly for, you know, it's not gonna increase our capacity in in the sense it's mainly for line balancing and for you know, just improving quality of products, but. We we can. I mean, are you talking in this year or are you talking with like a total efficiency or total, you know, utilization?

Madhur Rathi

Also on overall basis, what is the revenue on the overall basis, what kind of revenue potential can we expect from our current asset base?

Dev Arjun Bhasin

From our current asset base we can do a bit more than we have planned for the year but that will again you know depends on the products and everything so.

Davinder Bhasin

No, in total his question is his question is in total, am I right?

In total we can touch around 300 CR with with no changes or small changes. We can touch 300 CR from this plant.

Dev Arjun Bhasin

In total with the.

Madhur Rathi

Yes, yeah.

Madhur Rathi

Got it. So just a final question from my end, Sir, we have mentioned that majority of our work IPO proceeds will be towards working capital requirements. So is it fair to assume that the and even in our RHP we have given that the inventory holding period will increase like by 30-40%?

So is it fair to assume that the railway and defense will be at a will stretch our working capital in days and what is the cash conversion can we expect going forward?

Dev Arjun Bhasin

See, moving forward, it's not, it's not to, you know, stretch our working capital days by a lot. It'll approximately stay the same as it is. It's just with the new cash flow, we'll be able to move it a bit more, you know, we'll be able to move it.

A bit quickly. So the working capital days will stay around the same, but yes, so you know that that's in the coming years as well with the railways, it'll stay approximately the same.

Madhur Rathi

Got it, got it, Sir. Just a final question, Sir, there's a company called Pradeep Metal. They also do a lot of flanges and they do margins similar to us without the different segments. So are they, can we expect to reach those levels based on our current capacity or they are into a different product than what we are into?

Davinder Bhasin

Yeah, I will. I will take this one because Pradeep Metal, you're talking about Maharashtra, Mumbai.

Madhur Rathi

Yes, sure.

Davinder Bhasin

So Pradeep metal, they they're into Madhurji, they're into steel, stainless steel flanges. So that's a different segment.

Madhur Rathi

Got it Sir. Sir, Sir, that was from my end.

Davinder Bhasin

Rear into carbon steel flanges.

They make stainless steel plunlers.

Madhur Rathi

Got it. So are there any plans to move?

Davinder Bhasin

We can always, you see, yeah, yeah, we can always move. But see, our expertise is into defense. We will definitely try to stick to defense because flanges are again a very commodity product.

Madhur Rathi

Uh, sure, sure.

Davinder Bhasin

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We're already into it, but we can expand whenever you want. There are no different machines, only different setup. Same customers.

Madhur Rathi

Got it, Sir. That was from myself, Sir. Thank you so much and all the best.

Davinder Bhasin

Thank you, Madhur. Thank you so much.

Dev Arjun Bhasin

Thank you. Thank you.

Moderator

Thank you, Madhur. We're running out of time, and I'll hand it over to Mr. Bhasin for his closing remarks.

Davinder Bhasin

Thanks. Thank you everyone for joining us. If you have any questions, you can talk to us. We will be very happy and if you look at the results, the results are good, our path is very clear. We are working on the strategy which we formulated. So railway like we're particularly happy with railways. In Defense, we already have you know bundle of orders.

And the pressure is on the plant to execute, so which is a very good sign. Flanges., we are very happy that after the duty situation, so we had orders for six months.

And we are getting small, small orders, 2 containers, 5 containers, 3 containers, but we were not getting very big orders, which was back of the mind. There was a little fear. Are we going in the right direction? So now we got a big inquiry from design for us from our old customer, so.

It is about, I will say, about 2 Million Dollars. So which is a good sign that the customers have started shooting the new inquiries which should be decided in the next week, 10 days. So similarly we got order from the scaffolding front. So we have the good order book.

Railways was our dream. We want to strategically also we wanted that and with this gentleman joining us and the aggression which our sales team had, we picked up those good products we quoted.

And the railway has seen also our effort that we're trying to do more for them. So they started offering us like the third one. Like I said, this morning I got the letter from the sales, so they've offered us to take an order.

Which we were not expecting as developmental order and so that way it's all going good with all your blessings. So IPO was in good place. We got the funds, we're still waiting for some funds about 10 CR which is still.

With the monitoring agency and so they will give us I think in this week. So the funds are there, we have started applying the strategy. We place the orders for some machines, so they should all be good and I see very good picture in the future. The strategy will come into existence. We will, we will convert it into existence. We will see the results in coming few months. Whenever we meet again, thank you very much. Keep suggesting us your your suggestions are very valuable. We follow that. We will follow that in future also. Thank you so much for joining us. We'll see you next time very soon.

Thank you.

Moderator

Thank you, Mr. Bhasin. On behalf of Munish Forge Limited, we thank all investors, analysts and participants for joining us on this earnings call. The transcript and audio recording will be available on the company's website and Stock Exchange filings if you have any further queries Please reach out to us at contact@cokaco.com. Thank you and have a great day. Thank you.

Davinder Bhasin

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Thank you. Thank you again.

Dev Arjun Bhasin

Thank you. Thank you.

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