Management: ...maintaining EBITDA margins of 17-19%. This is a broad perspective from my side. We are open to any questions or discussions.

Operator: Thank you. If anyone has any questions, please raise your hand or put them in the chat box. We shall wait for 5 minutes.

Operator: We have a question from the participant Vishrut. Please go ahead.

Vishrut: Hi, am I audible?

Management: Yes.

Vishrut: Good morning, and thank you for taking my question. I am curious whether you could elaborate on the qualification barriers and the timeline for each of the segments we cater to for our products.

Management: Most of the products we supply are critical and A-category products from the end-equipment performance point of view. Across all 3 verticals—renewable, industrial, and mobility—we have very defined testing and validation timelines.

When we begin business development with a new customer, the process normally starts with a discussion on Gala's capabilities, followed by a plant visit to assess those capabilities in practice. This is followed by an audit by the customer's team, a commercial agreement, sample development, sample approval at Gala, sample approval at the customer's end, and then a gradual ramp-up of demand according to the customer's requirements.

I think the lead time to start supplying a new customer, particularly in the OEM or actual-user segment, is anywhere between 12 and 24 months.

Vishrut: Understood. Is it purchase-order-driven, or do we get order-book visibility for a certain period?

Management: Normally, most OEMs give us their annual demand. They have a forecasting mechanism through which they tell us what their demand is and what Gala's share of the business will be. Depending on the lead time, which is between 12 and 16 weeks, they give us firm purchase orders against which we need to dispatch.

At any given time, we have very clear visibility of 1 quarter of dispatches or manufacturing, along with broad visibility of the overall demand for the next year from these customers.

Vishrut: Understood. On the capacity side, could you split our capacity among the segments that we cater to? Are our machines and equipment functional across these segments? I have one additional question on that.

Management: The equipment we use for manufacturing is similar across all the segments because the basic nature of the products remains the same. Therefore, capacity is not defined based on the industry segment; it is based on the product segment, which comprises disc springs, coil springs,

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and fasteners.

As far as disc springs are concerned, we manufacture them in Wada along with wedge lock washers, and we are currently utilizing around 80-82% of the capacity. The fasteners capacity at the Wada plant is around 70-75%, while at the Chennai plant we are using approximately 50% of the capacity. For coil springs, we are using approximately 60-70% of the capacity, depending on the month-to-month situation.

Vishrut: Understood. Given that we are holding some cash, do we intend to undertake any incremental capex? I also see that we have around 19-20 crores of CWIP. Could you take us through the capex plans and the segments in which we are looking to invest?

Management: We had capex investment planned for the Chennai plant in 2 phases. We completed phase 1 last year, and phase 2, which involves approximately 15 crores of capex investment, is planned for this year and has already commenced. The capex at the Chennai plant will be completed by the end of this year, by March 2027.

At Wada, we have some line-balancing capex pending, which we are also planning to complete by the end of this year. As far as the cash is concerned, it is a general corpus fund that we will retain for any land acquisition that we are planning for expansion, or for some inorganic opportunities on which we want to work.

Vishrut: Understood. Is inorganic growth something we would potentially use to expand into a new segment, expand within our existing segments, or add new products? How are we thinking about that?

Management: We are looking at precision engineering as a theme. For a new acquisition, we are open to adding new products that can create synergies with our customers or industry segments, as well as critical approvals that we currently do not have, thereby providing a strategic advantage to Gala.

Therefore, we are open to new products or new industry segments when evaluating inorganic opportunities.

Vishrut: Understood. I am curious to know what you believe is the main reason our customers want to procure incrementally from us. Is it the nature of the product and the precision with which we can manufacture it? Are they switching from manufacturing it internally to outsourcing it, or is it a China-plus-one strategy? Could you explain this from a broader perspective?

Management: We are competing with European companies in disc springs, which is a product category where competition comes from European manufacturers. In wedge lock washers as well, the competition is primarily from European manufacturers. In fasteners, we compete with European manufacturers as well as Indian companies such as Sundram Fasteners, {? Randack ?}, and other large corporations.

Precision, technical competency, the management of technical complexity, and flexibility based on customer requirements are some of the areas that customers are evaluating. As I mentioned, every customer invests 12-24 months in developing a new source. When they develop a new source, they

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also look for the source to provide a substantial business opportunity to justify the investments they have made.

For example, each fastener manufacturer generally looks to provide at least a 20–25% share when developing a new source. That is where we are currently in our growth path.

Vishrut: Hello, sir. Sorry, am I audible? I think my internet connection may have failed. You were mentioning the European movement. To understand this, were these industries accustomed to procuring from tier-1, tier-2, tier-3, and so on, with an entire ecosystem of vendors there? Do any of these parts involve specific technology or IP that they have controlled, or—am I audible now?

Management: Yes.

Vishrut: I was curious about the European vendors from whom we are now gaining wallet share. Do any of them have IP, process know-how, or something else that is difficult to replicate? Or is it more a matter of us having better opex because of the nature of our cost structure, making us more price-competitive?

Management: I do not think it is about price; it is about technical competency. For example, disc springs are highly critical products, and we have mastered them over the last 30–35 years. It is more about engineering and process stability, which we have established in critical processes such as heat treatment and fatigue life testing of disc springs, while offering the same level of performance as European producers.

In general, the key advantage is on the technical side: proving that Gala can offer customers the same level of quality and functional performance as European producers. Of course, manufacturing in India also gives us a cost advantage, which we definitely pass on to customers. However, I think it goes beyond just cost or the opex model; it is primarily the technical capability that customers are evaluating.

Vishrut: Understood. Could you elaborate a little on that? For a spring, do we undertake end-to-end manufacturing, or do we use a vendor ecosystem for processes such as heat treatment?

Management: Most of the processes for springs are carried out in-house. We receive the raw material and send out the finished product. In between, depending on the requirement, some machining processes are outsourced. However, critical processes such as heat treatment and shot peening, which affect the performance of the spring, are carried out 100% in-house.

Vishrut: Understood. Do we intend to bring any other processes in-house?

Operator: We have other people waiting, so let us return to the queue.

Vishrut: Certainly. Thank you.

Operator: Thank you. The next question is from Jay Varyani. Please go ahead.

Jay Varyani: Hello, am I audible, sir?

Management: Yes, you are audible now.

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Jay Varyani: Good morning, sir. Do we have any ongoing or future plans to increase automation and reduce our dependence on human intervention?

Management: Yes, definitely. This is not a new initiative; we have been doing this for the last 6 years. We have been focusing significantly on semi-automation, automation, and the use of IoT in our processes, with 3 major objectives.

The first and most important objective is to ensure consistent quality and reduce manual dependency in the quality processes. The second is to generally reduce headcount. The third, and most important, is to improve productivity and reduce costs.

Every year, we set investment targets for automation and semi-automation projects. These projects are closely monitored by top management to ensure that we achieve the expected benefits.

Jay Varyani: Thank you, sir.

Operator: Thank you. We have a few questions from the chat box. The first question is from Jigar Savla: How much is the fastener segment revenue currently, and where can it be in 3 years in absolute numbers?

Management: We achieved approximately 106 crores in sales from the fastener business in FY26. Since our base is small, and our wallet share is still at a very early stage with most customers, while we are also focusing on wind and, through the Chennai plant, on industrial markets, I believe the fastener business should grow at a 35-40% CAGR over the next 3 years.

We are moving in that direction from the perspective of customer interest and product development. Therefore, I think we will maintain a 35-40% CAGR in the fastener business for the next 2-3 years.

Operator: Thank you. The next question is from Anith Kumar: The cash flows seem a little out of control. What are the underlying issues, and where did we go wrong?

Management: The main increase in cash usage has actually been in inventories and receivables. Receivables have increased mainly because transit time for exports has risen due to the ongoing war situation. This has contributed to an increase in receivable days and delays in collection. A couple of customers have also experienced delays, which has contributed to the increase.

Secondly, with regard to inventory, we plan inventory for the coming quarters, for which we need to maintain inventory. Apart from that, certain customers expect us to hold inventory, particularly around 1.5 months of raw material and around 1 month of WIP and finished-goods inventory.

At the same time, we are internally working on reducing and optimizing working capital. We have also engaged KPMG for this purpose to help us reduce working-capital days. We are expecting, planning, and targeting a 15-20% reduction over a period of approximately 9 months to 1 year.

We are also internally working on controlling the working-capital cycle. As I said, KPMG has been helping us with this, and we are confident that we should be able to bring discipline to the process over the next 9 months to 1 year.

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Operator: Thank you. The next question is from Anonymous: What percentage of revenue comes from exports? How do you see it changing over the next 2-3 years? How do margins in the export business compare with the domestic business?

Management: Exports contribute approximately 36-38% of our sales. In the medium term, we also expect exports to contribute 36-38% for 2 reasons. As you can see from our clientele, we work with global multinational companies that have plants in India but also have a very strong presence globally.

Normally, most customers start new products in India first. After the product is stabilized for the next 6-12 months, we take it to the global level with the same customer. Independently, we also continue developing global markets in Europe and the US as key regions by participating in exhibitions and undertaking digital marketing.

Therefore, in general, exports will contribute 36-38%. Broadly, the margin profile of domestic and export customers is very similar. In some export customers, we have large volumes, so we compromise slightly on margins. When the volumes are small, the margins are much better.

Similarly, in the domestic market, we work on critical products, with significant focus on import substitution. In general, the margin profile for domestic and export business is on very similar lines.

Operator: Thank you. The next question is from Prashant. Could you explain the working-capital cycle in detail?

Management: Giri, you can explain.

Management {? Girish ?}: As I said, inventory is around 120 days, receivables are around 90-94 days, and payables are around 28-30 days. Therefore, overall working capital is around 175 days.

We are working toward reducing inventory days as well. As I mentioned earlier, we appointed KPMG to help us with this entire project, and we expect to reduce the working-capital cycle by 15-20%.

At the same time, as I said, we plan inventory for the coming quarter, which is why inventory will always appear on the higher side. Apart from that, certain customers expect us to hold inventory, particularly 1-1.5 months of raw-material inventory and around 30 days of WIP and finished-goods inventory.

As I mentioned earlier, receivable days have increased because transit time has risen due to the ongoing war situation. This has increased the days by around 10-15 days. We expect the situation to normalize in the coming months. We are also targeting a reduction in working-capital days of approximately 15-20%, probably over 9 months to 1 year.

That is the plan we have at present.

Operator: Thank you. The next question is from Anirudh. There are 3 questions. First, what tolerance needs to be maintained in our products? Second, for mobility, are the products common to ICE and EV, or are they specific to ICE? Third, are we a single-source supplier for any product?

Management: Could you repeat the first question?

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Jay Varyani: The first question was: What tolerance needs to be maintained in your products?

Management: For our products, the tolerance is normally between 20 and 40 microns and sometimes goes up to 50 microns.

As far as the products for ICE and EV are concerned, most of our products are used in the mobility sector. Automotive contributes approximately 20% of total company-level revenue. In automotive, we work across 3-4 verticals.

We supply parts for brake applications, which are common to ICE and EV vehicles. Secondly, we have developed retractor springs, which are safety-critical items mainly for cars, but are now also used in trucks and other applications. These are also commonly used in ICE and EV applications.

Apart from that, approximately 65% of our automotive sales come from heavy commercial vehicles and tractors, mainly for transmission applications. This is not going to be common to EV and ICE vehicles. However, particularly in the heavy-commercial-vehicle and tractor industries, we believe EV penetration is at least 10-15 years away, so we do not have significant exposure to that risk.

Our exposure to cars is very limited. Therefore, whatever products we are making have very little impact from EV adoption, mainly because they are used in certain transmission applications.

Operator: Thank you. We have participants who would like to ask questions. Ashish, please go ahead.

Ashish: Which verticals will contribute to growth over the next 2-3 years, and will that growth come from domestic or international markets? Please provide a breakdown.

Management: The main growth drivers for Gala over the next 2-3 years will be the industrial and renewable sectors and, within mobility, railway applications. These will be the major growth drivers.

As I mentioned, our sales growth is occurring in India as well as in export markets, which is why exports will continue to contribute 36-38%.

This growth is being driven by 3 pillars. The first is organic growth from existing customers and existing parts. The second, and most important, is the addition of new customers globally, which contributes 8-10% of revenue growth every year. The third is the expansion of our product range and an increase in wallet share through the addition of new products for existing customers.

These are our 3 principal growth drivers, and they are helping us maintain growth of 20-25% or more across export and domestic markets.

Ashish: What exactly are we doing in hydrogen electrolyzers and railways? What products are we supplying, and how much can this scale? Hydrogen has significant potential over the next few years, in general.

Management: In the hydrogen value chain, our parts are used in electrolyzers, including PEM electrolyzers and alkaline electrolyzers. We mainly supply fasteners and disc springs for use in electrolyzers.

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We executed a pilot project with L&T in India last year and have now won a large project after they received the commercial order. We are already in contact with all the leading global electrolyzer manufacturers in Europe, the US, and India. We are at different stages of approval and supply with them.

However, based on discussions with customers, I personally feel that electrolyzers are currently at an early stage. According to the industry, ramp-up should occur beyond 2029-30 as commercialization accelerates. Gala will definitely be one of the key suppliers of fasteners and disc springs to this industry.

As far as railways are concerned, we are focusing on products such as wedge lock washers, which are anti-vibration solutions mainly used in high-speed applications, metro applications, and electric trains such as Vande Bharat.

We are also focusing on metro fastening applications, where coil springs are used. In addition, we are focusing on private railway companies such as Alstom, Medha, and Knorr-Bremse, which have demand for highly critical machined fasteners for their Indian as well as global facilities.

In general, we are positive about the Indian railway growth story. However, we are also aggressively focusing on global players that are present in India and looking to outsource to them once we begin supplying them in the Indian market.

Ashish: Could you talk about the mining segment? Globally, there seems to be a lot of activity around sovereignty, and everyone wants to capture that opportunity. How are we positioned in the mining segment?

Management: We are not directly present in mining, but we supply a significant number of fasteners and springs and {? wedge lock washer ?} products to mining-equipment manufacturers.

Companies such as Sandvik, which is already our customer in India, {? Epiroc ?}, and other companies that manufacture mining equipment are our current or potential customers. We are working aggressively with them to grow the business.

Ashish: We expanded the Chennai plant. When do you think we will reach the peak revenue potential from all our plants? I also believe that you have acquired land in Palghar. When do you plan to undertake a greenfield expansion there? Could you provide some color on this and the growth outlook for the next 3 years?

Management: The total expected capacity of the Chennai plant is 120 crores of revenue, and for the Wada plant we are looking at revenue capacity of 325 crores or more. Together, we are looking at capacity of approximately 450-460 crores across both plants.

As far as the land in Wada is concerned, we have signed the MOU and are at the final stage of legal due diligence. We expect to receive feedback within the next month. Once we receive the legal due-diligence feedback, we will begin the agreement and development process.

As far as the revenue outlook is concerned, we are targeting growth of approximately 20-25% over the next 2-3 years. This land acquisition and capacity addition will definitely help us grow the

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business.

Ashish: Thank you, sir. All the best for the future.

Management: Thank you, Ashish.

Operator: Thank you. The next question is from Hardik. Please go ahead. I think we are unable to hear you. Hardik, you may ask your question.

We will move on to the next participant. Vinay, please go ahead.

Vinay: Good morning, and thank you for giving me the opportunity. You said that the peak capacity revenue potential is approximately 450–460 crores. Am I correct?

Management: Yes.

Vinay: You are currently at around 312 crores, which would mean that you will need capex to grow further. How do you see 1 rupee of capex translating into revenue? Could you provide a ballpark figure?

Management: We are looking at an asset-turn ratio of around 2.5–2.75, depending on the product mix. As you rightly mentioned, the capacity is 450 crores, and we closed last year at around 312 crores.

We are looking at reaching peak capacity utilization in FY27–28, around the middle of that period. That is why we have already started the land-acquisition process and line balancing for the equipment.

Vinay: In terms of growth potential, you said that industrial and renewables are areas in which you are looking to grow further. Which other Indian companies do you see as major competitors, and how do you differentiate your product or service from theirs?

Management: Apart from industrial, renewable and railway are the major sectors for our future growth.

The competitive landscape is at a very similar level to what we already have today. For disc springs and wedge lock washers, we do not compete with Indian companies; we mainly compete with European manufacturers. Even in India, we compete with European manufacturers because they supply these products from Europe.

As far as the fastener business is concerned, in the Indian market we mainly compete with Sundram Fasteners and {? Ranflex ?}. In fastener exports, we mainly compete with companies such as Cooper & Turner, {? Doka ?} Fasteners, and August Friedberg, which supply fasteners to the European and US markets.

Our major right to win comes from the strong technical performance of our products, our in-house facilities to meet customer expectations, and our ability to pass the highly stringent system audits conducted by these customers.

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Apart from this, the products we have been developing meet the stringent testing requirements of these customers at the global level. These factors are helping us grow the business.

In the industrial sector, Gala has been working with these customers for more than 20–25 years by supplying disc springs. Many of these customers have potential demand for our fasteners and wedge lock washers. This is helping us because Gala already has a proven track record in disc springs, and these customers are very positive about growing their business with Gala for other products as well.

Vinay: I have one more question. You said that new customers contribute around 8–10% of revenue growth, while organic wallet-share growth and customer-business growth would contribute another percentage. How much do new products generally contribute, and how is the pipeline of new products for the next 1–2 years?

Management: New products contribute to an increase in wallet share with existing customers as well as to new-customer additions. Today, our focus is on expanding the product range within our existing product families, namely springs and fasteners.

For example, in the fastener category, we are expanding the product range. To give you an idea, 3 years ago, when we had only the Wada plant, we manufactured only studs and tie rods in fasteners.

With those products, we were addressing only 1 billion of the global market, or 1 billion USD. With the addition of the Chennai plant and the addition of hot forging as a capability, we are now able to address 2.5 billion of the global fasteners market.

Over the next 3–5 years, we expect to continue adding products within the fastener category, which will enable us to address approximately 5 billion of the global market.

Similarly, in the disc-spring product family, which is also a highly niche category, we decided to add wedge lock washers around 6 years ago. The global addressable market for disc springs for Gala is 1,800 crores. {? Gallock ?} is now an additional 1,200 crores, so we are addressing approximately 3,000 crores of the global market for disc springs and wedge lock washers.

Within disc springs, we are also adding products such as precision-stamped parts, which have applications in electrical and electric-vehicle applications.

As a theme, we want to remain focused on springs, fasteners, and precision parts while continuing to expand our products and market categories.

Vinay: Thank you very much. Thanks a lot. I wish you all the best.

Management: Thank you.

Operator: Thank you. We have one more question from Hardik. Please go ahead.

Hardik: Hi, am I audible?

Management: Yes, Hardik.

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Hardik: Sorry, there was a microphone issue earlier. Are we entering aerospace and defense in any specific way, given that we are already undertaking precision manufacturing?

Management: Currently, we are not doing that. Our focus has been on capitalizing on the opportunities we have developed in the renewable, industrial, and mobility sectors.

However, going forward, we will keep this in mind and work on it from a medium- to long-term perspective.

Hardik: This question comes from the fact that we started as an import substitute, and that has been our main story. We then shifted. We are seeing many precision manufacturers moving into aerospace and defense because of better margins, among other reasons.

Recently, we have been discussing diversification of our industry portfolio. We do not want to remain focused only on the renewable sector; we also want to enter automotive and expand somewhere within the automotive space.

I wanted to understand management's thinking. Do we still see high traction in renewables? Will the import-substitution story remain a major opportunity for us, or are we diversifying because there is some stagnation or a ceiling in the renewable industry for us?

Management: We do not see any stagnation in renewables, at least in the short to medium term. Of course, the cycles may change depending on the region.

To give you an example, the US renewable market was performing very well through 2025-26, and now it is declining because of a particular Trump. The Indian renewable market was very subdued until 2025, but over the last year and for at least the next 3 years, we have a very positive outlook. Similarly, Europe is very positive for the next 3-5 years.

Therefore, I think the renewable story will continue, at least from a short- to medium-term perspective.

Secondly, if you look at Gala's position in renewables, each customer—for example, a wind-turbine, hydro-turbine, or electrolyzer customer—has a purchasing value of 50 crores to 500 crores for the fasteners or springs that Gala offers.

Today, we have only touched the surface. Even if the industry fluctuates slightly, the impact on Gala will be very low because we have a strong pipeline to grow with these customers, given that our wallet share is very small.

Today, even with the largest customer, which has a potential of 500 crores, our share would be less than 10%. Therefore, there is enough room for Gala to grow, particularly in renewables.

Similarly, in the industrial sector, we have many opportunities with companies such as Siemens, ABB, and GE Vernova. Their outlook for the next 3-5 years is strong; they are overbooked in their order books and are significantly expanding their capacities.

Gala is definitely part of this growth. Our objective is to offer more and more products to these companies, apart from exploring new segments such as aerospace and defense.

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As I mentioned, in the short to medium term, our existing segments have the potential to grow Gala's revenue by 20-25%. In the medium to long term, we are definitely open to adding new segments.

For example, in the renewable segment, we previously had only wind and hydro turbines, but we added electrolyzers, which we see as another good area for future growth beyond 2028 and 2030.

Similarly, gas turbines are an area where we see a significant opportunity for Gala, and we have already started focusing on it.

We are mapping the segments based on our competencies, customer needs, and how we can add technical value to these segments.

Hardik: Have we applied for ISO 9001, or have we not yet applied?

Management: We have had ISO 9001 for the last 30 years.

Hardik: Okay.

Management: Without ISO certification, you cannot work with most of these global customers. We also have ISO 45001 and ISO 14001 for safety and the environment.

Hardik: That is very encouraging to hear. I have one more point. We have met in previous conference calls and at the Valorem offline event. I see that there is a significant opportunity available to us, and we have demonstrated our competency through product approvals and entry into newer segments.

Why is our growth only at 20-25%? I am not saying that 20-25% is poor in today's environment; that is not my point. I see many growth levers available to us. Why not become more aggressive and try to capture the market, of course without price or margin erosion? Why are we being conservative?

Management: As you rightly pointed out, we are a very growth-oriented organization. However, at the end of the day, price erosion, margins, and ROCE are 3 factors about which we have to remain vigilant.

We should not simply buy business; we should sustain businesses that offer margin protection from a medium- to long-term perspective.

Our internal growth targets are higher. We grew by 32% last year. We definitely want the business model to support growth beyond 20-25%. However, from a guidance perspective, the current guidance is based on protecting the required margins, ROCE, and working-capital cycle, which are also levers that we need to manage carefully.

Hardik: We are not seeing any significant capex, which is my main concern. Even with the new capex, we are growing incrementally by 50% or 40%, if I am not mistaken.

Management: It depends on the product. For example, in the fastener business, we grew by almost 50% or more over the last 2 years. That is where investments were made in Chennai and Wada.

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Coil springs are a very stable business. We are cautious and are not entering products that are likely to decline because of EV adoption. Therefore, that business will have limited capex additions and will grow by around 15-17%.

In disc springs, as you have seen, we grew by almost 30% in quarter 1. We are seeing many opportunities in industrial applications, gas turbines, and other areas to grow the business.

Hardik: That is all from my side. All the best, sir, and thank you for the opportunity.

Management: Thank you.

Operator: Thank you. The next question is from Jatin Jadhav. Please go ahead.

Jatin Jadhav: Hello, am I audible?

Management: Yes.

Jatin Jadhav: Thank you for the opportunity. I am new to the business, so my questions are somewhat basic. Based on the types of facilities—DSS, CSS, and SFS, if I am not mistaken—what kind of unit-price realization do we achieve? Is this stable, or do we expect it to increase? That is my first question.

Management: DSS is our oldest business and is a highly critical disc-spring category. These disc springs operate under very high loads in very limited space. They are used in applications such as switchgear, transformers, vehicle transmissions, boilers, valves, and other applications.

The average price of a disc spring is between 10 and 15 rupees per piece. We have been moving up the price ladder because we are entering more complex products within the disc-spring family. We are also adding more products made from stainless steel or exotic materials.

Our focus on OEMs also helps us move up the value chain from a price-realization perspective.

Coil springs are an area where our products are priced at approximately 25-30 rupees per piece. They are mainly used in transmission applications, commercial-vehicle brakes, safety systems, and other such applications.

As far as fasteners are concerned, the average product price is around 700-800 rupees per piece, and these products are mainly used in renewable and industrial applications.

In general, we are seeing good growth opportunities across all 3 product groups. However, disc springs and fasteners have significantly higher growth opportunities because of their wide variety of applications.

Jatin Jadhav: Understood. My next question concerns the Chennai plant and the Wada facility. At what stage are they? Are they fully operational, or what is their current status?

Management: Wada has been operational for the last 30 years. You may be new to the business. We operationalized the Chennai plant in August last year.

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We have invested approximately 60% of the capex, and the balance capex is being invested. Wada is operating at approximately 70-80% utilization, while Chennai is currently operating at approximately 50% utilization.

Jatin Jadhav: You mentioned earlier that we would target an asset turn of 2.5-2.7. When exactly will peak utilization be achieved? Next year?

Management: By the middle of FY27-28, or between the middle and quarter 3 of FY27-28.

Jatin Jadhav: This will be for the Chennai plant, if I am correct.

Management: Both plants.

Jatin Jadhav: Understood. That is all from my side. Thank you.

Management: Thank you, Jatin.

Operator: Thank you. As we have only 5 minutes remaining before the end of the session, we can take up to 2 more questions from the chat box.

The first question is from Anonymous: Is it possible to share the revenue mix by product category? Also, is the sharp rupee depreciation opening up significant export opportunities, considering that you serve developed markets and compete with local players there?

Management: Could you repeat the question, if possible? It was not very clear.

Operator: It is a question from Anonymous. Is it possible to share the revenue mix by product category and—

Management: And the second part concerns rupee depreciation?

Operator: Yes, correct.

Management: From a product-mix perspective, disc springs account for approximately 50% of sales. Fasteners, combining Chennai and Wada, account for 35%, and coil springs account for approximately 15% of sales.

Rupee depreciation does create an opportunity to be more aggressive. At the same time, inflation is also eroding some of the benefit we receive. In general, we have seen good {? traction ?} in exports, particularly over the last 6-12 months.

Raw-material prices are passed through 100%, but we also consider inflationary costs while determining our pricing strategy.

Operator: Thank you. The next question, which will be the last question, is from Rishabh: What specific products are we targeting for green hydrogen, defense, and aerospace, and can they be commercialized?

Management: For green hydrogen, we have a clear understanding of the commercialization potential of the products. We are mainly targeting electrolyzer applications, where our fasteners

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and disc springs are used.

Currently, we do not have significant exposure to defense and aerospace. However, as I mentioned, from a medium- to long-term perspective, these are definitely focus areas, and we will work independently on entering these 2 sectors.

Operator: Thank you. The last question is: Could you explain the competitive landscape in detail? What is our right to win against the competition?

Management: The competitive situation is different for the 3 products. For disc springs and wedge lock washers, we mainly compete with European producers. Our first right to win is to offer the same level of product quality, which is tested and validated...

Giridhar: ...by Gala, and also by institutes such as the German universities with which we have worked to test our products. Each OEM also tests the product when using it for the first time.

This is the situation, but I think the first right to win is meeting the technical requirements of the product. Secondly, since we compete in this category with European producers, we are able to offer savings of {? 10-25% ?} to customers who are using European products. These are the 2 major factors supporting our right to win.

Within the fasteners category, it is very important to meet product-system quality requirements as a starting point. Even if we offer a very low price, multinationals such as Vestas, GE, and Nordex have highly stringent requirements relating to audits, testing, and validation.

Therefore, this is one area that we must pass through, in addition to having the technical capability to offer high-tensile fasteners.

M20 and above is a highly critical category of fasteners in which Gala operates. There are very few players globally that can meet the stringent requirements for thread rolling and machining. We have developed this capability over the last {? 7-8 ?} years.

Again, in the export market, we compete with European producers. Once quality and systems are in place, we are able to offer savings of {? 10-15% ?} in this category, giving customers a reason to consider Gala.

Operator: Thank you very much. Due to time constraints, we will have to close the call. I request management to give the closing remarks.

Management: Yes, Giridhar.

Giridhar: I will go ahead. First of all, thank you very much, Arihant, for this opportunity to present Gala. The questions were very interesting and relevant.

I would like to thank all the participants and emphasize that Gala is a very well-managed, professional organization that is looking to consistently grow the business, in addition to generating profit, and work on new opportunities in the Indian as well as global markets.

That is all from our side. Thank you very much for your participation.

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Operator: I would like to thank the management and the participants on behalf of Arihant Capital for taking the time to share their insights about the company. If participants have any further questions, they can get in touch with the team at Arihant Capital. Thank you very much.

Management: Thank you.

Giridhar: Thank you. Thank you very much.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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