

**Akshata**

So, like about 10% of our sales is coming from exports, nearly 10%. So, what is the starting point for this powder metallurgy?

**Jeet Gala**

So, you procure metals from outside? Yes.

**Vinay Chilakapati**

our starting material is any metal which is pure. Suppose for example, copper is there, get copper scrap, pure copper scrap.

So, is important for us because you know because our end applications are very critical. So, purity is very important.

For example, if it were a tin or a nickel or a cad or a zinc, these are metals which we buy ingots because we do not get pure metal.

So, what we need is basically metals which are pure, which can be melted. So, this is the third part portfolio.

Domestically all the raw materials but things like nickel core they are all important but we are currently buying it through traders so essentially important but we are buying it locally so unless we come into such big volumes where it makes sense to import directly so we are buying it locally.

Yes most of the metal parts whatever purchases we accept some very special metals which we import very rarely most of them are indian.

**Saritha Chilakapati**

Yes so every raw material is here not locally available.

**Jeet Gala**

And tungsten is I think you said it is a forward integration so for that particular segment I think the powder is the starting point.

**Vinay Chilakapati**

Yes powder we buy we do not make tungsten as of now maybe as the as our volumes catch up maybe we can look at making tungsten powder but for now we buy tungsten metal bottom okay yeah so so yeah can you go to the next slide please.

Yeah, so these are what you see here are defense applications basically you know spheres, what you see here is spheres, similarly you have cubes, cubes, we are actually talking to various defense companies both government and private you know private companies like solar explosives, economic explosives, of force, LNT, ICOM, these are all the various companies which are actually actively coming into this defense space and most of the defense applications need tungsten, hebalai one way or other.

So, fragments is the biggest application where the warheads are laced with tungsten, heavier like pre-fragments of various shapes and sizes.

But there are applications like what you see here is a no-stick, it sits on the nose of a missile or a torpedo.

essentially doing the penetration work and then what follows through is an explosive. So, there are so many applications and one of the other application is like radiation shielding.

So, one of the single in applications of radiation gamma radiation is of concentrate for example, gas operations are treated with radiation and all that right.

So, you need radiation. So, now to contain radiation need this material. So, you cannot carry radiation just like that because people who are carrying wicked radiation and then they will hurt themselves.

So, you need some material to actually contain it in a safe way. So, tungsten heavy alloy is a suitable material otherwise the computation is led.

But there are advantages with tungsten heavy alloy as the country rose richer if they would like to have advantages.

So, people are actually moving away from lead and then getting into tungsten heavy alloy. A lot of research is being done and a lot of products are

are coming up. Recently Britt Sistakansan of BRC Bombay actually launched the IR camera body for which we produced, we actually did a very critical component basically, is Navialoi.

First time in the world, you know otherwise they would have done it we are the first ones to do it in the country and developed by Britt.

Now the actual product also has been launched and only yesterday actually a tender which has been pending for three months has been closed you know where we were L1 and nobody there was a reverse auction and then nobody even tried to get close to us.

So what's happening is In our country, a lot of research has been done in the past 30 to 40 years, all that is actually culminating into useful products for the industry, for the society, large, medical and all those applications.

one of the key materials for all that is Tanzania, we are at the leading edge, a lot of type approvals, for example, aerospace, engineering would do a lot of type approval before, actually they will put it on their helicopter or light combat aircraft, we also do some special insulation pads for LCA aircraft or gauges and all those things.

So, it is a long battle, but it is almost like while we are since we are in pro-taxan area noise and see that entry barrier will be there for anybody who want to do a new thing also and one of the advantages is that today India is actually looking at exporting ammunition.

India is a big importer of arms and ammunition and suddenly India is turning to be an expert of ammunition like Pinaka, Akash and all those things.

So our internal consumption is one thing but the biggest potential is to export and we also supply to countries like Israel.

Israel is one of the biggest depends manufacturing country in the world and they use lot of trans-civil noise. So we also have been supplying a lot of stuff to Israel for the past five years.

So yeah we need to take it forward. are actively talking to some Middle Eastern country for the same pre-fragment.

on that for again a department of atomic energy basically for a collimation. So it goes into a product which essentially scans containers like your airport, your baggage is screened.

Similarly, a lot of containers come into the country through the three seaports and airports. So you are seemingly impossible to look through what's coming into the country.

So these are container scanning machines, basically India is the fourth country to develop a container scanning machine and the first machine it is successfully developed and we have done some critical parts for that what you see there is a qualimeter.

So it can actually collimate gamma rays which can penetrate 4 and mn6 steel sheet. So can you go to the next slide please?

**Jeet Gala**

So largely all of our products are, I mean specialty products I mean. Yes, yes, yes. We are not, we are, I told you no, are basic products.

**Vinay Chilakapati**

is what's coming into the country.

**Jeet Gala**

So, that's the basic thing.

**Vinay Chilakapati**

Otherwise, if an Indian or Indian organization is developing something, we are part of the development. For example, I was telling you about the IR camera.

The camera body we developed almost 10 years ago, or at least 9 years ago. only 3 months ago, they actually launched the final product.

But now, once you launch, it has to go through so many type approvals, like it has to be tested for various, you know, environment and then drop test and so many things, because we were actually dealing with gamma rays, which are very dangerous.

So, that's why it goes through a lot of testing and all that. But now the testing stage and all that is over.

in that only yesterday, the camera was, I mean, we participated in it 10 to 4 months ago and then we were told that, not told that we

that we were L1 there after the river's auction. So that happened only yesterday.

**Saritha Chilakapati**

So things are happening now.

**Vinay Chilakapati**

No, why it did not happen 10 years? So that's the R&D and product development and all those things. I was coming from, mean, you've done a lot of work over the last two decades and even in years.

Yes, exactly.

**Jeet Gala**

Exactly. But from numbers angle, we've not seen a big jump, right? mean, so three years back, we were at some 12 cruise of top line, right?

Now we are at 25 cruise of top line. Right. You can just not tell us more about how you're doing at the new facility of Sultan booth.

**Vinay Chilakapati**

So what happened in the recent past is actually, we used to operate from three places. The next one actually shows our factory city, you can show us the next slide.

**Saritha Chilakapati**

Yeah. Yeah. that's the new plant.

**Vinay Chilakapati**

So until about seven, eight months ago, were operating from places in the PH and Anselaria state for the past 20 years.

So, they have taken about 2 acres land and then we built up to build facilities. know, the red one, the red shirt, there is actually the metal powder and the green shirt is the Tanzania yellow on it.

So, lot of scope for expansion, there is there is there is place for one more shirt of solar size.

So, what happens is a lot of efficiency can be built into the thing because we are operating from three places.

know, some facilities like gas, oxygen and compressed air and all those things, we do not have to have three three things.

the same place you give the common facilities because they are all part of that energy and largely they consume hydrogen.

So, the hydrogen generation and distribution and all that happens more efficiently. So, that is also very important but not only that, you know, the most important thing is

that, you know, we are talking of world-class products, whenever somebody comes to our stall, every year we participate in three or four national exhibitions and conferences, so that used to be our only marketing effort.

So they are all thrilled about the kind of a product and technology and all that, but when they used to come here, they used to feel with a small company and all that, but how suddenly you can actually bring your customers with a lot of happiness, know, show them around the facility and, know, anything like a European company, almost to that standards, maybe not exactly, but yes.

But do we have any capacity over here, any capacity number that?

**Jeet Gala**

Oh, yes, yes.

**Vinay Chilakapati**

We are actually having a capacity of a metal power of about 50 tons, but only last month we touched 34 tons otherwise, most of our last two to three years we were at around 20-25 tons.

**Jeet Gala**

That 50 tons per month is the capacity. Per month, yes, yes, yes.

**Vinay Chilakapati**

But we can go to 100 tons per month in no time. That's our real strength, because we have the science and the engineering backed up.

So if we have to build up something, a large part of it is we have to get ourselves. So that's one of the key strengths, because these are all equipment, which are all very special equipment.

This is not like something who can, I mean, it's not like a lathe or a drilling machine where you simply go by something and do it.

These are all speciality equipment, and it requires a lot of knowledge to even make them and then operate them.

So this is not a proper metallurgy you said.

**Jeet Gala**

It's all powder metallurgy.

**Vinay Chilakapati**

all these activities come under the gamut of powder metallurgy. So one division make metal powders, and the other division make components from metal powders.

we don't manufacture those metal powders. is 50 tons per month and you said last month you close at 25 tons per month no no last month you close 34 tons so 34 tons 34 tons yeah so but otherwise largely we were around 20 to 25 tons for the past past two years so I'm telling you the ballpark number I mean for for example 25 tons per month will approximately give you what what kind of for top line that's a combination sir because you know we do several alloys so if so we don't do one single product and you can define that 20 tons means so and so so if you wear an iron based powder 20 tons probably give about 40 lots yeah that's it for the same 20 tons for copper will give me more than 20 crores but just a

ballpark number just for our understanding to understand you know what kind of we can tell an average number set the whatever average number used to be earlier what it is now we can tell that so for example 2.2 2.2 point five was our earlier from metal power

probably metal power is 2 to 2.2 crores per hour but last one can tell exactly how much we have done now.

**Saritha Chilakapati**

No that's what I say it's a combination so I think it is around 3 crores.

**Jeet Gala**

That is I think the order blue I think you mentioned right.

**Saritha Chilakapati**

Not just order but also so it's a combination of all orders that we have and so you know if it is an iron based one the airplane would be very less but it were a copper based one it would be quite high especially if I were to take advantage of it.

**Jeet Gala**

Average is about 3 crores roughly. We both and at 25 tons per month.

**Vinay Chilakapati**

No nonono. 25 tons we did about 2.2 crores and last month about 34 tons we did about 3 crores nearly 3 crores.

Understood. that's the big difference suddenly an increase of almost like 25 to 30 percent. Right and we can go to 100 percent number utilization but yeah let's go first.

**Saritha Chilakapati**

that's the objective. In fact, whatever order book that we have mentioned is just for the current market, especially, mean, you have to see it in division-wise, because both the different metrics are together.

We've done that talking about is of exclusively of the metal-powered edition. We have not spoken about the tungsten unit, the capacity now.

So that is totally, know, different from metal-powered. And of course, the timeline by execution for both the divisions are totally different.

Metal-powereders, we, it happened to operation cycles at the max is about 60 days. Okay. And what is the capacity number for tungsten heavy alloys and approximate?

**Vinay Chilakapati**

Tungsten heavy alloys, we can do about 2 to 2.5 tons. And then, but there is one more performance, which we can commission it provided there is enough water.

We can do almost like 5 tons a month. today, we are doing around 500 kilos, 500 to 600 kilos a

So, little, little, little less than, let us turn them on, so, but the main thing is, the marketing, marketing and product development, because these are all we can't hear you.

**Jeet Gala**

Hello, can you hear me?

**Vinay Chilakapati**

Yes, so what I was telling you is that our products actually go into making products of our customers, this is not like a, like a, like a grinding machine which is polishing their product or something like that, this is, this is a raw material, this is a raw material which goes into making critical products of our customers.

So they are very very careful about the suppliers and you know how they take suppliers on board. takes a lot of time but you know hand holding so many things.

And so you move to Sultanpur prior to IP right in January 2024.

**Jeet Gala**

Yes, yes, yes.

**Vinay Chilakapati**

What are the approximate project cost of this entire Sultanpur project including land?

**Jeet Gala**

I think we own the land right? Yes, it comes.

**Saritha Chilakapati**

It's which will support the production.

**Jeet Gala**

And so with with IPO money, what are we really doing? mean, you said you've already given an advance of 3, 4 crores, think in the last con call and you're sitting on some unutilized funds of some 10 to 10 crores additional.

**Saritha Chilakapati**

Yes, yes, yes we are for that matter. Yeah, so you know, most of it was actually taken, I think you've seen the RHP where the fund secilization for button capital and of course, to repair little bit of contact and of course a little bit of capex and of course, they should answer now.

**Vinay Chilakapati**

So, actually working capital, basically what we are doing is, we already have a lot of products and capability to produce, of course, some basic equipment, some small balance equipment, atomizer and all that is there.

But essentially, what we are doing is go and sell products which are already there. Of course, we continue to do new development and all that is already happening also happening back early.

But essentially, the main money goes into working capital and of course, some loads also be repaid. So, yeah, and approximate was

**Jeet Gala**

inhabitants like about being how many days. So for certain you want to say something yeah?

**Saritha Chilakapati**

Yeah, yeah for metropolitan the max is 60 days sir and 60 days we tend to realize the environment. For Thompson years it's a long gestation period because not just getting the order and of course we have inspections pre-inspecture post-inspecture and then it's mostly to the government entities the defense establishment.

So it's anywhere between now six to nine months.

**Vinay Chilakapati**

So we are also exporting to various countries right from New Zealand to America and Canada. So our focus will be largely on exports rather than Indian market also we are doing but we are largely focused on exports.

until now we have not participated in any inspirational exhibitions. So that is also one thing we will do in the next two or three years.

So, that is where we will see really some real big things happening.

**Saritha Chilakapati**

So, I would like to add that, know, so earlier we had limitations when it came to space, when it came to production, we had limitations in curating raw material because of black bonds.

So, now the strategy is, you know, of course, now we have a good marketing team which we have over always in the market.

Second thing is we are actually, you know, arranging an inventory in such a way that, you know, we do not say note when the customer has to go.

Earlier we had to, it was like made to all, rather now it is like the moment we receive an inquiry, are in a position to deliver it.

So, there is always a map going on every day like, know, which product would be able to move, which we will be not able to, and not just develop inventory now.

So, that is where most of our efforts and the funds are also going in.

**Jeet Gala**

And the map prior to Sultanpur, we were at what capacity, mean, by moving into Sultanpur, we increased our capacity by how much percentage.

Of course, net number would you have?



### **Vinay Chilakapati**

Yeah, that is what I just told you know about 30 to 40 percent increases, they are from 25 to 35 tons, but it will go up further, we have to reach 50 tons.

50 tons. But it is not about Sootanpur, Sootanpur is definitely important, but we think it is powerful. Understood.

### **Saritha Chilakapati**

There was another constraint also because we used to operate in three units and you know doing this kind of volume was not a practical thing when prior to Sootanpur, because you know we were scattered in three different places, the power was distributed, the manpower was distributed and most importantly, safety because we are dealing with high temperatures, not anything less than 800 degrees.

The least I would say is 800 degrees. So that is where you know we had limited ourselves by you know taking all set precautions at all points of time.

So that is one thing you know which you are very very comfortable now. So even if you want to say increase the capacity for 40 percent.

I don't think we'll think much now, so those were our constraints in fact, so I think we've crossed all those constraints and now with the free mind, we're just reaching out to the market and what market we have reached out to, we've not even scraped the surface of the market, I would say, because it's in a couple of thousands of dollars in fact.

### **Jeet Gala**

Actually, that's what a little disconnect, mean, while we have a lot of discovery, we've done a lot of one and we have very niche of product discovery that we've done over the last year, but how do we really capitalize on that particular opportunity, apart from working capital funding?

I mean, so do we have a top management bandwidth, you said, you've already gone towards someone for marketing, so prior to that, there was not a lot of direction towards marketing, for example.

So how do you take that advantage of probably growing your revenue, say, four, five times, for example? If fact or demand is there, I assume demand is always there, it's just up to the company to

So what are the constraints that the company really feels right now?

### **Vinay Chilakapati**

So well for the moment time is the only constraint otherwise there is nothing constraint because we have the team we have we are constantly strengthening the team both on both on the production front and marketing front but my daughter she is also coming and joining maybe in the next few days.

So she is a material science engineer studied from University of Illinois, Urbana-Champaign. So she has been working for some business analytics company now she thinks she should come back here and that is also a strength and you can look at the customers what we have you know H.A.L.I.M.I.E.E.E.R.I.O.

### **Jeet Gala**

Solar.

**Vinay Chilakapati**

is a very big company is actually going big economic explosive have you heard of economic explosive solar explosive not poor.

**Jeet Gala**

Yeah, yeah. So the very very big company.

**Vinay Chilakapati**

needs now seriously into a defence and all that. So, BDL, BDL, many actually. So, these are all very, very difficult names to have in your customer list and lot of exports also Adonan then customers in Japan, you know, customers in Netherlands.

So, yeah, the only thing is we have to go and sell. I think selling is the main thing. Of course, we need to, you know, make our production team, quality control.

We are working on, we are an ISO 9000 certified company, but we are also working on A standards because if you have to go to Boeing or Airbus and all that, we need to have A standards.

we are working on it probably in three, months. We should have that. So, we are taking a multi-pronged strategy, are going for solar, we are also, we are very aware of sustainability, circular economy, all these things, actually only day for yesterday, we finalized a 280 kilowatt solar plant, rooftop solar plant, right.

So, these are all going to definitely add to our bottom line, but most importantly, particularly if you have to sell in Europe and the USA, so they are more very critical about your environment to concern and all these things.

yeah, you know, little little piece, a little piece here, little piece there would, that was a complete mosaic, so that's where we are.

**Jeet Gala**

Sir, I think we are doing right now, 75% of powders and 25% of tungsten heavy rate. Yes, sir. And I am going forward, any particular focus area or is it going to the same ratio or is going to get into it towards tungsten?

**Saritha Chilakapati**

Oh, tungsten will definitely increase especially kind of inquiries that we have and the number of, I mean, we regularly participate in multiple tenders, but multiple platforms in these tenders.

It's not just gem, there are many other portals where our products are for an enquiry. And not just that, you know, what we've seen is the potential to export in tungsten.

Earlier, I mean, we've been in the tungsten space for more than 12 years. Initially, there was always a limitation where only the government establishment used to use them.

Then slowly, we found some private customers. And now the biggest difference we find is that we will be able to export to countries like South African countries or even the Southeast Asian countries like Malaysia and all, because our equipment has been...

certified by our government and it has been accepted by them. So that is where we see the potential. Very, very surprising this week itself when we receive the inquiry from Middle East, which we don't deal with Middle East, especially in the constant space, but that was a pleasant surprise for us as well.

So which means, know, it's opening up, market is opening up, they're open for caring for us and India is also talking about our admin member and all that.

So that is the sweet spot that we fall into. And of course, we traveled very recently to the West also.

There also we've noticed that this China plus one strategy is where, you know, we have to take advantage of.

So I think a replacement of most of the Chinese supplies, wherever possible, especially we have an edge when it comes to India, when it comes to a product which is technically savvy or know, technically has its own advantage when it is in the position of technical.

whatever our expertise is put into it.

#### **Jeet Gala**

So, that is where also we find a huge.

#### **Saritha Chilakapati**

So, we are very confident because, know, the markets have opened up and I think we've also seen there, I mean, probably we performed at a very low where, you know, we had limitations in many things, but now I think, you know, we're all set to get up for, you know, the world market as I just focus on Indian market.

#### **Jeet Gala**

So, how cost competitive are you in terms of say, you're talking about import substitution majorly. So, competitive, I mean, how is this for you as well as you compare it to other players?

#### **Vinay Chilakapati**

So, essentially, you know, cost competitive with the West, suppose if something is coming from Germany or America, definitely we are very well off, but when it comes from China, the challenges are there.

So, but we are covered by Indian policies like, nearby and you know that in none of the DPSC we should buy anything from our neighbors.

So, there is already a written statement is there. So, neighbors means read China not Pakistan or anything like that.

So, yeah, the VR component of India is a low cost manufacturing country and our key strength is that you know these technologies each technology if somebody has to set up you know it will be 100th of a project.

The government of India would set it up at 100th of all it doesn't know if you are like I am not even talking about mental powers.

So, our knowledge our engineering our skill and all that one of the skills is to make these current very very difficult technologies products have to net a low cost you know these are all really big.

So, competition is Plan C let's see start our Sanwe so leave a little on China China also huge companies.

China is not China is not not that it is something cheap, but theirtheirtheir capabilities are huge the knowledge base is huge.

So, for somebody in a small scale industry to even you know talk of these things is very very rare actually the kind of a technology is we are talking and you know kind of a customers in the kind of the applications we are doing they are all you know superlative.

And of course, to answer your question yes, we are the low cost manufacturing country and we are in MSME and our skill is to cut down capital cost to one tenth, which normally any corporate company would do.

So, we will continue to retain those skills and then that's how we will definitely be cost competitive.

### **Jeet Gala**

When can we also like you mentioned that you know you are also focusing on the bottom line when we can see improve this.

So, by when I mean so, what I am trying to gauge is that by when can we see such kind of improvements in your body.

like a which is very essential. Second, when we are speaking about say 50 tons per month, when are we looking at attaining that 50 tons, which would mark the next leg of your growth, moving towards 100.

And third thing when you, I think you mentioned that your constant powder, you can't get 2.5 tons, but you want a specific number in your volumes when that's when you will take it to five tons.

So I just want to know what is that number. So these three things broadly. So essentially everything is boiling down to marketing, existing products and new product development.

### **Vinay Chilakapati**

So some some are for example, the previous month, same number we did about we have to restrict yourself with numbers, we cannot reveal because we are not.

So, to give you an example from number to December, our metal powder sales grew by almost like 45 to 30 percent.

So 25 to 30 percent in one month, it doesn't happen just like that. And these are not all lot of things.

already happening, our effort is there. So, we have to go get orders and execute that is all. So, to give a date to it, yeah, we are working on it, we are looking at after the grower in the next one and after two years.

**Jeet Gala**

So, I think we are doing some 300 crores or per month, say for example, on powder metallurgy, so that will probably 3, 3 and half crores per month, for example.

Yeah, that will take you to say 35, 40 crores of right now, and annual run rate. Yes. Then, you add tungsten heavy, which can probably do another 15, 18 crores, is that?

Well, 10 to 12 crores, is that the?

**Saritha Chilakapati**

Yeah, between 10 to 12, because it is all dependent on many things. It is not like the private industry, where you can give a kind of a forecast, a short forecast.

And how much would be a margin on tungsten?

**Jeet Gala**

Tungsten is quite high now, it is quite high.

**Saritha Chilakapati**

It is quite high. Most of the amount of 25% of it. And this is bad margin, you are talking about that.

**Jeet Gala**

Yeah, I talking about that. And then powder metallurgy would be how much approximately? Power to metallurgy is between 10 to 12 percent.

**Saritha Chilakapati**

Into 12 and that is 25. Yeah.

**Jeet Gala**

That's a huge gap.

**Saritha Chilakapati**

that's the reason we still love Not See, not necessarily.

**Vinay Chilakapati**

We are actually looking at gas atomized powders and some very special stainless steel powders and all that. powders also will perform, you know, as the bottom line also will improve.

**Saritha Chilakapati**

Not just that when we do scale, things will vary. So we're not in scale where, you know, I'm talking about our current scenario.

Right. Things will change the moment we cross, we cross that 50 tons of numbers whenever it happens. as I'm pretty sure we'll see a better part and it'll always add to the bottom line.

**Vinay Chilakapati**

So, essentially we have all the departmental heads always all paid. So, if you have to take it from 25 to 50 tons, you need some, probably three, four working hands.

That's all. Which is, which is nothing.

**Jeet Gala**

Understood.

**Vinay Chilakapati**

So that's where, that's where you see bottom line improving and significantly.

**Jeet Gala**

And so lastly, mean, you spoke about gas atomizers, right now you put some 5 kg machine, right? 10 kilo, 10 kilo gas, what am I saying?

Yes, 10 kilo, yeah. So the thing is the kind of understanding that I am trying to develop, right now is you try to move from 3, 3 operating places to Sultan, both one year back, you raise capital funds from the market.

So what I assume is that probably while you have, say, 100 products under your umbrella, you will probably have those 2 to 3 products, which probably have a very big runway to which you already find the solution.

A market acceptance, product feasibility, which is where you are probably betting on. So, is there anything of that sort probably 2 3 areas where you are proposing the most?

**Vinay Chilakapati**

Yes, so essentially we are looking at stainless steels, are looking at some special coppers, and we are looking at additive manufacturing.

I say gas atomized, gas atomizer, gas atomized powder, so we are looking at additive manufacturing. So that is the one big thing which will catch up

in the future. Not necessarily, there are so many things, it's not one. So that's an opportunity and it's a problem too.

So what to drop and what to carry on? These are all management things, how we will evolve. Soso many things are happening, actually honestly in the last one one and a half year, suddenly things have gone crazy.

Soso many things are happening at all fronts. But yeah, that because we have been in the industry for 20 years, 45 years.

So we know how to handle the situation, we are bringing in senior people, you know, we are respected in the industry.

So people would like to join us, particularly after, you know, after the IPO, we have more people want to join us leaving bigger, bigger companies.

they say a great opportunity here. And of course we are Grounded, it's not that we are suddenly talking completely out of You know, saying we are very much grounded and yeah, we would we would like to take one day at a time Is lastly out of the capital race that you did off?

### **Jeet Gala**

think 34 Like on the capex part is only going to be three to five because not beyond that. No, it's 7.88 closer So it's been more than 20 or 7.88 Yeah, and what is the kind of asset done that usually and just the ball part number I am I agree that you know probably each of the division the divisions will speak about what you do if it's just a ball part number that they need if it can probably give you say 40 crores of top line The kind of benchmark that you have I'm sorry I couldn't hear you The asset turns if you're doing capex of say eight crores How much what kind of top line can you expect from that?

### **Saritha Chilakapati**

So in this eight crores the majority is going to this one now one is into an ill furnace which has mentioned about stainless steel powders.

The top line will increase like mostly double because it's specifically meant for iron based powders. The other one is gas atomized powders.

So there's a gas atomizer that is close to about three cores that goes into that and there's a all value added products.

So whatever we were talking about additive manufacturing or anything to do with surface coating and maybe the top line I am too early to talk about it but every bottom line will increase significantly.

It be much on par with the constant division and the other part of campus was used for the solar roofing which we had a finalised just two days ago.

So that's where majority of it went. A little bit went into building and all we still I get to complete the flooring and all for I mean the external flooring for the factory.

For the internal part most of it has been completed. So that's where the capex went into. When it comes in terms of sales, would say gas atomization and the furnace, annual furnace that we had bought will add the top line and the solar unit will add to the bottom line.

### **Jeet Gala**

So, you said a 100 crore target is by when, I mean in how many years you said?

### **Vinay Chilakapati**

But we should, we should touch it 100 crore at least the 100 rate in about 1 to 2 years.

Okay.

### **Jeet Gala**

And so just a ballpark, mean just a broad vision, mean a 530 vision, I mean where you see the company going forward and probably you will start seeing a capacity close or running out soon, right?

you know the couple of products. So, I mean what are the next plan and what is the step to beyond Sultan?

Like you said, there is one space for additional shed to come up and to understand the next leg of growth beyond what you already got.

### **Vinay Chilakapati**

So, essentially up to 100 crores, we don't need much actually, probably even a shed also we will not need whatever is there is good enough to touch 100 crores, but one the moment

We are touching 100 crores, we should probably start looking at 1000 crores, but by the time or understanding of the market and then you ask two questions, what are the two main things which will be your next future?

So we are also looking at materials like electronic materials and all that, but this is a very nascent stage to talk anything about that at the moment.

### **Saritha Chilakapati**

Not just that in the whole journey, I am sure we will come across so many projects and so many opportunities.

So we can always seize that because we are in such a privileged position right now that at least we could take the first more advantage and pass on.

So because our horizon has definitely increased and we should not want to grab the opportunity. So I think our senses are more wide now compared to before.

### **Vinay Chilakapati**

So what happened is actually in the last 20-25 years we have learned science, the engineering aspect of it, a little bit business aspect of it.

Now we are is to grow the business. with all that backed up the knowledge strength and all that, and then you are bringing some good qualified people, and of course, my daughter, she is also joining.

So, these are all good things that pull the IPO. So, money is not a constraint today. So, largely last five years, we cut up a standard, in fact, in the very beginning, you mentioned you kind of 12 to 25 years.

This is largely because of money. So, yeah, everything as a time, I think now we are at an opportune position, where we can really scale significantly.

And sir, in the last question, mean, is there a gap at the top level?

### **Jeet Gala**

mean, for example, like a quasi-CEU. mean, you seem to be a technocrat, you seem to be person who is running the R&D, you know, that's a technical guy.



Is there a missing link in form of someone who can drive business sales? Of course, already onboarded someone in the country, but just at the top level, just a quasi-CEU.

That's a very good question, actually.

**Vinay Chilakapati**

you have actually studied me very well, not that I hit business or anything like that, my interest is largely in product development and all that.

My brother, he is in Boston, he worked in also his life in a corporate setup at director level, he retired, or at least he took over a tree retirement.

So, he is actually helping the company come up with good business practices, lean manufacturing, trying to have complete data, availability and analytics and all that.

So, course, said it now, my daughter, we are all going to come, and one more thing, I believe that not today, not that we are right here, we always believe that we are only custodians, plus these.

Ultimately, the factory belongs to the country, So, I don't want to be an impediment when the company wants to grow.

I definitely don't want to be impediment. If at all, every point in time, I feel that some person has to be there to take care of it absolutely fine.

I can take an R&D position or any other position what suits the company. But yes, the company has to grow.

**Jeet Gala**

Right now, I mean, 100% of the time is into this particular company, right? mean, all don't have any other venture.

Yeah, absolutely nothing else.

**Vinay Chilakapati**

But all our lives we have been here.

**Saritha Chilakapati**

In fact, we are so handsful.

**Jeet Gala**

So handsful, so many things happening.

**Vinay Chilakapati**

don't think I can think of anything else actually.

**Jeet Gala**

Sorry, with 100% of the top line, approximate 50% blended pad can be assumed, right, on a conservative basis.

### **Saritha Chilakapati**

Yeah, 12 to 15 is a comfort And that is the base here and probably you will have more upside risk, mean if at all you know few products click faster than you know then what do you Yeah I mean the moment it crosses 50 so 50 crores over here, the combination of products, the mix will change and not just that we looking for value adder bonds not and not just value adder bonds, we are looking for a combination where after procurement also will increase are you know when you get it to volume the you know the best practice of the product.

### **Vinay Chilakapati**

All these years we have done some products for various reasons for an input substitute to learn or because we wanted to have a customer in our this thing and all those reasons all good reasons nothing wrong about it but probably didn't act for bottom line but today bottom line yeah I like to go back to when I do it, perfect

### **Jeet Gala**

And then you don't mind to do another capital raise, if at all there is an aggressive opportunity arises to you and you run short of the fund, accrual probably will take 5 years to come in with the kind of opportunities that you see today.

### **Vinay Chilakapati**

Have no problem, absolutely no problem, no issue at all but immediately I don't see anything but it can come tomorrow morning, suppose somebody says okay come on, send it up, so that's what it's so dynamic today, the whole you know our situation is so dynamic, every day we are getting some new enquiry, yeah we never know, yeah but we are open for growth so that's the bottom line, the bottom line is we are open for growth and what is the texture of our order book, I mean is it a sticky order book or it's going to be from the epic customer or it's going to be on and off, I mean you'll have to take a lot of time.

### **Saritha Chilakapati**

The same customer comes back, so you know we have an understanding of How much has been consumed by the customer and how much will it be?

So, our funnel is always saying ensure that it is filled. metal products, we are constantly reaching out to new customers, segments and new applications.

the way, it's a continuous thing.

### **Vinay Chilakapati**

Like I told you, these products are actually going into products of customers. So, it's extremely important, they don't suddenly change suppliers.

We have a Japanese customer who has been buying product, a small quantity from the past, maybe 14 years now.

**Saritha Chilakapati**

Or even more, can't remember exactly.

**Vinay Chilakapati**

these are products which, once people start to buy, they would not want to go away.

**Jeet Gala**

They have a problem, they will always talk to us.

**Vinay Chilakapati**

And we are feeling here to bend and change and all those nice things. So, not just a Japanese one, even the domestic ones also, it's not easy to switch.

**Saritha Chilakapati**

So, you know, we'll never have an overnight big bumper sales. Not really. have a kind of a windfall and suddenly we may not fall down to zero, that cannot happen at all in this industry.

Because you know they have so many tools which are linked to it, so many components linked to it, so many industries are linked to it, so the line of supply will not change overnight everywhere.

**Akshata**

Yeah, I just have one question, so I have made a couple of different names you just mentioned and you know we were also talking to them how big the export opportunity could probably be Europe after the Russia, Ukraine and even the Israel war that is taking place.

And so what we have heard from them is that there have been a lot of inquiries but nothing is getting translated into order, we also met solar, couple of different names.

So has anything changed over the last five, six months because ask feedback we got is that we do get inquiries but nothing is really translating into a final order.

So has anything changed in the last five, six months?

**Vinay Chilakapati**

Yeah, whatever you just said is actually true when you talk of somebody who is talking about hundreds of croats or thousands of croats.

But what we are talking was a trickle. See, you must be talking to barboards or economic exposives or L&T and all that.

They must, because difference is always a long cycle. But for us, we have so many applications and all those things.

So, separately we are seeing an upside definitely. But what you said is also right that one big thing comes for example, Pinaka.

Pinaka, I talk to Armenia, think, or something like that. So it has been talked about for the past one year now.

Yeah, I think even Akash too is really if I'm not wrong, they've been in talks for a very long time.

So, these are all deals which will take time, but once it comes, it comes like a third. So, and no, because we are not talking 1000 crores here, we are talking of 20-30-40.

for us it is fine, but somebody who is talking 1000 crores, are always waiting for that one big project, because difference is like that, but we are used to it now, we are used to it, that kind of all those things are used to it now, I hope I answered your question.

**Akshata**

Yeah, and you just mentioned that you take tungsten powder from somebody else, right, who would that be?

**Vinay Chilakapati**

I cannot give you names of those, yeah, but it is Indian, mostly Indian, very rarely, when some very special grades we imported by the always largely Indian, yes.

Oh, and oh.

**Akshata**

So, tungsten will also be a high working capital business, right? So, thinking... Long cycle, tungsten cycle is long, yes, but tungsten cycle is long.

So just thinking in terms of cash flows, right, like also the other question is that your margins would be like the powder margins would be linked to these metals that you take which has its own set of price cycles and I see that your inventory days are about 1.30, which means three times a year.

So, if there are any fluctuations in the price, then how do you pass that?

**Vinay Chilakapati**

So, all our pricing is based on, all our pricing is based on daily LME, our price is only valid for one day.

So, somebody, somebody wants, gives an inquiry today, LME multi-plus whatever value that I want to bear is how we call it.

So, we are always... by that of course but significant rise in metal prices we will have some impact on our working capital and probably as a percentage of bottom line but we are very secured in terms of the price fluctuations that happen in the markets.

And of the 13 crore debt that you have I think your net debt is around.

**Akshata**

We are a cash we are a debt free company.

**Vinay Chilakapati**

I don't think we have any debt.

**Akshata**

Those are previous value issues.

**Vinay Chilakapati**

Oh okay so of that you've raised now and then.

**Akshata**

Yeah because you must have been seeing the September data or the month.

**Saritha Chilakapati**

Yeah. No also the September 1 and it still says some 13 crores. Yeah exactly because issue happened only on September 18th we were listed.

So we just had 10 crores.

**Akshata**

So you're definitely right now. I'm not exactly because I'm not.

**Saritha Chilakapati**

They are the entire debt because the usage of funds were restricted for repaying loans. So, only the ones that we had declared we actually had.

You can talk nectar. Nectar. For the past I think one and a half months it is literally a debt free company.

Okay.

**Akshata**

Thank you. Yeah. Yeah.

**Jeet Gala**

That's it sir, I think we got a good understanding of the company, are doing some really wonderful work. Right.

was very, very hard to understand that just hoping, mean, there is this, there is, you know, come the time where a big opportunity comes to the company and you are, you know, ready to, you know, lap it with both the hands.

Yeah. If we invest and we really look for growth, I mean, because we usually don't want to come and just tag and enter, right.

So, we usually look for, you know, keep the action, you know, aggressive a company is, know. what kind of risk that you are willing to take to stretch your balance sheet instead of like that.

Yeah, we are here for growth.

**Vinay Chilakapati**

There's nothing else to do here. Right, right.

**Jeet Gala**

All right.

**Vinay Chilakapati**

Thank you. Thank you so much. Thank you so much.

**Jeet Gala**

Thank you.

**Vinay Chilakapati**

Thank you. Thank you very much.

**Saritha Chilakapati**

Thank you. Thank you.

**Jeet Gala**

you.

**Saritha Chilakapati**

you.

**Jeet Gala**

Thank Thank you.