Operator: Ladies and gentlemen, good day and welcome to INDO-MIM Ltd.'s results call for the quarter and half-year ended September 30, 2026. INDO-MIM Ltd. will be represented by Mr. Krishna Chivukula Senior, Chairman and Managing Director; Mr. Krishna Chivukula Junior, Chief Executive Officer; and Mr. Paraman Balasubramanian, Chief Financial Officer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parikshit Kandpal from HDFC Securities. Thank you, and over to you, sir.

Parikshit Kandpal – HDFC Securities: Thank you, Anand. The format of the call will be that Bala will give a presentation of a few minutes on the financials, after which KC and KJ will be available to take your questions. Thank you, and over to you, Bala.

Paraman Balasubramanian – CFO: Thank you, Parikshit. Thank you, gentlemen. The presentation about the performance of the company has already been submitted to the stock exchanges, and I am sure you can get a copy of it. The results were published on Friday, and I am sure all of you have had a look at them. Overall, this is a quarter that is in line with the previous quarter. We ended up with a top line of 1,271 crores as against 1,218 crores in the previous quarter. However, this is much better than what it was in the corresponding quarter of the previous year. On a half-yearly basis, we have definitely grown; we will cover that separately.

As far as the profit numbers are concerned, in the last quarter we had PBT of 325 crores before exceptional items; this time we have 309 crores. The overall top-line target that we gave for the current year was 5,000 crores, and the bottom-line target was 850 crores. We are poised to reach that number comfortably on the top line and perhaps marginally meet it on the bottom line. However, we will give any assurance on that only at the end of Q3, because then we will have a fairly good idea about where we are going.

On a half-yearly basis, compared to the first half of FY26 versus the current half-year, there is growth in the business to the tune of about 263 crores on the top line. We ended up with 2,490 crores, which is 263 crores higher. EBITDA is 22%, which is about 6.3% more than what it was in the corresponding half-year of the previous year. PAT is about 455 crores, up by about 165 crores.

However, if you remove the exceptional items, the profit numbers have been more or less the same. If you look at profit before exceptional items, the numbers are more or less in line, with about 1-1.5% of additional amount that we have received. As far as the growth drivers for the company are concerned, we continue to focus on improvement at the bottom line. We had higher returns and lower leverage during this period. Return on capital employed was 26.5%, up by about 5.7%. Return on equity was 26.3%, up by about 3.4%. The debt-equity ratio was 0.27, down from 0.7, down by 0.5. Net debt to EBITDA is 0.19. Overall, all the parameters of the company are much better than what they were at the start of the year.

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As far as the year-on-year performance of the company is concerned, the debt-equity ratio has fallen. The total debt of the company today is 941 crores as against 1,255 crores in the corresponding period of the previous year. Working capital is much better today. Inventory days are something we are working on. Receivable days are at 64, which is very healthy. About 80% of our business is export-based, and the average transit time is between 15 and 30 days. The average credit period that we give to our customers is about 45 days, so maintaining it at 64 is an exceptionally good job by our marketing team.

Inventory days continue to be higher. In fact, compared to the previous year, the number is higher this year; it used to be 340 days, and today it is 441. However, this is the conventional basis on which inventory is calculated. If you segment it into raw materials, WIP, and finished goods, we feel that we are at a comfortable position in raw materials. WIP is something where we have some work to do, and you will see an improvement in these numbers by the end of the year. As far as payable days are concerned, we are at 88 days, which is a healthy number. Overall, the cash conversion cycle will go down. Right now, it is at 417, and it is expected to go down as the year ends.

From a business perspective, about 60% of our turnover currently comes from MIM. Investment casting, or the casting business, accounts for about 19%. The machining business is about 8%, and powders are about 1%. All other businesses yield about 11-12%. Similarly, if you look at the segment-wise breakup, the aerospace business is up by about 31.5%, and it contributes 9% of our business. The automotive business contributes about 25% of our business, and that is up by about 19.4%.

The consumer business is about 16% of our business, and that contributes to 45.5%. RPG is about 20%, and that contributes to 19.3%. Medical is a very small business; it is about 19%, and it is up by 22.5%. All the conventional businesses that we are in are up. The electronic component manufacturing business is down by about 40%. This is because we knew that the contours of this business were going to be different in the current year. It contributes 11% of our business right now and the [trails off]

Management: We expected that at the end of the year we would be in line with the budget as far as this business is concerned, which is close to about 500 crores. Right now, we have done about 268 crores in this business. We feel that this will be comfortably achieved by the end of the year. However, it will definitely contribute a much lower number compared to the previous year.

Overall, if you look at the revenue build-up, on a standalone basis we are at 2,073 crores, and on a consolidated basis we reach 2,490 crores. Two significant contributors among the subsidiaries are INDO-MIM Inc., which is a metal injection molding subsidiary and is contributing 263 crores, and Max Precision, which is contributing 118 crores. [pause]

On the bottom-line front, the standalone business gives 443 crores of PAT, while overall PAT is 455 crores. INDO-MIM Inc. is contributing 52 crores, and all other subsidiaries are actually marginally losing money. Overall, they are drags, but we expect that as the year ends, Triax will come close to net-net zero profitability, and there will be no losses by the end of the year. From next year onward, Triax will turn the corner. That is what we believe, because we also indicated this in the earlier calls, and we are seeing very good growth in that segment of the business, which is the same segment that Mr. Krishna Junior will be discussing.

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Overall, we expect that the PAT numbers for the current year, whatever we indicated at the start of the year, can be met. We will be comfortably within that range. We would like to close by saying that we continue to focus on and continue to develop new products faster. We continue to drive productivity in the company. Capacity utilization is increasing for various reasons, and we will give you the reasons during the question-and-answer session. We make selective investments based on the growth potential of various areas because we have a very deep understanding of customer requirements. We have good engagement with customers, we are able to assess what is required by the customer, and accordingly we make investments.

As far as FY27 is concerned, we had indicated a top-line target of 5,000 crores and a bottom-line target of 850 crores. We are just about there as far as the top line is concerned, and the bottom line will be slightly ahead of what we had indicated earlier. However, we are not in a position to give an estimate right now. We will give an estimate in the next quarter.

With that, we continue to be in good business segments. We indicated even at the time of listing that we were seeing good growth in some other business segments, such as aerospace machining and casting. We continue to have robust growth, and you would see that in the business segment breakup itself, where the numbers are growing. There are some new and emerging requirements for engineered components, starting from private satellite companies to humanoid robot companies. We are very well placed in those businesses, and castings will make a big difference for us in the years to come. We can perhaps cover all these things during the question-and-answer session. I will close at this point so that I do not take more time discussing what has happened. We will discuss your questions now. Thank you. [pause] If any of you can move towards the Q&A.

Operator: Certainly, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may please press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may please press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. [pause] The first question comes from the line of Mohit Kumar with ICICI Securities. Please go ahead.

Mohit Kumar - ICICI Securities: Yes, good afternoon, and congratulations on a very strong first half. My first question is on the second-half numbers. I think the guidance indicates a similar second half in terms of revenue, but it seems that the margin is much lower. Is the mix of revenues in the second half going to be very different from what we saw in the first half?

Management: [pause] Mohit, the profit margins in the company are primarily decided by the kind of components we make. Even within the same segment, the components can be different. You would observe from the raw material consumption number that raw material consumption on a unit basis is much higher this time than it was previously. That is because if you make heavier components, the margin as a percentage of sales will look lower. It depends on the components we make. We make about 6,500-7,500 SKUs per quarter every year, and on average about 1,000-1,200 different components are made every month. It is the product combination that decides this. That is why we always talk about two things: first, what is the year-to-date performance, and second, what is the overall number that can be achieved for the year.

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Mohit Kumar – ICICI Securities: Understood. My second question is, can you talk about the medium-term outlook for the Triax business? Given the strong demand outlook, we believe that this segment is in a very strong position. The related question is, do you make aerofoil blades for gas turbines as well as for the aerospace business?

Management: KJ, will you take this?

Krishna Junior: Yes. Both Triax and our TPC facility in casting have a lot of exposure in the IGT and aerospace engine application space. For the past 3 years, both Triax and TPC have been seeing a large number of IGT programs. With Triax, as my father said, these programs have been under development and are coming into production. It looks like, as long as we continue to work on throughput and efficiency, we should have that unit into profitability fairly soon.

In terms of India, you do not really see it in the numbers yet, but strategically there is a huge amount of product development happening. We have won many programs over the past 1.5 years, but it will take time for those to translate into production. However, we are seeing very heavy demand in the IGT space, along with humanoid applications and satellite applications.

Mohit Kumar – ICICI Securities: Understood, sir. Thank you for the response. Yes, that does. Thank you, and best of luck.

Operator: Thank you. The next question comes from the line of Balamurali Krishna with Oman Investment Advisors. Please go ahead.

Balamurali Krishna – Oman Investment Advisors: Hi, thank you for the opportunity. My first question is on our growth factor, specifically over the past few years, when various acquisitions took place and resulted in very good growth. In the medium term, say 2–3 years from now, can we expect growth from an organic point of view, or do we have any plans or ongoing discussions for other acquisitions that can help us maintain the growth of the past few years?

Management: [pause] Bala, your voice is not clear to me. I hope others can hear you.

Krishna Junior: Yes, you are coming through very faintly.

Management: Bala, your voice is not clear.

Balamurali Krishna – Oman Investment Advisors: Yes, just a minute. [pause] Is it fine now?

Management: Your voice is fine. Is this Bala's voice?

Balamurali Krishna – Oman Investment Advisors: Yes, it is my voice. My question is regarding the growth of the past few years, during which numerous acquisitions took place and resulted in exponential growth. How do you see this growth in the medium term? Can we expect it from an organic point of view, or do we have any plans or ongoing discussions for other acquisitions that can help us maintain the growth of the past few years?

Management: KJ, will you take this?

Krishna Junior: Yes, can you repeat the question for me?

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Management: He is saying that in the past years we captured some growth through acquisitions. This is about future growth prospects. Is it going to be organic or inorganic? That is the question.

Krishna Junior: I think going forward, obviously, that is a very good question, and it is always a question... [pause] KJ, wait a minute, I will follow up. Yes, please go ahead.

Management: I will ask that later. Please go ahead, sir. [pause] Can I address that? The organic growth will be very satisfying and very strong. However, INDO-MIM Ltd. is a global company. It is headquartered in India, with operations in Europe and the United States, and quite possibly in Vietnam and Singapore in the future. A lot of that will be organic growth, which will be very strong, because we have a good platform all over the world. However, at the end of the day, many opportunities will come up, and we will be very opportunistic in terms of good inorganic possibilities where we acquire companies abroad and bring the technologies back home to India, so that as the Indian economy grows, we constantly have exposure to the most advanced technologies being developed in Europe and America.

Balu: We have a very unique global presence in terms of future opportunities and the positioning of INDO-MIM Ltd. That is my answer.

Balamurali Krishna – Oman Investment Advisors: Yes, thank you. Thank you for the point. Is it clear?

Balu: Yes, it is clear.

Balamurali Krishna – Oman Investment Advisors: On the capex plans for this year, I think we have some backward-integration plans to produce raw material in our own facility. Other than that, do we have any capex plans, and how does this capex impact growth or margins?

AJ: Nothing backward, sure. Generally, in our primary processes, whether that is metal injection molding or casting, we have plenty of capacity. Investment will be targeted at secondary operations, such as machining, to finish parts. We have some very significant programs under development, which will require investment over the financial year. The numbers are coming in now. However, there are no major capex investments in our primary processes. Most of the capital expenditure will be for secondary processes to support existing programs that are ramping up over Q3 and Q4.

Balamurali Krishna – Oman Investment Advisors: Okay, that is all. Thank you for answering.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. The next question comes from the line of Deepak Krishnan with Kotak Institutional Equities. Please go ahead.

Deepak Krishnan – Kotak Institutional Equities: Hi, sir. Am I audible? Can you hear me?

Balu: Yes, Deepak, very clearly.

Deepak Krishnan – Kotak Institutional Equities: I wanted to understand the growth prospects. You touched upon humanoid robots and, as far as some of the initiatives you were looking at in consumer electronics, is there any progress there? You have broadly indicated {? Triad ?}, but

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could you give a growth number for this year and next year for both {? Triad ?} and aerospace machining? In that context, I wanted to understand how large the deal signed with Safran Aircraft Engines last month is, and what the purpose is of setting up this new subsidiary in Vietnam. When do you expect to start seeing revenue from it, and what are the prospects there? If you could answer that, I will come back for the second question.

AJ: I will start with Vietnam. The expansion into Vietnam is related to our electronic component manufacturing segment. We should expect that to start generating revenue in FY25. What was the other question? Regarding general electronic component manufacturing, the numbers in terms of growth have been a little slower so far in Q1 and Q2, but we do expect to achieve the budget once again in this segment. We also expect growth in the future. Obviously, we cannot discuss the numbers at this point, but it is an anticipatory growth shift, and we do expect the Vietnam operation to generate revenue in FY25.

Balu: AJ, the question was about Safran and what we signed. You can give your inputs.

AJ: Safran. Safran is a long-term contract. I do not think we can really discuss the numbers yet. Can we talk about numbers, Balu, or not? I am sorry.

Balu: No, not the numbers. They are asking about the objective and how you view this business, because we have signed something. Do you see a very positive trajectory there?

AJ: Yes, overall, I think it is very positive. The Safran business, in my opinion, reflects what you are seeing now: European OEMs are beginning to make room for capacity for other programs that are generally military-related, due to increases in defense spending. Companies like Safran, and many others with whom we are in discussions, have very significant business that they wish to source overseas across the civilian aerospace and drone spaces.

[hesitates] We are seeing a big increase in the number of {? IDP ?} programs in civilian aerospace, along with very significant activity in the drone component space, which is emerging right now. Everyone realizes that both of those programs come at very high volumes. Where the business with Safran can go next, we do not know. We first have to execute on the contracts and, obviously, perform well in product development. However, once you prove yourself with Safran, I am very confident that it will result in additional business. We have to execute on what we have first.

Balu: Deepak, I will add a few brief points. As far as Vietnam is concerned, the development work will be done in Vietnam, and it will ultimately drive the business in India. As far as Safran is concerned, Safran is not the only OEM with which we have signed. Essentially, every one of these agreements opens the door for more and more components to be manufactured for them. Aerospace business growth is going to depend on adding new parts all the time. We are really gaining speed now. As we sign new agreements, more and more parts open up for us. We had indicated earlier that we currently make roughly 1,200 components for the aerospace business. Our job is to increase that by at least 400 components in the current year, as we had indicated earlier. We are on the way. I think all these things will help us achieve that.

Deepak Krishnan – Kotak Institutional Equities: Sure. As a follow-up on Vietnam, can you indicate who the client is? Is it a Korean major, an American major, or can you share any other detail?

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Balu: We cannot. You know that.

AJ: We cannot do that, but [inaudible].

Deepak Krishnan – Kotak Institutional Equities: Sure. Broadly, last year, seasonally, we saw Q3 and Q4 being slightly weaker than this. Is it the case that the December quarter is relatively softer because of US holidays and then Q4 picks up? Should we expect similar seasonality this year, or will it be more of a mix-and-match situation in every quarter?

Balu: Last year was slightly different. We had electronic component business from India, which contributed significantly in the first quarter but was not there, or was much lower, in the second quarter. This year, that swing is gone. We expect the quarters to be more even in the current year.

Deepak Krishnan – Kotak Institutional Equities: Sure, sure. Okay, I will come back with the Q4 follow-up question. Thank you.

Operator: Thank you. The next question comes from the line of Manav Jain with Wari Family Office. Please go ahead.

Manav Jain – Wari Family Office: Hi. Am I audible?

Balu: Yes, Manav. You are audible. Please go ahead.

Manav Jain – Wari Family Office: I wanted to understand the reason for the expansion at the gross-margin level. Was it raw material prices, component mix, sector mix, or foreign exchange? What was the reason for the gross-margin expansion?

Balu: It is entirely on account of the combination of parts. There has been no increase in raw material prices during this period, and foreign exchange has been more or less stable. It is basically the component mix.

AJ: It is the component mix and also slightly better operating leverage.

Manav Jain – Wari Family Office: Okay, understood. How much FY25 revenue are you expecting from the US, and what is the impact of tariffs? Are you absorbing them, or are the customers absorbing them in the product pricing?

Balu: You are asking about tariffs, Manav?

Manav Jain – Wari Family Office: Yes.

Balu: Tariffs are actually applicable only to the US.

Manav Jain – Wari Family Office: I am sorry, can you repeat that?

Balu: We export the components on a DDU basis. The impact is on the customer, not on us. As far as the business from the US is concerned, we expect it to remain more or less at the same level, at about 55% of last year's business from the US. It continues to be around the same level, and there has been no significant change.

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Manav Jain – Wari Family Office: That is all from my side. Thank you.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. The next question comes from the line of Raj Shah with Inam Asset Management Company. Please go ahead.

Raj Shah – Inam Asset Management Company: Hello, am I audible?

Balu: Yes, Raj, very clearly.

Raj Shah – Inam Asset Management Company: Yes, thank you very much, sir. My first question was on the smartphone business. I wanted to know whether there has been any progress regarding the proposed supply of MIM parts in the smartphone value chain. Where do we stand there?

AJ: It is a transition that is happening. We are definitely seeing an increase in the number of development programs, but it has not translated into the numbers yet. It is definitely something that we will update you on in the future as it matures.

Raj Shah – Inam Asset Management Company: Can we hear something in this financial year, or do you expect [trails off]

Management: This is a much longer-term project.

Raj Shah – Inam Asset Management Company: Right, actually Q4 — [inaudible]

Management: We will know by the end of Q4 what the numbers will be in this segment for the current financial year. Last year, most of the sales were front-loaded into the first 2 quarters. This year, what we see in that space is a little more even. I think we should be on budget or a little below budget for that segment, but it will also set up a very strong Q4.

Management: Your question was on MIM components. We will get a fairly good idea by Q4 because, when MIM components begin, we will incur a significant tooling cost. We will let you know. Right now, there is definitely a delay on the customer side for certain MIM components in India, so we will know in the days to come.

Management: There are many things in the pipeline, but nothing we can announce at this point.

Raj Shah – Inam Asset Management Company: Understood. My second question was about the industrial gas turbine segment. I am not sure whether we are in GE's value chain, but we recently read the news of SoftBank canceling orders worth several gigawatts from GE's order book. Are we impacted by this trend, and what are the prospects in that space?

Management: Regarding GE and that trend, are you saying that GE canceled some orders with suppliers? Are you asking whether we see that in any other places?

Raj Shah – Inam Asset Management Company: Yes. SoftBank canceled some orders from GE, so — [cut off]

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Management: Strategically, when we approach this business, we have to approach it through two lenses. One is the technical capability required to execute these components—airfoils or product systems—which is very significant and difficult. The second is your penetration in the space, and the third is where the market is headed.

In terms of what we see and what we have done over the past 2-3 years, as our presence in this space has started to mature on new programs and as we move forward, we are penetrating across the board when it comes to OEMs, whether in aerospace or IGT.

Aerospace obviously takes longer to mature, but it also has very significant growth potential over the next 10 years, with an increase in the number of engines being built in Southeast Asia. IGT is going to be booming, it appears, for at least the next 10-15 years, as the generation requirements associated with data centers continue to increase.

In terms of any market pullback, whether with GE or elsewhere, we do not see any of that. What we see are OEMs that need capacity and are willing to work with suppliers. If you have the technical capability, they will come to you. They are willing to work at this point because there is a huge amount of demand, and they do not have the ability to address all of it. That means airfoils, casings, housings, and all the standard IGT components have very strong demand right now. There is a lot of active product development taking place across the group in this area.

Management: To answer your question, we cannot talk about any one customer, but we can generally tell you that we have not faced any cancellations so far in this segment. There have been zero cancellations specifically on the IGT side.

Raj Shah - Inam Asset Management Company: Okay, understood. Thank you.

Management: On the contrary, customers seem to be bringing things forward. As soon as you demonstrate capabilities on the first programs, customers are generally willing to start trusting you with the next batch. It is a very favorable market as long as you have the technical capabilities to execute on the program, which we do.

Management: I would like to make one point. GE is not the only player in the industrial gas turbine market. There are other OEMs in the market, such as Mitsubishi, Siemens, and others. We see a very good order book from these other gas turbine OEMs, including South Korean and American companies. There is good business there. GE is more vertically integrated. Except for casting parts, hot zones, and similar areas, GE handles the rest for its own consumption. It recently bought some companies in the USA in the {? value chain ?}.

It is a large market, and GE is not the only player. That is the main point I want to make. There are several others, and we are actively supplying to them.

Raj Shah - Inam Asset Management Company: Okay, thank you, sir.

Management: It is definitely a growing market. Definitely a growing market. There is a lot of potential. We are firmly established in it.

Raj Shah - Inam Asset Management Company: Thank you very much, sir.

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Operator: Thank you. Ladies and gentlemen, to ensure that management is able to address all the questions from participants, we kindly request that you restrict your questions to 2 questions per participant. If you have a follow-up question, please re-queue. The next question comes from the line of Pravin with Evident Spark. Please go ahead.

Pravin – Evident Spark: Thank you for the opportunity, sir. I would like you to repeat the segmental revenue breakup and the year-on-year figures.

Management: You will get it in the presentation on the stock exchange. We have already provided it.

Pravin – Evident Spark: No, the aerospace, automobile, and consumer parts figures, I think...

Management: Pravin, can you repeat that?

Pravin – Evident Spark: The aerospace, automobile, and consumer-part revenue segments.

Management: The numbers are there. Do you have any specific questions about the numbers, sir?

Pravin – Evident Spark: The presentation uploaded today only contains machinery, right? The revenue segment information will be uploaded now, I think?

Management: Pravin, it has been uploaded on the stock exchange. I am sure you will get the numbers. You can see the numbers; they are available.

Pravin – Evident Spark: Okay. One more thing regarding the {? Eastern ?} manufacturing business: should we expect the same revenue that we generated in FY26, or what should we expect for FY27 overall?

Management: We had indicated, if you remember, that more than 40 crores would be generated in the current year. Right now, we have achieved about 258 crores in the first half. Let us see whether the same number will come through, but what we need is about 480-500 crores. That is our target, and we will achieve it.

Pravin – Evident Spark: Okay, okay. Right.

Operator: Thank you. The next question comes from the line of Abhinav with ICICI Securities. Please go ahead.

Abhinav – ICICI Securities: Thank you for the opportunity, sir. You touched upon {? Humance ?} applications as well as satellite applications. Can you elaborate on this? What are the current volumes, how much can this scale up to, and in terms of value, what revenue can be expected?

Management: We cannot discuss numbers at this point, but we have active programs under development. We are very active in this space across multiple customers. We will have an update once the numbers start coming in, probably in January at the earliest. We are very active in the space across multiple customers, and we are very positive about its future prospects. However, until those numbers come in, I think it is better for us to be a little cautious — [trails off] We have to get the numbers before we can report them.

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Abhinav – ICICI Securities: So this is across multiple customers, and not focused on just one customer?

Management: I can give you one indication, Abhinav. You can read what is being said by the leading person in the industry and what numbers are being discussed. The numbers are very high. We have to be right there in that space, and even if 10% of the numbers being discussed comes to us, that is going to be a superlative year for most of the companies supplying to this industry, and INDO-MIM Ltd. will not be any different. We are not talking about a 100% target; we are talking about just 10%. I am sure the overall technical capabilities are there. You can see for yourself what they are.

Abhinav – ICICI Securities: Understood, sir. My second question is on backward integration. I wanted to understand the plans, the total powder-melting capacity, how much of this powder you intend to use captively, how much for external sales, and what benefit one can expect at the EBITDA level from this backward integration.

Management: We have done this primarily for supply-chain security. However, once we start doing it, we get advantages because we are in the right place when emerging demand comes. Right now, we are setting up an iron-powder manufacturing facility. We will produce roughly 3,000 tons per annum. We will need about 1,500-2,000 tons for our expanded requirements.

Management: We will have about 1,000-1,500 tons available for sale. There are some very interesting applications that we are discussing with customers and potential customers right now. We cannot name the customers or discuss the applications, but we feel that this additional capacity, over and above what we currently produce, can be comfortably sold at a much higher value addition than what we are achieving now when we buy the powder from outside.

As far as margin assumptions are concerned, we are not currently assuming much higher margins. They are about the same as the yields we have now. As far as stainless-steel powder is concerned, that capacity is already in place, Kishore; that is why I did not discuss it. We have already completed the backward integration required for our own use.

There, too, we have a very large customer looking for additional powder from us. We are in the process of setting up the facility for them and evaluating the facility requirements. We will probably have some surprise in that segment as well in the days to come.

Most of the time, when you set up capacity, you do it primarily to take care of your supply chain, and then it creates additional businesses and additional opportunities. When we set up the stainless-steel facility, we initially thought we would ensure the supply chain. Then we entered additive-manufacturing powders in a big way. After that, newer applications emerged.

Due to confidentiality reasons, we are not able to discuss these applications right now, but in the days to come you will automatically see the impact on the top line as well as the bottom line from this. However, right now we are not assuming any advantage from this capacity in calculating our profitability. The reason is that it will take some time for the capacity to be fully utilized.

During that period, you will not get the benefit of cost reduction. Only when the capacity is reasonably utilized—when about 70-80% is used—will you realize the value of operating leverage.

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We will discuss it in the days to come.

Abhinav – ICICI Securities: Thank you, sir. All the best.

Operator: Thank you. The next question comes from the line of Omkar Sargaukar with ITI AMC. Please go ahead.

Omkar Sargaukar – ITI AMC: Am I audible?

Management: Yes, sir.

Omkar Sargaukar – ITI AMC: What do we attribute the increase in inventory days to?

Management: Inventory days are a product of 2 things. First, what we do as a company for some customers who want just-in-time delivery. Second, I think you are comparing the first half with the first half.

There is always some lumpy increase in raw-material storage because we have to order the minimum quantity, and usage takes place over a period of time. Especially for 2 businesses—our casting business and machining business—raw-material orders are lumpy because we have to take the entire heat and consume it over a period of time.

As far as the increase in WIP is concerned, it has something to do with the order book. Sometimes customers schedule orders in such a way that we have to build up a little more so that we can deliver according to their requirements. These are conscious decisions, but we are definitely working on reducing inventory by the end of the year. That is our target for the current year over the remaining 5 months.

Omkar Sargaukar – ITI AMC: Which segment was this? Was it any specific segment?

Management: Typically, aerospace machining and IGT business require higher raw-material holdings. As far as WIP inventory is concerned, it is in the MIM segment that you will have higher WIP inventory because we undertake components that involve a substantial amount of finishing. MIM is a very efficient and faster process, whereas machining operations are somewhat slower. Therefore, you end up with a slightly higher amount of WIP so that you can ensure just-in-time delivery of a large quantity.

Omkar Sargaukar – ITI AMC: Okay, understood. Secondly, how do we see the defense segment growing, and is it the highest-margin segment for us?

Management: Medical is the highest-margin segment because it is a lifestyle business. Regarding the defense segment, we expect it to grow significantly in India over the next 2 years because many companies have received licenses.

We are in small-arms components; we are not in large arms. The small-arms component business is opening up in India. About 30 companies have received licenses to manufacture small arms. For most of these companies, we are the component supplier, and we have given the first set of samples to them. They are waiting for government orders to begin, after which they can go out and sell in the world.

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We expect good growth in the defense business in India in general. As a component manufacturing company, we only see the addition of this business when they receive orders. As far as the overseas business is concerned, we expect the growth this year to hold, as we also indicated prior to the IPO. We expect NATO defense spending to make a significant difference to the defense business in Europe. The US continues to be robust and growing. Overall, we feel that the defense business will be a growth driver for us.

Management: I would also add that, when it comes to the European market, we are only now beginning to see the large increases flow through. It will still take a couple of years for that market to mature in the defense space, but it is clearly going to happen.

Omkar Sargaukar – ITI AMC: Understood. Thank you. That is all from my side.

Operator: Thank you. Ladies and gentlemen, to ensure that management is able to address all the questions from participants, we request that you limit your questions to 1 question per participant. If you have a follow-up question, please rejoin the queue. The next question comes from the line of Deepak Krishnan with Kotak Institutional Equities. Please go ahead.

Deepak Krishnan – Kotak Institutional Equities: Hi, sir. Thank you for the follow-up. I wanted to understand what drove the 46% growth in the consumer segment in the first half. Is there anything particular that you would like to highlight, and how will this momentum sustain into the second half?

Management: It is a small business base, so the percentage growth should not be interpreted too strongly. There is healthy growth in parts in this business. Things are progressing well for now. If the number goes up, then you have to worry about it. Right now, growth is there because parts are coming in.

Deepak Krishnan – Kotak Institutional Equities: Could I ask one question about other income? Is Q2 a correct run rate, or was there something favorable last year? This year, we have seen a year-on-year decline in the first half.

Management: We expect the numbers to be slightly lower than last year. Last year, we had other income on account of certain claims and refunds due from government agencies that came in. There were also foreign exchange gains. We do not expect those to be very significant in the current year. Whatever is there at the end of Q2, we will probably have twice that number by the end of the year.

Deepak Krishnan – Kotak Institutional Equities: Could you also highlight the current Triax margins and the steady-state margins?

Management: You are talking about Triax?

Deepak Krishnan – Kotak Institutional Equities: Yes, Triax.

Management: We had indicated that Triax would generate about 32-35 million dollars of top line in the current year and would be at EBITDA neutral at that time. That is what we had indicated. We are heading towards 32, so we expect that by the end of the year we may be close to the neutral number. That is what we believe. We want it to become cash-flow positive first, after which we will

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be able to discuss it in more detail.

Deepak Krishnan – Kotak Institutional Equities: Sure, thank you.

Operator: Thank you. The next question comes from the line of Kishore Kumar with Genesis Capital. Please go ahead.

Kishore Kumar – Genesis Capital: Good morning, sir, and thank you for taking my question. I have a question on the new business opportunities you are exploring, namely private satellite applications and humanoid robots. Can you give us a brief overview of the addressable market for MIM components? For private satellite applications, will it be MIM components or casting components that you are targeting?

Management: [pause] We cannot give an exact number for humanoids. However, we have many components being developed across the entire space with what would essentially be all the major players in the industry. If you believe their numbers, the value and impact will be very significant.

As we mentioned {? back in bar ?}, even if 10% of these volumes come through, it will move the needle in terms of top line for basically all the suppliers participating in that space. We are not only making MIM parts in that space; we are also making MIM parts along with machining. Additional machining discussions are taking place. We cannot discuss them, but they are all very significant, and the volumes are quite large. We will have a better update in January on the impact on FY28.

For space-based applications, what we are seeing is that it is not only MIM; it extends across the group. It includes MIM, castings, and machining. The volumes across all 3 segments are very significant.

Kishore Kumar – Genesis Capital: Understood, sir.

Management: As I said before, we will be able to say more about the impact on the numbers in January.

Operator: Thank you. The next question comes from the line of Naman Seth from Anand Rathi Share and Stock Brokers. Please go ahead.

Naman Seth – Anand Rathi Share and Stock Brokers: Hi, I hope I am audible.

Management: Yes, loud and clear.

Naman Seth – Anand Rathi Share and Stock Brokers: Great. Congratulations on a good set of numbers. I wanted to understand, from a broader perspective, over the next 2-3 years, there are many emerging opportunities. Does that give us confidence that, compared with the past growth rates, which have been in the mid-teens, we could surpass those rates over the next 2-3 years, considering that there are so many areas of broader interest and our capabilities have also expanded? How do the next 2-3 years look?

Management: Do you want to go, Baba? Do you want to say something?

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Baba: I will say that. Naman, first, yes, we are definitely looking at many interesting opportunities. However, you would generally have seen that even during the IPO we said that we only count those chickens which have hatched. We look at the numbers when they come before us and say that at least a sample has been developed and an order has been placed. That is when we start counting.

Generally, the industries in which we operate today are all going through explosive growth. At least that is the public indication in all these industries. A company that is fast, that can develop solutions and deliver quality products on time, will always stand to gain in this situation.

However, it would be very difficult for us to say, for example, that if someone says they are going to produce 10 million robots, we can directly multiply 10 million robots by our job value and say that at least 50% or 80% of that will come to us. The numbers look very good in some of these industries. It is a good situation to be in when customers are chasing suppliers.

As the opportunity emerges, we normally give our guidance for the following year in February, when we prepare the budget. During the year, if there is any negative development, we discuss it; if there are positive developments, we generally do not discuss them.

We can only tell you the following. We are in aerospace machining, which is a growth industry. We are in the IGT business, which is a growth industry. Humanoid robots are a growth industry. Private satellite business appears to be a growth industry based on what is being indicated in the marketplace. Defense in general is growing. We are in growth industries, and we are a company that is hungry and willing to deliver. The rest is something that you can calculate.

Medical is also an area where we are just scratching the surface because, as far as we are concerned, it is a 10-year-old or 15-year-old industry. Overall, we are in a very positive situation, but you can make your own calculations about what can be achieved in a growth industry.

Operator: Thank you. The next question comes from the line of Dakshish Gupta, an individual investor. Please go ahead.

Dakshish Gupta – Individual Investor: Hello, sir. Am I audible?

Operator: Loud and clear.

Dakshish Gupta – Individual Investor: Sir, am I audible?

Operator: Loud and clear, sir.

Dakshish Gupta – Individual Investor: Hello. Hello.

Baba: We can hear you. Please go ahead.

Dakshish Gupta – Individual Investor: I was asking about the current revenue mix. A major portion of our revenue comes from the automotive segment, at 25%, followed by defense and medical. Going forward, say over the next 2-3 years, how could the segment mix change? We are seeing many opportunities in aerospace, you have discussed defense, and new sectors such as humanoids and satellite programs are emerging. How could the mix change over the next 2-3 years?

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Management: [pause] That is a good question. We can only report numbers once we have confirmed POs or confirmed program POs, if it is machining or casting. Casting is also PO-driven.

Being able to say how the mix will change will depend on what parts are developed in FY28, FY27, and FY29 over the next 3 years. We only have some visibility on that; we do not know exactly what will happen in FY28 in terms of new-business development.

What I can say is that there is a tremendous amount of activity and commercial discussion around electronic component manufacturing, land-based gas turbines, IGT, civilian aerospace jet-engine applications, and a lot of activity in medical and aerospace machining across the entire group.

We cannot predict how that will change the relative mix over the next 3 years. However, as Baba just mentioned, in all those segments, there is either a boom underway, as in IGT, or a huge amount of product being launched and ramped up, as in humanoids and aerospace. In that environment, while we may not be able to predict the exact mix, we know that we will be able to win a lot of business. Ultimately, the product mix will depend on what we win.

Dakshish Gupta – Individual Investor: Have discussions with the end users we are engaging with been encouraging?

Management: I am sorry, could you please repeat the question?

Dakshish Gupta – Individual Investor: How have the discussions been? Are they very encouraging, or are they progressing at a slower pace with our prospective customers in the new-age technologies?

Management: In terms of how quickly our customers are adopting or sending orders across machining, casting, metal injection molding, powder, and ceramics, what we see is the following. Let us take civilian aerospace. The way these programs work is that your first program or package may contain only 4 or 5 parts. Historically, you would have to complete the whole package and demonstrate shipments for perhaps 6 months to 1 year before receiving the next package.

What we are seeing right now in aerospace, IGT, space-based applications, and humanoid applications is that either the products are being launched or there is future anticipated demand for which customers have to prepare today, because the lead time for IGT equipment is very long.

The moves that suppliers are making today are really about demand in 2029 and 2030, for which they have to get parts and suppliers onboarded right now. Across that entire suite, we see strong growth. How the product mix ends up over the next 3 years will depend on what we win.

Operator: Thank you, Mr. Gupta. You may please rejoin the queue for more questions. The next question comes from the line of Rajat Kataria with Share India Securities. Please go ahead.

Rajat Kataria – Share India Securities: Hi, sir. Congratulations on a good set of numbers. I wanted to understand the segment-level margin mix. Can we get a quarter-on-quarter segment mix in terms of revenue for Q1 and Q2 to better understand the margins?

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Baba: We can give you the half-yearly segment-wise figures, but we will not give you margin numbers because there are many approximations involved in calculating margins. You can take only the direct variable cost, but that will not be a good indication because ultimately the product becomes profitable because of the combination of these factors. There is definitely approximation in how the allocations are made. So it will be [cut off]

Rajat Kataria – Share India Securities: No, sir. Can we get a Q1-to-Q2 comparison for the segment mix so that we can get a better sense of the margins on a segment basis?

Baba: Yes, but it will not help you. I will tell you why. In the same medical business, I may have components with high profit margins and components with relatively lower profit margins. It depends on the complexity of that particular component.

The segment is not the only driver, although it is a driver. There are segments such as automotive, which are price-sensitive and where the numbers could be under pressure. However, even in high-margin businesses, such as defense components, not all components have the same margin. It is one of the variables.

We have seen this earlier as well. That is why we do not generalize by saying that the medical business will always be more profitable. Broadly, I can say that, but just because the medical business has increased during the quarter, that does not mean that my margin will increase significantly. I may be making heavier components, because of which the margin may be at the same level as it was in the previous year or may even be lower. Therefore, that may not be a good way to model the margin. I think you should take the weighted-average number as it is and then work with it. That is what I would suggest.

Rajat Kataria – Share India Securities: Understood. And regarding FY25 margin guidance, could you tell us that?

Baba: We will definitely tell you in January what the number will be, broadly we—

Management: I would like to make one comment here. We compete in many verticals all over the world, and we have one single sales organization for all the verticals. Therefore, our SG&A, for [trails off]

KC: At the net level, the interest would be high. There is a combined figure, and our competitors do not know where we are making the real money. We would like to keep it that way. You really cannot go down to the product level to provide what you require. We go down to the contribution-margin and gross-margin levels, and allocate overheads for each vertical. This is not only difficult; it is also unrealistic because it puts us at a competitive disadvantage.

From my point of view—and I run the whole company across all the verticals and all the geographies—some level of opacity to competitors is important. We would therefore prefer not to divulge that publicly. I hope you understand. Hello?

Management: Yes, yes. That has been answered.

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Operator: Yes, participants. Let us take the queue. The next question comes from the line of M Suresh with Claire Investments Private Limited. Please go ahead.

M Suresh – Claire Investments Private Limited: Very good afternoon, sir. Thank you for the opportunity. My question is regarding inventory days, which have significantly increased to 41 days as of H1 FY27. What could this number be by the end of FY27 and in FY28?

Management: In reality, inventory days will be lower than what is indicated here because a conventional method is being used. We expect to compress it by about 75 days by the end of the year under the method we are currently using.

M Suresh – Claire Investments Private Limited: Okay, so 75 days is a drastic reduction.

Management: It will come down by 75 days. That is what I am saying.

M Suresh – Claire Investments Private Limited: By 75 days. Okay, okay. My second follow-up is, can we expect the year to close with a bottom line of around 900 crores?

Management: We gave guidance at the beginning of the year, but we will let you know in January. We gave guidance at the beginning of the year, and that will be updated in January.

M Suresh – Claire Investments Private Limited: Okay, okay. Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to management for closing remarks. Thank you, and over to you.

Management: I would like KC to give an idea about the inorganic opportunities he sees, following the last question. Since this was the last question, KC can give his comments. We are done with the Q&A segment. Tell me your views, sir. What are we looking at in the industrial scenario? What opportunities are we evaluating? KC, sir?

KC: [pause] In terms of inorganic acquisitions, we are currently looking at several companies. We started our M&A activity 4 years ago. It takes a lot of time for M&A activity to come to fruition, because the company you want is not available for sale, and the company that is available for sale is not the one you want. That is typically what happens all over the world.

Our target areas are in Europe. We want to make a strong entry into Europe with boots on the ground in the next 12–18 months. Boots on the ground means manufacturing in Europe for Europe, because that is what the entire world wants. They want Made in India for India, Made in America for America, and Made in Europe for Europe. That is what I expect to happen in the future. Of course, we will also export from India.

We are looking at companies in Europe in the supply chain for the gas turbine industry and for the vacuum-casting business, both in Europe and in Tirupati in India, to add to our business interests in Europe. We are looking at a few companies to acquire. They are not huge companies, in the range of perhaps 20 million, 30 million, 40 million, or 50 million dollars.

If we cannot acquire them—and there is a very good chance that we may not be able to—we are already preparing a plan to go organic in Europe. We can set up a start-up in Europe for Europe,

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and we are strong enough to do that, not only financially but operationally as well.

We have one of the strongest engineering teams in the world, in India as well as in San Antonio and Arizona. The acquisition program is focused on buying an MIM company in Europe, buying a vacuum-casting company in Europe, or buying a supplier to vacuum-casting companies in Europe, among other possibilities. That is one area we are looking at very actively.

We are actively evaluating companies and speaking to them as we speak to you right now, but I cannot give you a timeframe for when these transactions will or will not close. If they do not close, we will establish a greenfield operation in Europe. We have the capacity to do it, we have the market presence to do it, and we are the leader in the world. Nobody can even come close. Therefore, I have to plan for Europe.

In America, we are also looking at some companies. We have not spoken to them yet; our investment bankers are evaluating them. Perhaps in the middle of next year or early next year, I may be able to give some more guidance for both Europe and the United States.

In India, we are not planning any acquisitions because we are already present there. We are also looking at semi-to-use for MIM acquisitions, because we want to consolidate the market and gain pricing efficiencies in the future. I think this is the best I can say at this point. Bala, any addition? {? Jo-jo ?}

Management: Nothing, sir. That is what KC said. Do you expect inorganic opportunities to play a very significant role in the company's growth? This is the question for me.

KC: Given that organic growth will be excellent over the next 3, 4, or 5 years, our goal is to compound that value through inorganic growth acquisitions. There is also a whole concept of arbitrage in the future, in terms of our financial and operational strength and our ability to acquire companies abroad.

The idea is that there is a lot of advanced technology in Europe and the United States that will need to come to India for India to become like China in the future. Just as we brought MIM technology to India when it was at zero and it has now become a major technology, bringing it from America, in the future we do not have to reinvent the wheel in India. We can acquire a good company in Europe or America, bring its technology to India, and grow it in India. That way, we truly become a global company. Does that answer the question, sir?

Management: Yes, sir. Thank you, sir. That is fine from my side. Thank you. Thank you, Bala. Is there anything else, or shall we close the call now?

KC: Yes, I think so. Thank you for this.

Management: Okay, Ritesh, I think you can close the call. Everyone have a nice day.

Operator: Thank you so much. Ladies and gentlemen, on behalf...

KC: Bye. Thank you so much, everyone.

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Operator: Thank you so much, sir. Thank you all. I hope it was helpful. Thank you. Ladies and gentlemen, on behalf of INDO-MIM Ltd., that concludes this conference.

Operator: This concludes today's call. Thank you for joining us, and you may now disconnect your lines.

Management: Okay, sir.

Management: Bye.

Management: Bye-bye. Thank you all.

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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