



SKP Bearing Industries Limited

Previously known as : SKP Bearing Industries Pvt. Ltd. and also as SKP Bearing Industries
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To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Symbol: SKP, ISIN: INE0KZA01016

Subject: Transcripts of Earnings call conducted on June 03, 2025.

Dear Sir,

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and in continuation of intimation given by the Company on May 28, 2025 about the schedule of Conference Call, please find below the Transcript of the post results earnings conference call (H2 & FY25) held with the analysts on Tuesday, 3rd June, 2025 at 11.30 am IST.

This is for your information and records.

Thanking You.

For **SKP BEARING INDUSTRIES LIMITED**

SHRINAND KAMLAKAR PALSHIKAR
Managing Director, DIN: 08992832



SKP BEARING INDUSTRIES LIMITED

H2 & FY25

POST EARNINGS CONFERENCE CALL

June 03, 2025

Management Team

Mr. Shrinand K. Palshikar - Chairman & Managing Director
Ms. Shripada Patil - Chief Financial Officer & Director,
Business Development

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the H2 FY '25 Post Earnings Conference Call of SKP Bearing Industries Limited. Today, on the call from the management team we have with us, Mr. Shrinand Palshikar, Chairman & Managing Director, Ms. Sangita Palshikar, Executive Director and the management team. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management quickly run us through the presentation for the period ended 31st March, 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Shripada Patil:

Yes, Namaste and good morning to everyone. Myself, Shripada Patil, thank you for joining us today for SKP Bearing Industries Limited annual earning call for the financial year 2025. It's been a year of resilience, innovation, and strategic growth. We are excited to share our progress and achievements with you. As we navigate and evolve the market landscape, our commitment to excellence, sustainability, and customer satisfaction remains steadfast.

Today, we will provide insights into our financial performance, key milestones, and future outlook. We appreciate your continued trust and support and we're looking forward to an engaging discussion ahead. Next, please. Next slide, please. Just a brief to those who are new over here. SKP was founded in the year 1991 for rolling elements. A brief journey, we established in '91 followed by our renewable energy initiatives and expansion into balls, becoming a listed and then acquisition in France on 1st February 2024.

Some of the overview of our manufacturing plants, we have three plants here in India. Next, three windmills, wind divisions, two solar divisions, and one manufacturing plant in France. Next, please. Our Board of Directors, Mr. Shrinand Palshikar from production side, Ms. Sangita Palshikar from the finance side, Mr. Kishor Parikh from the financial side, and Mr. Rajeev Lokare from the technical side. Next.

Our management team. Next, a brief over here since many of you are interested in the French acquisition, we had acquired a 95 year old French company known as Valette & Gaurand Industries. It was the pioneer in rollers and balls at that time, mainly into ball. It was a

world leader in ball manufacturing. Some of the products, majority of the products are complementary and some are combined similar to what we are manufacturing in India considering the technological advantage we are now looking forward to improving our technology transfer in both Indian and French plants. Next.

Brief highlight on the capacity utilisations. In the roller plant, we have a installed capacity of around 1,320 tons and the utilisation is on an increasing trend. Similarly, for balls, the installed capacity was 480 tons. In this financial year, that is FY '25, we have installed and increased the capacity to 2,000 tons per annum, which will gradually come into utilisation.

The current figures of capacity utilisation are shown before plant with the installed capacity of 480 tons per annum. Next, please. A brief on the geographical revenue breakup, we can see the domestic and exports. Both have increased as compared to last year. Exports have substantially increased. Also, exports have increased. That's all. Next slide, please.

For some of our key strategies for a profitable business and how we are growing. One is we are offering tailor-made solutions to multiple customers. Also, we are having a technology transfer between India and French plants. So we are improving our operations as well as techniques. Also, we are leveraging our global footprint to convert that into global customers and global leads following the growth.

Next, please. Some of the key highlights of previous year, consolidated. We had ₹703 million revenue, also for which France contributed to ₹177 million. EBITDA of ₹110 million and consolidated revenue growth of 36%. Next, please. So the highlights of the income statement standalone, the EBITDA margin is at 35.3%, half yearly '25. Next, please. A consolidated, we can see a 36.1% growth. Next, please. Some of the key strengths as we have mentioned earlier, a stable manufacturing facility and basically extra synergies of both plants.

Next, please. For the previous year, a few highlights, we had started operations from our Plant 3. Also, the renewable energy of PM-KUSUM Yojana to megawatt plant, that too was installed in the previous year. For further detailing, I would invite our, MD, Mr. Shrinand Palshikar to please give a brief about the previous year and the way forward. I hand over the forum to sir.

Shrinand Palshikar: Yeah. Thank you, everyone. I see most of the people who are joined are, they are with us since very long period, and I know many of them personally. Okay. We met them. This year of '24-'25 has been a very transition year, a very big year for us to change from a local company to a multinational company.

We are trying very hard to establish our facilities in India, also in France, multiple direction approach. So that has taken a lot of efforts from our management team, because we have to focus on various areas. And now what we see is '25-'26 [Technical Difficulty] the fruits. What efforts we have been making for so many years, for so much time.

Now this is a time the fruits will start. Of course, we need to improve. We need to establish our new plant with the customer lines, customer satisfaction levels we have to get back and achieve to the newer heights. So these are the challenges for future, and this has been in the past. And, now what we see, a new levels of our targets, which we plan to achieve in year '25-'26, '26-'27 and this is what we have planned. Thank you.

Vinay Pandit: So shall we open the floor for Q&A?

Shripada Patil: Vinay, I will now hand over the forum to you.

Question-and-Answer Session

Moderator: Yeah. So all those who wish to ask a question may please raise their hand. In case you're unable to raise hand, you can put a question in the chat box, and we'll invite you to ask a question. Participants who want to ask a question may kindly raise their hand. We'll take the first question from Mulesh Savla. Mulesh, you can go ahead.

Mulesh Savla: Hi, good morning. And thanks for taking my question. I just wanted to request you to share a little more detail on our France subsidiary. Where are we in terms of bringing it back to routine? How is the traction with the customer? What is the likely top line that we can expect from this unit in financial year '26? And, how it is helping us to transfer some of the technologies and use those technologies in India? So that is my first question. Thank you.

Shrinand Palshikar: Thank you, Mulesh bhai. I would make this question also more elaborate to answer most of the questions which most of the investors got in mind. Okay, but this has been a very focused attention of our all

investors. We have done acquisition in Europe, which is a very, very challenging area. And out of which, France, which is a very highly, complex in human resources, a complex in the labour laws, applicable laws, also environmental laws, everything.

So one thing I would like to brief you, all my investors, yes, the acquisition has been a very tough acquisition, but we are now very fair and very good commanding positions now. Now my next, as Mulesh bhai asked, what is the potential? This is the basic question. What is the potential? This particular unit in 2010 was doing something like €16 million. I'm talking about 2010. That is almost 15 years back. This unit was doing something like between €15 million to €16 million at that time.

We have all the data of who was the customers. We have data as to what was the product line. We have all the data of everything. What was the product line? What was the products which were used by the customers? How we have lost those customers, to whom we have lost the customers, and what are the products which were supplied at a time. So we have all the data, all the informations. We have a customer context. We have all first customer context with all the customers of 2010. This is very important.

Now this is very critical product. One has to understand the criticality of our product. All our customers want the sustainability of SKP. This is a very important view from customer end. They cannot allow us to just get into, just we are manufacturing. We are the same company. We are now established. So we are there to serve. So they will not just take us as a vendor in their database.

They want to see if the sustainability of SKP is going to be there. One year, two year, maybe three years. So they wait and watch. Many customers, which we had a first contact, they are still not our customers, but we have the contacts, we talk to them. We just request their meetings, presence, with prior given presentations, how we are changing, how we are evolving. We are at very good work levels. We are recovering very fast.

So, our top line is shooting up like, good, we have good potentials for the years to come. But the bottom line, yes, we also have a very strategic to control the cost from all angles wherever it is possible. We have innovative approach. As SKP, we have a very flexible organisation. So wherever we want to a possibility of controlling the

cost. So what is very important for SKP France is to improve our top line and control our costs. So this is the strategy.

So we have a very good technological knowledge, which is available in France. And also, we have a very good technological knowledge available in India. So we are integrating two entities, India and France, and creating new solutions to our customers. So I think we have a very, very good future. I have answered all your questions, Mulesh bhai.

Mulesh Savla:

Yeah. But, can you also add some numbers to what you expect for the current financial year? Because now though you must have, approached all the past customers, and they must be having some sort of traction with the company. And some orders must have started flowing in. So if you can just give some colour on the top line that we can achieve and EBITDA margin that we can achieve. Or maybe your aspiration or your internal targets about the same?

Shrinand Palshikar:

Yes. That is what we can say. To what we are targeting, you must have seen our presentation, that we want to turn around in next year for '26-'27 for France entity. That is what our target is. It is already there in presentation and it's already uploaded on the NSE website. So that particular thing, you can see. That's the number one.

Number two, about the top line, yes, we have a very good target. Last year we did around something like around ₹1.8 million. This year, we have a target of achieving at least double. This is what is our target is, and we may be even better. We're not sure, because this is, for France, for European customers, we are just not even halfway to the calendar year. So they usually work on calendar year. So we have a very good potential.

All our customers initially, which were not there last year are coming back. So it's very, very interesting how fast, how they will trust us without seeing us. So it's very important. They are seeing us, they are saying that SKP is going to sustain, how we are performing. We have various challenges, not one challenge, various challenges. Financial challenges, I can give you one example.

For everything whatever we purchase in France 80%, 90%, we do on cash, because nobody knows us. SKP France is a very new company in France. So we came in existence in February. So even the bank, even the suppliers, they say we supply you, but we need a cash. We work on against pro forma, no credit, nothing.

So you can imagine the situations we have to manage all our finances. Even from India, we have to take and send some funds. Even if that, we have to go follow our RBI guideline, everything. That's okay. But, ultimately, it's the root and rules and regulation we need to follow. So with these all challenges, we are growing at such particular pace. And all cost, we are trying to control to the maximum level wherever as per the legal framework. So this is what is the strategy.

Mulesh Savla:

Nice. So we wish you all the best for that subsidiary also. And I just wanted to have small understanding on how the Plant 3 is ramping up and what can be our overall performance for FY '26? So maybe the growth in top line and EBITDA margin and all for '26?

Shrinand Palshikar:

Okay. Good question. See Plant 3 is now fully functional, number one. Number two, we have five lines fully working. The capacity of five lines will be calculate on theoretical side is close to around 200 tons. So whatever we have declared as to this is going to the capacity. So it's around 200 tons. So we are really close to the capacity what we were planning to establish. It is state-of-the-art. We are talking of next generations, which are where the technological all advantages we have tried to create in Indian situation. So we have all the best of technologies which is there.

Now the time is coming to demonstrate to our customers. We already approached all our customers where we were discussing about where we have potentially had identified that this is a capacity allocation to customer A, B, C, D. So we have identified all our customers. We have approached them. So now we are talking them to come, take sample, the evaluation, and the further process. So this is right now the focus and working on those, All my team is focusing and working on this particular line. So this is about the Plant 3.

Again, for the roller business also, again, we are expanding very fast. So we have a target to expand to similar level of 200 tons for the roller as well, but it is going to be stages because we have to ship the entire product line from a Plant 2, Plant 3. We have still not completed the entire shifting. So we are going to create new clients for a roller business also. So we have to do expansions in roller business also and ball where we are already established, we want to capture our customer orders as fast as possible. So these are the current ongoing strategy.

Mulesh Savla: Great. Just a follow-up on that. What would be the current capacity utilisation of those local plants? Plant 1, 2, and 3 in India. And what can be the projected capacity utilisation for financial year '26?

Shrinand Palshikar: If you just see the presentation, you must have seen roller capacities. We already at 89% around 90% levels, which is a fairly good levels. We have a good potential RFQs, which is like we are on hold or we are discussing because we know we even if we take those orders, we will be very, very difficult to serve them. So we are working on those debottlenecking solutions right now. So those capacities, we can expand to the next levels. It will not be 100 to 200 levels in one shot like what we did for ball, because ball was a total new plant. So all the establishment of new lines for there.

So what we are planning is a stage wise expansions, which is already going on. It's already are going. So roller capacities, which we are already at around 90%. And the ball plant, which is at the old level at 50% level. We are already expanded it in past many times to get to the new customers, the major OEMs.

It is very important that we have to have certain facilities, which has to be in meeting the global requirement. We have the facilities now. So now what is important is we reach to that particular level. We have a capacity of 200 tons. We were doing something like 30, 35 tons last year. We have to reach from 30, 35 levels to maybe 180, 190, 200 tons levels in this current financial year. This is what our target is.

How fast we could able to do it? We are trying our level best to reach to that particular level. But when exactly at times, it becomes very difficult to define the customer point of view. But this is we have to put our maximum efforts to reach to that level.

Mulesh Savla: Great. Wish you all the very best. Thank you so much from my side.

Moderator: Thank you, Mulesh. We'll take the next question from Rahil Dasani. Please go ahead.

Rahil Dasani: Yeah. Hi. Good afternoon.

Shrinand Palshikar: Yes, Rahil, all good. Thank you.

Rahil Dasani: Yes. First of all, thank you for the opportunity. So straight going to the France acquisition, I just wanted to expand more on it. So you gave two pointers. One, that the customers are shifting to us already, and

two, that it takes a long time. The other customers are taking a longer time. So if we can break this down, what's making them shift towards from their existing suppliers? What are we doing better? As I believe product wise, the existing supplier would also be sufficing their need.

Shrinand Palshikar: I already explained, Rahil. See, this is like sustainability. They just don't want to change from X to Y, just like some they are buying from someone, could be anyone. We know who they are buying from. We know. But they will just not shift just like that. Just like that. This is our like major critical application, so it's maybe pharmaceutical or automotive. So they just don't shift like that. SKP has to sustain prove to them. They will start with smaller volumes, then they will go to a larger volumes, larger volume.

But I have already explained the potential is, like what it was past 10 years, 15 years back. This is the potential. Yes. And we have the same infrastructure. Everything the same. We have more muscles, because we have an integrated solution available in India and France. We have a more sourcing powers compared to what it was. We are more flexible organisation, so we have everything availability. So but it will take some time for these customers to get shift from the present. They would also not like to go to directly, they were buying in past 100% from this particular organisation. They may not entertain us to 100% level. They may charge start with 10%, 20%, or whatever.

But over a period of time, we have to prove, and then we are hopeful that we'll be in a position to prove that.

Rahil Dasani: So that's what I'm trying to understand. I get your point that it will take time, and I fully agree with that. I'm trying to understand as to why will we go into that. Are we pricing our products cheaper? Is our precision better? Why would we replace those suppliers? That's what I'm asking.

Shrinand Palshikar: Yeah. That's again a very good question. But I'll answer you this thing. See globally for European manufacturing or other countries manufacturers, the sourcing hub is either India or China. Now the next question is how are we cost efficient in Europe? Two factors. One is the raw material cost, and second is value addition. Raw material, we know globally where to source the best pricing of raw material. We can source those. So we know, if it is manufactured in India, we know what is the raw material pricing in India. If it is manufactured in China, we know what is the raw material. So we have a global playing

field for raw material sourcing. So we know it'll same raw material pricing, we will be in a position to match.

We have to manufacture now in Europe with highest efficiencies, which we are efficient. We are on our highest efficiency levels. So now we are combining synergies. That is what I was trying to explain in my call. We combine synergies, so we do our sourcings at global level. So we try to control our cost of sourcing, and we optimise on efficiencies levels of Europe to combine thing number one. This is one side.

Second side, if any European manufacturer is supposed importing the similar product from anywhere other than Europe. They are subjected to certain duties and energy cost. So plus, they have another cost of transportations. Then another cost of risk. So all these combined together, there will be delta of around 22% to 23% global. So if you saw in Europe anywhere from other, there will be a delta of around this particular percent, plus the risk. We can work in Europe in just in time. We are working for some automotive customers in just in time solutions.

So this is the advantage we have. So we give them the cost competitive product. We give them good quality product, because we are having all the infrastructure in Europe. We give them just in time. We give them sustainable product. We are a European company, so we are sustainable. We are present next to them. They can just visit us maybe few hours flight or few hours' drive. So what is missing? Please tell me what is missing.

Rahil Dasani:

No. I guess there's nothing missing in the puzzle. I got your point. That was very helpful. So my next question is, like you said, we were doing 10 million to 15 million in 2010, '11. So point being that the asset base of the France entity is very old. So put that, first of all, is our product quality output stable from that unit? Are we getting that sort of a precision? And second of all, since the asset base is so old, would we be able to reach the same levels of 10 million, 15 million whenever we have that utilisation, of course, or would we need to spend more on upgrades or something?

Shrinand Palshikar:

Again, very good question, Rahil. First, I would like to answer about the asset quality. Very good quality. Very, very, very good quality. Of course, there is upgrade needed at some particular point and some positions. We are doing that. So we are working on upgrade because we know globally what is the new technological levels which we have

available. So those upgrades, we already started doing it since last year. We are just not getting customer back just like that. They know. They visited us. They see, okay.

This is the changes which SKP is doing. So all these changes, what we are doing, we are showcasing our customers, showing to them that SKP is not the previous management or previous thing, so we are different. So we are showcasing them the product, which is a far more superior.

Now your question about technologically, we produce certain qualities which is almost impossible by global manufacturers. I can tell you this, because I know there was a customer that's a very, very interesting story. There is a customer. He is supplying to such a critical application. They cannot risk the product quality. Such a critical application. Please understand. Mind my word. Very critical. I will not tell the name of the customer. I'll not tell that application. But such a critical application, I think in their one particular assembly, six or seven of our ball goes, when the customer had come to our place to meet us, it's very initial stage.

They had explained to us that one particular assembly of theirs where our six or seven of product are going holds the weight of one Mercedes Benz bearings truck.

This is the weight their assembly has to hold and this is such a critical requirement and they said when this particular company was in problem, we had to look for the supplies globally. They are global players. They have plants in many, many, global locations. So they say that we went looking for the suppliers globally.

Now when I say globally, it's global. With India, China, USA, everywhere. They say we had to modify our drawing because the customer is not in position to do that particular quality levels. And when we heard the news last year, so we were very happy. Okay, this company is going to survive and going to be there. So they had come, visited us, explained to us the criticality of the product, and when they say that, okay. Technological everything available with the new muscles and with new solutions, and we are there to serve you. So they're very happy. They are still our customers, and we are adding many, many more customers like this.

Many, many more customers. I can just name one of the, very, very prominent customers, which is in this particular business, I'll not name

the customers, but they'll come us. They've met us. They said, okay. We would like to see whether you would still exist in the same or you just import from India or China and sell here. Just want to use the name. I said, no. We are a manufacturer. We have a manufacturer entity in Europe. We are here. Please visit us. And whenever we say to our customer, we say please visit us. We will show you and give you more options. If you want to source with India raw material, no problem. With China raw material, no problem. You want a European raw material, no problem. It's you who decide what do you want. So this is the thing which we provide.

Rahil Dasani: Understood, I got my answer. That was again very detailed and very helpful. My next question is on standalone basis. I see our numbers are flat. I understand in rollers, our capacity is almost fully utilised. And also, there was an issue in the heating line, which I assume is solid now. But what about the balls unit? I believe they are at still at 50% utilisation, and last year also, they were at 49%. So why didn't that scale up?

Shrinand Palshikar: I have explained, this particular thing in my previous calls, but I'll repeat again. We are reached to a one level. These are customers for this particular level. Now when we want to capture, major OEMs, I cannot capture with this particular level of my infrastructure. Simple. I have to have an infrastructure of a different level to get those customers to my kitty. So that's what we have done now. We have approached all our risk customers. We have told them, we are ready for you to receive you. Please visit us. Do all validation, trials, whatever you want, we have. So this is the work right now going on.

Rahil Dasani: Understood. That would be all for me. Again, it's a pleasure talking to you as always. This was very helpful. Thank you.

Shrinand Palshikar: Thank you.

Moderator: Thank you, Rahil. We'll take the next question from Ashwani Agarwal. Please go ahead.

Ashwani Agarwal: As a new investor to your company, I'm actually looking to better understand the long-term picture with respect to our French acquisition. I appreciate that, yes, the company is currently navigating some challenges, and, yes, the full benefits of the acquisition will take time to materialise. But can you please provide some detail on, I mean the thought behind the acquisition, the overall opportunity which it presents and what was the strategic thinking behind it. If you can

explain this using some figures or some key capacity figures or anything, that would be very helpful.

Shrinand Palshikar: First, this is a very strategic acquisition. The basic motive behind this particular acquisition was to capture our new customers. Number one. Number two, in from SKP from India, we were supplying to European customers in past. We lost those business because of duties, because of the risk, because of the cost which I already explained to you in the current call, then that we have a delta of around 22%, 23% maybe even more if you take the risks, into account.

So those customers we lost for them, when we have to approach them, when we have a European entity manufacturing with the same approval like say, it's SKP. Ultimately, it's SKP. It's much we are already at one particular level, so it's very easy to get those customers back in our kitty from those locations so we can get the lost business, number one.

We can get the new customer lines globally. So we can serve globally all these customers. So we offer them next, we offer them two sites, India site and the European site. So two sites for them for global customers. So another risk mitigation. So these are the strategies, long-term strategies, not short term strategies.

You cannot get results in short term in one year, maybe two years for such type of acquisitions because these are long, and these are very big business applications like business, very big business. So it takes little time, little more patience. It need to be there, and it's a complex technical product. It's not a product of go buy across the table like that. It's a pure technical product. I hope I answered your question, Ashwani.

Moderator: Thanks. Now we'll move on to the next participant. We'll take the next question from Pankit Shah. Please go ahead.

Pankit Shah: Yeah. Hello, good afternoon.

Shrinand Palshikar: Good afternoon.

Pankit Shah: I just wanted to know regarding our domestic operation, regarding our Plant 3. I believe that, we have been trying to tie up with new customers for regular supply. Just wanted to know how many new customers have we tied up for this plant, and how much capacity is currently tied up and what is the status for that?

Shrinand Palshikar: Okay. I have already explained to you that we have already identified for our capacity, which is around 200 tons. We already have identified. We have a customer A, B, C, D, these are the customers. Their requirement all everything laid down. We already approached them and informed them that our plant is commissioned. Do all the next levels of approvals and procedures.

So this everything is going on right now. Everything is going on right now. Please understand one thing. These are the technical products. All the customers take some time for a plant approvals, because it's automotive. Majority, it is automotive bearing and these type of applications. So they take some time of validity and approvals. But more or less, we have clearly identified...

Moderator: Shrinand, I think your voice is not clear.

Pankit Shah: Yeah. I also cannot hear the voice.

Shrinand Palshikar: Yeah. I'm okay. I'm perfect. Can you see me?

Moderator: Actually, we were not able to hear your voice.

Shrinand Palshikar: Okay. Actually, all our capacities, sizes, volumes, everything is identified. It is linked to all our customers. We already approached them, and we are in the next processes of due diligence in this process.

Pankit Shah: So they do have requirements, and they are willing to buy from us, but it is just a matter of validation and approval that is what is going on. Is it what you are trying to say?

Shrinand Palshikar: Yeah. Even in some customer, even the commercials are settled.

Pankit Shah: So, with your base judgment, how much time I mean, can we expect at least 30% to 50% capacity utilisation for this new plant in this financial year?

Shrinand Palshikar: I'm trying at least 50% utilisation for this financial year for new plant.

Pankit Shah: Great, yeah, that was only the question I had. Thanks a lot for this opportunity.

Moderator: Thank you, Pankit. We'll take couple of questions from the chat. One of the questions is, what is our company's long-term vision? I

remember from the last call that we have a vision for expanding revenue from 50 to 100, 100 to 200. Can you share the updated vision which the company has for the next two, three years?

Shrinand Palshikar: This is a long-term vision. We have to have on consolidation level, the capacities utilisation, and the revenue figures of something like this. Our top line and also our bottom line is going to be because we have all our major expansions which were there in our CapEx. We have already converted to our assets base. Now it's our time to start utilising them. So this is a very, very clear focus.

We have a very less, the cost of finance, the very less exposures. So I think long-term is the top line of what we have projected. We want to grow and grow at a very good pace on consolidation level. And, also, we want because of the [Technical Difficulty] consolidation level facing the time to come.

Moderator: I think we lost you for a second.

Shrinand Palshikar: At consolidation level, we plan to grow at much larger pace.

Moderator: Okay. So this question was from Srinivasan V. Another question from Srinivasan V is, can you explain where our margins are better in roller or balls?

Shrinand Palshikar: I had been getting this particular questions for maybe since the day we listed. See the margins, yes, global margins, you have to be is always people know that rollers being complex product, they got more margins compared to balls. But our approach is little different. We want to have a good margins even in ball with very high level of productivity. Technologically, these all technological things we are getting from France because they are of very high level of productivity. Those productivity levels are almost unmatched on a global level.

People have copied from that entity to other countries to have that level. So we want to be more productive and more cost efficient. So have a very good margins overall. You must have seen, if you take at a standalone level, we had been performing almost the same our margin levels almost same margin levels. But, yes, ball margins are little tight compared to roller margins.

Moderator: Okay, he further asked that what are the products that will be manufactured in France unit?

- Shrinand Palshikar:** It's a more same product lines. The product line is the same, but the applications are different. They are more in pharma, more in cosmetics, more in automotive complex, more in INOX.
- Moderator:** Okay. Thank you. We'll take the next question from Gaurav Singh. Please go ahead.
- Gaurav Singh:** Thank you so much for the opportunity. I had a couple of questions on the France entity. What's the monthly base bid or operational cost, that you're incurring in France as of now, and what was it, at the time of acquisition?
- Shrinand Palshikar:** Gauravji, you must have seen in the past when we had done acquisition, we had given a disclosure as to what was our acquisition cost. So that was the cost of our acquisition was the cost of employment, the employee's cost because which we have taken all the employees.
- So, also current year, you must have seen our cost of employees very high. Cost of employees is very high. So out of these costs, many of the cost are onetime cost. It's already there in our financials. The people who have studied our financial in deep. We have tried to mention somewhere. I'm not sure where, but we are trying to mention that many of our employee costs are onetime costs.
- Gaurav Singh:** Post this one-time, what's the monthly wage bill now?
- Shrinand Palshikar:** See, France, the minimum wages are close to around €3,000 per person, so including the social is because the social is very high in Europe.
- Gaurav Singh:** For the company, what's the total employee cost now going forward, monthly basis? I just want to understand that what level of revenues will we breakeven.
- Shrinand Palshikar:** We project to do this particular turnaround, next year.
- Gaurav Singh:** What kind of revenues, would it take for you to breakeven next year?
- Shrinand Palshikar:** Between ₹4 million to ₹5 million.
- Gaurav Singh:** Okay. And you're targeting ₹4 million in this year, ₹3.8 million to ₹4 million. So a question on the domestic side of the things. There have

been no doubts about your cost optimisation skills, but for the last couple of years, we haven't been able to scale up our revenues. They've been flat for a variety of reasons, including the project, which has itself taken a long time to come on board. So, given that now it's end of the road on the CapEx front, how fast can we scale up our revenues? We've all been patient investors.

So over the next couple of years, how do you see this scale up happening? We understand that you're, I mean trying to onboard customers for balls plant. But, where are we exactly from a revenue perspective, and what kind of revenues do we expect on standalone business at least this year and the next?

Shrinand Palshikar:

Very, very complex question. Looks very easy, very, very simple, but a very complex. Yes, for the roller. We already at very high operating level currently. We are like, stuck. So now when we have to go to scale to the next level, we have to do scale up of certain debottlenecking operations. Now we have those who have visited us, they know that we have almost no space in our current plan to do that particular thing. So ball was occupying some particular space. Now we have shifted that particular space.

We are shifting this particular this process is on right now. So this particular thing is going on. So we are already working on new, debottlenecking of certain operations so that we can increase our customer, what you call is. We can get more customer volumes for this particular roller business. So we are already working on that. We are already working on this particular CapEx on this particular lines. Now, How much this year? A very complex question to be answered.

Really, we want to do the best possible because we know the potential. It's not like that we don't know the potential because we know the potential that this is the thing we are not in a position to do. So some customers where we know, they've already come us, audited us, already everything is clear. Okay. You do this, this investment and we want to start business with you.

This is a level we already reached. Now and the level of quality level, consistency level, the operations level, SKP is one of the top for rolling element. So now how fast do we encash at this particular customer confidence? This is our focus right now. We are already working. It's not like we are laying our stone. My people are working like anything. But, some things are taking more time than expected.

But we are working for the top line to grow. How much it will go this year? Of course, it's going to grow. Just going to grow good.

But how much number we have -- even if I target something, we are not in a position to do that particular number. People investors will say, okay. You said something, and then you are not positioned to do it. We are projecting a very good number for this year also. But how much we are in a position to capture to particular level? We don't want to leave any of our less efforts. Not because of efforts, but the circumstances. So we are focusing on our efforts. Circumstances will lead in his hand.

Moderator: Sorry, Gaurav. May I request you to rejoin the queue, please?

Gaurav Singh: Sure.

Moderator: Yeah. We'll take a question from the chat from Jaydeep Merchant. He's asking that in H2, we have zero raw material cost in France, and operating expenses are also down from ₹6 crores to ₹2.4 crores. So is it correct to assume that the plant is running at low utilisation?

Shrinand Palshikar: No. It's not zero. I'm not sure as to why this particular question has come up. It's not zero, but it's less because we had a lot of raw material inventories. We are converting those all inventories to supplies. And what about the second question?

Moderator: Operating expenses are also down from ₹6 crores to ₹2.4 crores?

Shrinand Palshikar: I think there's something wrong with some figures where from these are coming. But the operating cost for the full financial year, I'm not sure as to, because there are a lot of one-time cost in H1 compared to which is not there in H2. So it could be because of that comparison, there will be some bigger difference.

Moderator: Okay.

Moderator: His next question is, we have seen a sharp jump in employee cost in France in H2. What is this related to? And have we done any rationalisation of workforce over there?

Shrinand Palshikar: Yes. Both are interlinked questions. So the answer is interlinked. The question itself is answering it. Yes, because of our cost controlling, we have been working on economic dismissal. So we have tried to control our employee cost. So when we do this particular type of activity, you

need to pay to the employees for the dismissal. So these are the one-time cost.

Moderator: And have we seen any unrest in France amongst the employees on account of this process?

Shrinand Palshikar: We are trying to control our cost. So which was a very, very clear drive. We want to do all our cost controls, which is not as per legal requirement. So which is not legal. So we were trying to control. This is the cost which is not acceptable. So that some of the cost which we try to control, some employees didn't like it. Okay. So they protest it, but it's okay. We resolved it. It's just, yes, there was two or three days of strike. And in France, I'll tell you one more thing. Strike is very common. Even the railways are on strike. Today, they will decide. Tomorrow, we are going on strike.

Moderator: Right. I'll skip other questions which have already been answered in the call. His next question is on the India business. Have you seen any success in export markets in getting new OEM clients?

Shrinand Palshikar: Yes. Good success. But the problem is, we have a limited bread as on date. So if we have to eat all the bread, we need to have the ample of a big plate to eat that bread. I hope I am explaining this very right manner. So we have a very limited capacities right now. We have a good huge requirement from customers, but to capture to that levels, we have to do a lot of working for debottlenecking on certain operations. Right now, we are all working on those lines right now.

Moderator: His next question is, as the new plant will have more ball, and when this ramps up, will we see margins moderating down?

Shrinand Palshikar: New plant is exclusive, a chrome steel plant. Yes. One question is answered. Second question is the margins moderating. I've already replied this particular question in my previous that margins is how do you control your top line and how do you control your bottom line, your cost. So we are trying to do our level best to control our cost. So the margins, we try to sustain. Let us see. We are trying to work on that particular thing.

Moderator: And his last question is, can you talk more about outsourcing opportunities of rollers by bearing companies?

Shrinand Palshikar: We are doing that particular thing.

- Moderator:** No. He's trying to understand the opportunity.
- Shrinand Palshikar:** See, all bearing companies don't make any rolling elements. You take all the bearing companies, top five, top 10, nobody makes it. Now these all bearing companies has to source their rolling elements requirement for some. So for rollers as well as for balls. So these are already directly or indirectly our customers. We are already supplying to them, but some of the bearing companies are importing for them. So we are focusing on them, more vigorously, more focused as to we need to convert that particular requirement that which we are importing to our domestic. So this is what we're working.
- Moderator:** Sure. We'll go back to the next participant, Samarth. Samarth, you can go ahead.
- Samarth Ashok:** The post CapEx, we were going to have 200 ton roller capacity and 200 ton ball capacity per month?
- Shrinand Palshikar:** Balls, yes. For rollers, now we'll start we are already working on it. I already explained.
- Samarth Ashok:** Okay. And this when we are going to expand the roller capacity, we were targeting the new applications like windmill, railways, and that. So do we have to undergo a large client approval for the facilities in India? Or so will it take more time to scale this up?
- Shrinand Palshikar:** See these are all ongoing activities. See client approvals, because we already have a manufacturing plant. Everything is running. Maybe capacities is not allocable is, we cannot allocate the capacity, but we are already discussing. So with this product validation, sample submissions, approvals, these are processes already on. There's nothing is like it's not like, you do this and then you approach. So we already approached. I already explained that I feel this that I cannot capture the particular customer's requirement to that particular level, even though customer wants to get to allocate. So this is, we are holding certain processes. We are bottlenecking right now. So we are working on that particular to debottleneck for the roller.
- Samarth Ashok:** Got it. And as far as, like you had mentioned also that when you are in the balls that the bearing companies buy, it is largely outsourced. But in case with needles, pins, and rollers, there is still lot of in-house manufacturing that the companies are doing. So any timeline that you can share that this will gradually increase more and more to efficient players like you? Can you talk about more on that?

Shrinand Palshikar: See, from SKP side, our focus is to convert customer's requirement to SKP. We have to drive, we have to go on approaching the customers, work on that particular thing for all the necessary processes of validation and approvals. So this is already ongoing process. But you please understand, even if there is a requirement, we cannot just go and talk to customer. You give us your requirement, and then we are not in a position to serve the customer. We don't believe in that.

We believe in 100% customer satisfaction. It has to be in terms of quality, in terms of delivery, in terms of cost, everything. So we don't want to just add the customer for sake of adding the customer and then create an unhappy customer. We don't believe in that. So we don't want to lose any customers, and we have never lost in past any customer.

Samarth Ashok: Got it. And in any of past call, you had even said there are some customers in U.S. and India, which VGI was doing earlier. We'll try to move it more towards the India factory. So any success in that?

Shrinand Palshikar: We are working.

Samarth Ashok: Okay. And as balls go up in a percentage of turnover, and this year probably will have a higher turnover from the balls segment, and balls historically have a lower margin compared to what we do in rollers. So do you see this the margins in India also moderating this year going forward, because of the product mix solely?

Shrinand Palshikar: See, again, same question is being repeated now. See, the margins, again is a top line and the cost. We want to see that, we want to ensure we sustain. This is our focus.

Samarth Ashok: Got it. And in France, we have a 5 billion ball capacity, ₹70 crore roller capacity, and roller as we know is more labour intensive operation. So I mean in long-term can we move this roller business completely in India? Any or we will still stick to France?

Shrinand Palshikar: See, please understand the technology even we had to learn many, many things from SKP France. Many, many things. Even though we are in existence since so many years, still when we acquired, we found so many scope of learning from that particular entity. Please understand. So please don't consider that they are inefficient. They are highly efficient with so lesser manpower. Also, they are doing this

much of turnover. So, their advantage, their knowledge, they are on different level. So there's so many things to learn from them.

And, of course, we have also over a period of time developed certain very good positive and technological trends. So this is a technology transfer. So this is what is we are doing that integration.

Samarth Ashok: Any investments we have to do in France? That is my last question.

Shrinand Palshikar: I've already told in my call even now or so. We are doing this particular, because with that only the customers are coming back.

Samarth Ashok: Got it.

Moderator: Thank you, Samarth. We take the next question from Pankit Shah. Pankit, you can go ahead.

Pankit Shah: Yeah. Thanks for the follow-up. Last time, we discussed about the one new product. You mentioned that you were working on some new product for different application, for different, I think different target customers. So can you just share what is the development for that?

Shrinand Palshikar: Please, you need to be more elaborate, because so many products we have already developed and so many products have already clicked. But if you have that more elaborate, probably...

Pankit Shah: I believe for windmill, I guess, for any windmill application, we were developing something.

Shrinand Palshikar: I'm really not sure for so many, because we have so many applications focused we were working. Some applications are already clicked. Already that business is converted. For some applications, still we are at some particular stage. So that is valued for the value-added product. See, our focus is very clear. You have to have value-added product services to our customer. You have to have diverse of portfolio. So we are working on all the fronts simultaneously.

Pankit Shah: I mean apart from balls and rollers, are we currently working on any new product development?

Shrinand Palshikar: That's what I just now I said.

Pankit Shah: Okay. No issues. I'll try to find out right now in which call we discussed it, and I'll get in touch with you later.

Shrinand Palshikar: No problem. Send us a specific...

Pankit Shah: Yeah. Sure. Thanks a lot.

Moderator: We'll take Gaurav Singh as the last question for the day. Gaurav, you can go ahead.

Gaurav Singh: After revenues that you had last year, how much came from renewable energy?

Shrinand Palshikar: Percentage?

Moderator: Absolute.

Shrinand Palshikar: Absolute terms?

Gaurav Singh: Absolute revenue.

Shrinand Palshikar: I'll have to check the figure.

Gaurav Singh: Broadly I'm asking.

Shrinand Palshikar: Because for '24-'25?

Gaurav Singh: Yes.

Shrinand Palshikar: '24-'25, we should be, anybody from my team, Sameer?

Shripada Patil: Yeah. Renewable energy comprises 5% of revenue.

Gaurav Singh: ₹2.5 crores last year we spoke. 5% of standalone or 5% of consolidation?

Shripada Patil: Yes. Standalone.

Gaurav Singh: Standalone. Okay. Understood. And just one final question. I understand you are in active discussions with your clients for your new balls capacity. Wherever you are in those conversations, do you expect by the end of this year, so March FY '26, and on a monthly basis, will you be able to get to 80% to 90% capacity utilisation? Exit rate, I'm asking. So in March '26, will you be able to you still have a good amount of time till then? I am trying to understand how does this

scale up. So in the month of March, last month of this year, will you be able to get to 80%, 90%, 100% capacity utilisation?

Shrinand Palshikar: Gaurav, I would like to answer this question very straight and blank. I have five lines of full operational. Everything operational. I get a customer approval. I get a customer not commercially clear, everything clear, everything clear. I have a raw material available at my doorstep. Please understand. Raw material availability at my doorstep. I have a infrastructure available at my step. I have a customer acceptance at my doorstep. Customer says, okay, today is 2nd of June. I give you a LOI for month of July. 200 tons, right? This is the readiness of our plan. 200 tons LOI for July. I think we should be in a position to do something like between 150 to 180 tons in July.

Gaurav Singh: In actual July?

Shrinand Palshikar: July. We are in June. July, next month. I have a LOI. I have a confirmation. I have a purchase order from my customers for quality acceptance, facility acceptance, everything agreeing a go from a customer that I give you order for 200 tons. Please start supplying for this product lines. My infrastructure is ready to accept anywhere between 150 to 180 tons. May not be 200 tons, but between 150 to 180 tons for July next month.

So my side is I have made very clear. We should be ready to receive if your hotel is not ready, how you can get the guest? If your hotel is not ready, you cannot ask a guest. I have a five star hotel. Please come see my photographs. See and book your room. You can say, okay. I'll see when your hotel is ready. Something like that.

So I have my focus very clear was to make the infrastructure, and I know what is world class requirements. I cannot give a facility of quality equipments, two step or three step or four step lower compared to what my current customer is buying. I have to give him something which is one notch higher. And these are technological products. Please understand.

Gaurav Singh: Thank you so much.

Moderator: Thank you, Gaurav. ~~Shrinand, that~~ Shrinand that was the last question for the day. Would you like to give any closing comments?

Shrinand Palshikar: First, I would like to thank you, everyone, all my investors who believe in SKP, and their trust in SKP. We are available anytime.

People who have visited us also, they all seen. And so I would invite anyone who has got any questions, they would like to visit us or to meet us. We are available.

Also, we are available in France, because some of my team members are already traveling to France on a regular basis. Somebody would be available. We are very close to Switzerland. We're just 200 kilometres, two hours' drive from Switzerland. So we are like Switzerland. It's a beautiful place. So we also invite, any of our investors. If ~~They~~they are in that particular site. They are invited to visit us and meet us. Thank you very much.

Vinay Pandit:

Thank you. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. Thank you so much.

Shrinand Palshikar:

Thank you.