



KILBURN ENGINEERING LTD.

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14th February, 2025

To
The Corporate Relationship Department
BSE Limited
P.J. Tower
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: BSE 522101

To,
The Secretary
The Calcutta Stock Exchange Ltd.,
7 , Lyons Range,
Kolkata – 700 001
Scrip Code: CSE 21022

Sub: Transcript of earnings conference call on the unaudited Financial Results for the third quarter and nine months ended 31st December, 2024

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith transcript of the earnings conference call held on 12th February, 2025 to discuss the unaudited financial results of the Company for the third quarter and nine months ended 31st December, 2024.

Yours faithfully,

For **Kilburn Engineering Limited**

Arvind Bajoria
Company Secretary & DGM (Costing)

Encl : A/a



KILBURN ENGINEERING LIMITED

Q3 & 9M FY25

POST EARNINGS CONFERENCE CALL

February 12, 2025 03.00 PM IST

Management Team

Mr. Ranjit Lala - Managing Director

Mr. Amritanshu Khaitan - Director

Mr. Sachin Vijayakar - Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q3 and Nine Months FY'25 Post Earnings Conference Call of Kilburn Engineering. Today on the call from the management we have with us Mr. Ranjit Lala, Managing Director; Mr. Amritanshu Khaitan, Director; and Mr. Sachin Vijayakar, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also a reminder that this call is being recorded. I would now request the management to detail us about the business and performance highlights for the quarter, the growth plans and vision for the coming year post which we will open the floor for Q&A. Over to the management team.

Ranjit Lala:

Thank you, Vinay. Good afternoon and welcome to Kilburn Engineering Limited Q3 2025 earnings call. We are pleased to share our key updates and financial highlights with you today. Kilburn has successfully completed the acquisition of Pune-based Monga Strayfield on Jan 27, 2025 which is now a 100% subsidiary of Kilburn.

The acquisition strengthens our presence in India and abroad and develops our capability in drying solutions based on RF, that is radio frequency technology. The unit at MIDC Ambernath has been handed over to us and is now registered asset of Kilburn. We are working on ramping up the operations, and we anticipate achieving full utilisation by June 2025, which will significantly increase our capacity and efficiency. The M.E. Energy expansion is another significant achievement for the quarter.

The first phase of M.E. Energy's expansion in Pune has been completed and the second phase is already underway. This will further enhance our thermal solutions and capabilities and position us for growth in the thermal energy space. We have also now shifted to our new corporate office at Kanjurmarg in the second week of Jan 2025.

As also mentioned in our previous calls, Kilburn was awarded an export order by JESA in Q3 for the supply of rotary dryers to be installed at OCP Morocco, the largest producer of rock phosphate. This marks the single largest order ever awarded to Kilburn, establishing a strong global footprint. The value of the order is \$15 million. Quarterly results. Now let's briefly review our quarterly results, which has already been available in the public domain. Kilburn's standalone revenue for Q3

reached ₹91.1 crores with an EBITDA margin of 24.60%. This reflects a convincing operational performance despite certain delays. On a consolidated basis, including M.E. Energy, our revenue was ₹108.27 crores with a 21.68% EBITDA margin, further reinforcing the growth of the group.

As on December 31, Kilburn's order book stands at ₹368 crores with M.E. Energy at ₹41 crores, bringing the group total to ₹409 crores. In addition, we have also bagged orders over ₹35 crores at group level in the current quarter so far. We continue to see strong interest in our offerings with a current enquiry pipeline of over ₹2,000 crores, which includes ₹1,400-odd crores for Kilburn and ₹600 for M.E. Energy across different verticals.

Given the cleared orders, which were on hold by customers in the previous two quarters and some revenue spillover into the next financial year, we expect the current fiscal year to have a turnover of between ₹450 crores to ₹500 crores. One order still remains on hold and is expected to be cleared in the next quarter. We are largely on track on the revenue front despite the delays caused by these hold orders.

We remain confident of maintaining a margin of 20% for the current fiscal year at group level, thanks to a diversified order book and strong project pipeline. Looking ahead to the new financial year, we remain optimistic about opportunities in critical sectors like fertiliser, nuclear, metal recovery and soda ash. With our strong foundations and ongoing expansions, we expect to continue driving growth and delivering value to our stakeholders.

With that, I would now hand it over back to Vinay.

Question-and-Answer Session

Vinay Pandit:

Thank you sir. Participants who wish to ask a question may use the option of raise hand. Alternatively, if you are unable to raise hands, just drop a message on the chat and we will invite you to ask a question. We'll take the first question from Aman Soni. Aman, you can go ahead please. Aman, you can unmute and ask your question please.

Aman Soni:

My question is on the company guidance for this financial year is ₹500 crores, but you have now achieved only ₹290 crores in the first nine months. Given the company total order book is around ₹400 crores, how do you plan to achieve the remaining ₹200 crores in Q4? And also with

the lower order inflow, what gives you confidence in achieving this ₹700 crores revenue target for FY '26?

Ranjit Lala: So as I mentioned, we are expecting a revenue of ₹450 crores to ₹500 crores in the current financial year. We are confident of achieving that because we have a strong order book. When you look at the carry forward, we expect it to be in the range of ₹400 crores in the next financial year, let's say, around ₹390 crores to ₹400 crores. And we will also have a few orders coming in the next, let's say, 45 days and the first quarter of next year. Putting all this together, definitely, we are well poised to be in the range of ₹650 crores to ₹700 crores at the group level.

Sachin Vijayakar: And this will also include the turnover of Monga next year, Monga Strayfield.

Amritanshu Khaitan: If I can add, Aman, the two subsidiaries together should contribute close to ₹200 crores plus revenue next fiscal. So the Monga Strayfield acquisition, which has happened only this month in end of January, early February, you'll have very minimal turnover coming in, in this financial year, maybe ₹10 crores, ₹15 crores.

But next financial year, Monga Strayfield should contribute anywhere between ₹90 crores to ₹100 crores of revenue. So that is straightaway ₹100 crores added to this year's top line. On top of that, there will be growth in M.E. Energy and Kilburn. Mr. Lala mentioned there is one very large order which was kept on hold. That has resulted in us lowering our guidance for the current year, but that order will get into execution, we are estimating somewhere in the second quarter of FY '26.

So with that happening, you should see higher growth levels for Kilburn's top line on a standalone basis in the coming year. I hope that addresses your question.

Aman Soni: Okay, sir. Thank you.

Moderator: Thanks, Aman. We'll take the next question from the line of Agastya Dave. Agastya, you can unmute and ask your question.

Agastya Dave: Ranjit sir, thank you very much for the excellent performance. I've been a shareholder for a very long time. And I get amazed after every quarter, you easily surpass at least my expectations. As far as I have seen this quarter, none of the critical industries on which you depend on have

talked about any kind of slowdown. But still, have you heard anything from any of your customers? So you actually mentioned that some of the projects where there was a pushback from the clients or delay from the clients, that has kind of started moving. So I was just wondering, other than those, are you hearing any talk of any slowdown from any of your clients or any delay in tendering, anything?

Ranjit Lala: Well, not really. In fact, we are seeing a good inflow of the enquiries. And it has really kept us busy. Our marketing and sales team have been busy submitting offers to all our customers. Well, there are always some delays here and there, but that is something which is expected in the business.

Agastya Dave: Nothing out of the ordinary, sir?

Ranjit Lala: No, not really. Not really. I think everything is fine as of now.

Agastya Dave: Great. Good to know that. You mentioned that finally, you have won that large order, \$15 million. So generally, I've seen that when an EPC player or a player like yourself, a company like yourself, when they get the first large order, it opens a number of other doors for even bigger orders. So when do you see that inflection point coming for you? Do you need to complete the execution of this particular project and deliver and then showcase your delivery and capabilities before you start approaching bigger orders? Or will it happen in the meantime and much before the delivery is made?

Ranjit Lala: It should happen much before that. See what happens is that one thing is it gives, I mean, it's a reference now that we have bagged this order. And we are already working closely with OCP, the end customer for some more opportunities. And these are very, very customised opportunities. It's something new for us as well. So that discussion is on. Where we start a discussion, it takes some time to really culminate into an order. So that process is on. Meanwhile, we are working very closely with companies like L&T and others who have bid for various nuclear projects. So we are working closely with them as well. So those also should be coming in the next few weeks or maybe a quarter or so. We have positive one.

Amritanshu Khaitan: If I can just add, the question is not about this being a single largest order. It is because OCP is setting up a new plant that this large order has come in terms of the number of dryers being supplied. Today, last year, we did get an order from Birla Carbon also for ₹80 crores which was for six lines being set up by them, three in Thailand and three in

Andhra Pradesh. So we are not an EPC player that we are going to have ₹200 crores, ₹300 crores, ₹400 crores single orders, which will be placed on Kilburn. We are largely an equipment solution provider. We are working on that. So you might get five orders of ₹10 crores to ₹15 crores each or you may get someone who needs five lines or six lines being set up so their order becomes ₹100 crores or ₹70 crores.

I think what Mr. Lala is also trying to highlight is that there are export focus, which the company is now doing, new areas and new industries are opening up, that will add overall an enhanced order book for the company.

Agastya Dave: One follow-up on this. As you mentioned, export opportunities that you are trying to pursue. So the guidance that you've given for the next few years and the broad vision, so have you accounted for all these new opportunities and new markets that you are entering or, let's say, the ₹700 crore number that is just the things you have 100% visibility on as of now?

Amritanshu Khaitan: See, we, first of all, don't give any long-term guidance as a policy. The guidance which has been given is factoring in what is the order book we are sitting on today. And we believe is fairly visible to us in the coming few quarters. And thereby, we are giving a guidance of a revenue between ₹650 crores to ₹700 crores, which we are confident of achieving in next financial year. Beyond that, what is the vision of the company that is a different thing, not a guidance.

Agastya Dave: Understood. Last question from my side. There's a lot of volatility in a number of commodities globally. So I was just wondering, again, anything out of the ordinary that you are seeing, any impact on either the margins because of that positively or negatively that you are seeing? On the input cost side.

Amritanshu Khaitan: Ranjit?

Ranjit Lala: No not on the input cost side, but well, if there is rupee depreciation and if some orders are in dollars, then you see a positive side of it. But most of our raw material comes from within India. I think as of now, hardly 6% to 8% we import as and when required. So I don't see that impact in any way.

Agastya Dave: Thank you very much. All the best. And again thank you very much for your hard work and congratulations to the entire team. Thank you.

Moderator: Thanks Agastya. We'll take the next question from Sagar Shah. Sagar, you can unmute and ask your question.

Sagar Shah: First of all, congratulations to the entire team of Kilburn for such a performance in such uncertain times. And again, congratulations for the new corporate office also. I had some few questions regarding this quarter's performance actually. Now coming on to my first question was related to a little bit on the macro level.

Just to add up on the last participant's question. On the macro level, in the last two quarters, this quarter as well as Q2, we saw a slowdown. We saw a slowdown even in the average GDP of the country. So I know we are not totally affected as part of the basic economic performance. But are the end user industries like chemicals/pharma or soda ash, are they actually delaying their expansion plans due to this? Can you share some outlook that what is the clients' behaviour right now at this point of time to the slowdown that we are seeing right now?

Ranjit Lala: See to the best of my knowledge, I don't think there's a slowdown. And even if you find maybe some enquiries may be coming less on the carbon black side, but then you have a rise of enquiries on the nuclear side, on the soda ash side. So some of the other projects are definitely happening.

Amritanshu Khaitan: Just add, Kilburn, if you see as the size the company we are and the kind of new industries we are now marketing our products to or where dryers are being used for other end users. We are not facing any per se slowdown or effect of the so-called slowdown, which is being discussed. Our enquiry pipeline remains robust at around ₹2,000 crores. And the company is looking now to even focus a lot more on the export market, which is in the billions of dollars. I mean the total dryer market itself is \$2- \$3 billion globally. We are not so perturbed by all this talk about industry slowdown and stuff, because we have a large number of industries we can address and there is enough and more enquiries coming in.

Specifically, I would like to mention that companies like Tata Chemicals and other soda ash manufacturers have all announced their CapEx plans. And I don't think any of the private players are looking at any major postponement, because people believe in the overall long-term story of India and its demand. So no one postpones CapEx for six months or three months just because of a certain situation today in the economy.

Sagar Shah: Now my next question was related to the Kilburn's on a standalone level execution actually. In the last three quarters on the standalone level, we have clocked around ₹231 crores of revenue actually. And last year, it was ₹291 crores for FY '24. This I'm talking on the standalone level.

Now on the standalone level, are we seeing any some sort of delay in execution from our own Kalyan plant? Or what exactly is the colour? Because the guidance that you gave, it's pretty high for Kilburn on a standalone level actually. So that is why I wanted to know that what exactly whether there is a delay on the standalone level?

Ranjit Lala: See, what we had given guidance on a standalone basis was around ₹380 crores, yeah. And then we did inform in the last two quarters that there was a hold on a couple of projects. Except one, all those holds have been taken off. So the execution has started. We may not reach that figure of ₹380 crores, but somewhere we are looking at, let's say, between ₹300 crores and ₹350 crores, we should be able to achieve that.

Sagar Shah: The orders that you are executing are pure rotary dryers or these are paddle dryers? Can you highlight about the product portfolio?

Ranjit Lala: It's a combination of all. We have new orders for paddle dryers. We have existing orders for rotary dryers. We have for rotary kilns. So it's a combination. Most of them are rotary dryers and most of them are not standalone equipment. They are along with the balance of plant. So it's just a combination.

Sagar Shah: Now coming on to my third question it was related to M.E. Energy. M.E. Energy normally Q4 is very strong actually. And this year, we have clocked around ₹69 crores for M.E. Energy in the three quarters. So right now in the Q4 as various of their projects are various sizable in nature and have a longer gestation period. So Q4, we can expect M.E. Energy to be much stronger as they have the bandwidth of the working capital in part of Kilburn also. So we can expect a Q4 growth for M.E. Energy as compared to Y-o-Y.

Amritanshu Khaitan: So if I can address that, Ranjit. You see M.E. Energy last year did approximate revenue of about ₹70 crores for the full-year. In our balance sheet, only ₹20 crores came in, because we acquired the company in the month of February. Against that, M.E. Energy should cross the ₹100 crore mark. So we are looking at between ₹100 crores to ₹110 crores in the current fiscal. So yes, quarter four will see a higher level of activity. There is no working capital constraint in M.E. Energy for the full last one year, because it's been part of Kilburn even in the

last nine months. It is only the job flow the way it is and execution, we are seeing that quarter four should see a higher level of activity.

Sagar Shah: Can we see even higher order inflows for M.E. Energy in the future in the next one, two, three years?

Amritanshu Khaitan: We do hope so. I mean the endeavour is for M.E. Energy to break into the larger cement space and also focus on larger accounts for waste heat recovery boiler systems. So obviously, there are long road ahead for the company.

Sagar Shah: My last question was related to Monga Strayfield. Now with Monga on stream as on 27th Jan, so you have around two months as a part of this quarter and going ahead, since this is a very comprehensive portfolio for you, because radio frequency dryers, it enables new streams in terms of FMCG and other sectors also. So can you highlight the strategy that how do you plan to integrate Monga's products into your own portfolio kit?

Amritanshu Khaitan: So Monga Strayfield will remain an independent organisation. The company has a strong management. They have very strong relationships in the textile space, in the food processing space. They have a division which does a lot of sheet metal manufacturing, but very, very high-end sheet metal manufacturing largely for export to the U.S. So still very early days, but we are going to look at leveraging the expertise on areas where Kilburn can get a benefit in terms of manufacturing, especially for sheet metal.

And with the technology of radio frequency dryers and the traditional dryers, which Kilburn makes, we will get our R&D to develop combination dryers, which will be work in progress. But in the next one year, you will see how the integration of the technologies can help our customer base, not all, but at least certain customers on some better product offerings. But it will take a bit of time for us to look at these areas.

The business itself is seeing very strong demand. So Monga Strayfield revenue last year was around ₹60-odd crores. This year, they are looking at ₹80 crores, and we are looking at them crossing ₹100 crores next year. So it's a very profitable business. And I think their product range is highly suitable for them to get a higher market share in the radio frequency business.

Sagar Shah: Thank you. And all the best for the future.

- Moderator:** Thanks Sagar. We'll take the next question from Vinay Nagori. Vinay you can go ahead, please.
- Vinay Nagori:** Hi, Amritanshu. Hi, Ranjit. First of all, congratulations for good numbers in this low market. So I wanted to understand the nuclear opportunity for us, like in the air cooling units we are providing, how many players are there? What can be the order sizes? And currently, how much we are doing and in future, how much we can do?
- Ranjit Lala:** Well, I would say there would be two to three players who would qualify for these kind of businesses. And as of now, in the recent past, we haven't done. We have references from the past for vapour recovery units and coolers for the nuclear power plants. So order sizes can be anything from ₹30 crores to ₹50 crores.
- Vinay Nagori:** And how big are the orders that we are expected to come, because government is very upbeat about nuclear. So currently, we are not doing anything. But how big can this portion be for us, like just a ballpark figure?
- Ranjit Lala:** I think to begin with, if the first couple of orders come and they would be in the range of up to ₹50 crores. So that would be the starting point, and let's see how it goes forward.
- Vinay Nagori:** Super. And I wanted to understand about waste preheaters for cement. So I think so that will start in FY '27. So what would be the size and what would be the market size for this size of orders for us?
- Ranjit Lala:** Well, are you talking about the M.E. Energy portfolio or for the Kilburn side?
- Vinay Nagori:** M.E. Energy.
- Ranjit Lala:** M.E. Energy. Well, M.E. Energy is already bidding for a couple of large projects. They have got one with Shree Cement as well. And I think once they have that reference, I think some more should be coming. But meanwhile, they are bidding for some more projects. So I can expect two to three projects in the coming year.
- Vinay Nagori:** But the size of the projects because last time...
- Amritanshu Khaitan:** Vinay, regarding cement, there are different equipments which M.E. is looking at. They are in the range of ₹7 crores to ₹10 crores, which

currently they are working on. But the larger waste heat recovery boiler system, which is a ₹5,000 crore industry, I think that will take some time. Hopefully by FY '27, we should be able to at least get one or two large orders. Typically, those are ₹70 crores to ₹80 crores each.

Vinay Nagori: Okay. So those single orders can be almost equivalent to our current revenue, more or less.

Amritanshu Khaitan: That's right.

Vinay Nagori: Okay. Thanks a lot. And now we've got a huge order from Morocco, this rotary dryer for rock phosphate. So can we see multiple such orders or this is a one-off?

Amritanshu Khaitan: So in OCP, this is the plant No 29, which is being set up. I think, they have multiple number of dryers being used, historically. Once we are in working with OCP and JESA, we are very hopeful to work with them on being their continued preferred partner for the drying systems and see where that business takes going forward. We've had similar relationships in the carbon black industry where Kilburn has been a preferred supplier to PCBL and Birla Carbon for many, many years. So we hope we can have similar type of relationship built with the OCP Group in Morocco.

Vinay Nagori: And one last question, I just. In the presentation, it was given that we are looking at pharmaceuticals and recycling as a new space. So can you give a brief about what are the products and what is the size we are looking at?

Ranjit Lala: So we are currently doing a project for granules, which is informed to you earlier. And that is the first project that we have bagged recently. So once that gets completed, I think we'll have good reference and the project sizes could be anything from ₹40 crores to ₹50 crores. It all again depends on the size of the plant or equipment. And these are rotary kilns. That is for the pharma industry.

Can you repeat your second question, what it was?

Vinay Nagori: Recycling.

Ranjit Lala: Recycling. So we are talking about metal recycling. We had executed an order for Rubamin, and that was for the metal recycling. And we are currently bidding for a couple of projects. I cannot give further details of what they are, but similar to what we have executed, and we are in

advanced stage of discussions. So we expect that also to come in the next two quarters.

Vinay Nagori: Thanks a lot Ranjit bhai and Amritanshu bhai. Wish you all the luck. Thank you.

Moderator: Thanks Vinay. We'll take the next question from the line of Darshil Jhaveri. Darshil, you can go ahead and ask your question, please.

Darshil Jhaveri: Hi, firstly, congratulations on a great set of results so. Really great to see that. Just so wanted to talk a bit about our FY '26 plan. So from what I understood, we are planning nearly ₹100 crores of revenue from M.E. and ₹100 crores from Monga and around ₹450 crores, ₹500 crores from Kilburn. Is that like a fair assumption so?

Ranjit Lala: Yes, you can say so.

Darshil Jhaveri: Yeah. So currently, on a standalone in Kilburn, we are planning ₹300 crores, ₹350 crores. And so ₹500 crores, what is the pathway to reach that? Because even with the current order inflow, we'll not be able to reach that, right? So just wanted to reconcile those two figures, because ₹300 crores to ₹450 crores jump would also be like a 40% plus, right?

Ranjit Lala: Right. We expect to close the order book for Kilburn in the range of, I would say, ₹375 crores to ₹400 crores. And there would be more orders coming in the next 45 days plus in the next two quarters. So these will have to be executed over a period of next one year or so or 1.5 years that we say or rather before the end of next financial year. So we expect that we should be in that range of ₹450 crores to ₹500 crores. That is on the order intake front.

On the capacity front, we had informed you that our Ambernath factory itself is capable of giving us some revenue of ₹100 crores, and we expect that to be achieving 100% capacity by middle of the year. So we are well on track on that. And for the rest, we have the Saravali works. I think overall, we should be able to manage.

Darshil Jhaveri: Okay. Fair enough. And just wanted to know like M.E. Energy, it's a very exciting business. So in terms of our growth out there, so I think this year we'll do ₹100 crores. So what are the other potential areas like where do we see this business because it feels like a great area to be in?

Amritanshu Khaitan: So if I can address that, you see M.E. Energy has two big areas of growth. One area is the waste heat recovery boiler system market for

cement. That's ₹5,000 crores annual market. Whenever we break into that segment, I believe we should add about ₹100 crores revenue conservatively to M.E. Energy. Now which year that will happen, with which cement company we will be able to do that, it's a matter of guessing.

But hopefully, by FY '27, we should at least get significant orders from the cement industry coming in. Now if you look at the traditional business of M.E. Energy, which is the boiler system for various other industries plus whatever work they do with Britannia on the oven baking systems for biscuits and also working now with Monga Strayfield because there could be synergies between the two companies. I personally think they should continue to grow at 30% to 40% CAGR as they expand their product reach into more industrial players. But the really big ticket growth would come in once they break into the cement space. So I think we need to wait another year for that.

Darshil Jhaveri: Okay. Fair enough. And overall right now, we are total three basic companies. So all of them will have like similar margins? Or how will the margin differential play out?

Amritanshu Khaitan: So margins, if you see last few quarters, Kilburn will have the highest margins. I expect Monga Strayfield to be close to that and M.E. Energy to be a bit lower. One of the reasons why M.E. Energy margins are also a bit lower is that sometimes certain jobs being given to Kilburn and then outsourced to ME.

So I don't think it is best to look at ME separately, but to look at the consolidated margins because sometimes M.E. Energy's factory will be used also to do job works for Kilburn at a lower margin. So it's better to look at a consolidated group margin, which we are guiding for to be in the 20% plus range rather than focusing on separate entity margins because one synergy benefit we are getting is to leverage the plant facilities across the group now to see what is best suited for manufacturing.

Darshil Jhaveri: Okay. Fair enough. That makes a lot of sense. And just wanted to understand now Monga we are going to consolidate so in the next year, we might be streamlining a lot of things. So are there some plan or strategy like maybe the margins go more because a lot of new costs we might add or subtract over there.

Amritanshu Khaitan: As we mentioned, if we are able to grow at the pace we are growing and maintain 20% plus margins, I think that itself will reflect very heavily

on the P&L account and balance sheet. There will be obviously cost increases because we'll be hiring people, but there will also be economies of scale because the turnover is also going up. So taking everything into consideration, we believe if we are able to maintain 20% plus margin, I think we should report some healthy numbers going forward.

Darshil Jhaveri: Fair enough. That is it from my side. Thank you so much. All the best.

Amritanshu Khaitan: Thank you.

Moderator: Thank you, Darshil. We'll take the next question from the line of CA Varun Agarwal. Varun, you can go ahead please.

Varun Agarwal: Thank you for the opportunity. Congratulations, Mr. Lala and team for the consistent performance. So it's good to see Mr. Joshipura joining our team as an Independent Director. I just wanted to know what kind of guidance we can expect from him and whether we are looking at diversifying into new areas under his guidance.

Ranjit Lala: Mr. Khaitan can you take that.

Amritanshu Khaitan: So we are very honoured that Mr. Joshipura has agreed to join the Kilburn Board. His experience and expertise will add immense value, especially to Kilburn Engineering's Board in terms of giving guidance to the management team on steering its part on making the company into a larger enterprise.

He had obviously run a very large enterprise in Praj and a lot of the best practices followed by him, his network, his contacts in terms of even helping us hiring better talent, all will come through. But he's not joining in an executive role. He's joining as an Independent Director. So keeping that in mind, I think we are really looking forward to his guidance and support in really taking Kilburn on its growth journey going forward.

One more thing I can add is he's based out of Pune. The two acquisitions we've done are in Pune. So obviously, his local presence where two large investments of Kilburn have happened is always an added benefit, where we can approach him for guidance even for the subsidiaries.

Varun Agarwal: Okay, thank you so much. All the best.

- Moderator:** Thank you, Mr. Varun. We'll take a question from the chat box from Ayush Rathi. He's asking, is there any update on the titanium business? And are we seeing any traction on that?
- Ranjit Lala:** Well, we are still executing the current order, which was for Reliance. And after that, we haven't really got an order, but we are working in multiple enquiries. So as of now, the clean room is like completely occupied. And I expect that in the coming quarter, we should get some more orders.
- Moderator:** Thank you. We'll take the next question from the line of Aman Soni. Aman, you can ask your question.
- Aman Soni:** As per your guidance of 20% EBITDA margin for financial year '25. But in Q3 financial year '25, the EBITDA margin is around 25%. Is that not possible since most of the revenue for the full-year is coming in Q4? Will the margin remain sustainable? Is there any advantage of operating leverage like.
- Ranjit Lala:** So what we have always mentioned that we would be maintaining a 20% plus margin at the group level. What you mentioned 25% is for Kilburn, but for ME, it is slightly lower. And when we integrate Monga also into the group, we expect their margins to match with ours. So we should be in that 20% plus. If there's any upward revision, we will definitely keep you posted. But for sure, we're not expecting a downfall.
- Aman Soni:** And you are talking about the orders which will come in next 45 days. Can you provide the range of that orders in terms of amount?
- Ranjit Lala:** Well, I would say at the group level, we expect that we will close the order intake at ₹500 crores plus.
- Aman Soni:** Okay.
- Moderator:** Thank you, Aman. We take the next question from the line of Vaibhav Mishra. Vaibhav, you can unmute and ask your question.
- Vaibhav Mishra:** Hello, congratulations for the good set of numbers. My question is regarding the exports. What is the current export contribution for nine months of FY '25? And what can be the export contribution going forward after the acquisition of Monga Strayfield given its international presence?

- Ranjit Lala:** Sachin, can you give your numbers as on date for the export, where do we stand? Sachin you will have to unmute yourself.
- Sachin Vijayakar:** Presently it is around 15%, 20%. But with all this new orders from Morocco and other orders from Birla Carbon, Thailand and all coming and the revenue coming going ahead, this percentage is definitely going to increase. And Monga's exports are also on the higher side. As Mr. Khaitan said there are sheet metal 80% to 90% of the material is exported to U.S. So definitely, there is going to be a jump in the export percentage going ahead.
- Vaibhav Mishra:** And regarding Monga export, what about the margin? Are the margins same as domestic orders or margins on the higher side on the exports?
- Ranjit Lala:** Well, definitely, they have reasonable margins. But on a company level, they would match somewhere what Kilburn is doing. Let me put it that way. It's very difficult to dissect individually the orders.
- Vaibhav Mishra:** Okay and my next question will be regarding the expansion plans for Monga Strayfield and the CapEx for that. And any other acquisition that we may be having in the near future apart from these that we have done?
- Ranjit Lala:** Well, for Monga Strayfield, we are not looking at expansion as of now, yeah. If some investment is required in terms of machinery or something, we'll look into it as the year progresses. We've just acquired it. When it comes to acquisitions, I think we have maintained that we always look out for companies whose business kind of complements our business.
- And as and when we find the right buy, we will definitely go for it. Any new technologies or any new acquisition which we feel are adding value to our business, we'll definitely go for it. But as of now, we don't have anything to disclose.
- Vaibhav Mishra:** Okay, thank you. And regarding the revenue guidance for FY '26 actually, in the last con call, I think we had a guidance of around ₹700 crores to ₹750 crores. And this time around, we are having ₹650 crores to ₹700 crores, I think. So is there any change, I think is there a downward revision in the guidance?
- Ranjit Lala:** Well, it's a guidance. So it can keep fluctuating from time-to-time, yes. But we will do definitely between ₹650 crores to ₹700 crores for sure. And as and when we move forward, we'll keep you updated.

Vaibhav Mishra: Okay, thank you so much. One last question, sir. This is regarding the ongoing tariff news and war that we are listening to. Is there any risk to our business regarding this 25% import tariff levied by the U.S. or this tariff war is it affecting us in any way?

Ranjit Lala: It's too early to say. We'll wait for things to stabilise. I think the tariffs that have been spoken about for different countries, they have declared on day 1 then they're taking back on the other day. So we'll wait and watch. As of now, we are just focusing on our business and not really bothered about what's happening in that part of the world.

Vaibhav Mishra: Okay, thank you so much and all the best for the future.

Ranjit Lala: Thank you.

Moderator: Thank you, Vaibhav. We'll take the question from chat from Abijith Mitra. What is the expected order inflow in Q4 FY '25 across Kilburn and M.E. Energy?

Ranjit Lala: I said we will close the orders at ₹500 crores plus.

Moderator: So they are asking about expected order inflow for Q4.

Amritanshu Khaitan: Well, I mean I think we've already booked close to ₹400 crores plus between M.E. Energy and Kilburn. So I mean, we are targeting to be above ₹500 crores. So I suppose anywhere between ₹100 crores, ₹150 crores, but we generally don't give a guidance on order booking. It depends on when which order gets concluded. We have a strong pipeline of enquiries. So I think let us restrict to an overall target of around ₹500 crores plus order booking because these things sometimes slip from one quarter to the other. So it's better we look at a little more longer-term visibility.

Moderator: Sure, thank you. We'll take the next question from Yashvi Kamdar. Yashvi, you can go ahead with your question.

Yashvi Kamdar: Thanks for the opportunity and congrats for good set of numbers

Moderator: She will send her questions on chat. We will move to the next participant in the meanwhile, Dinesh Kulkarni, you can unmute and ask your question.

Dinesh Kulkarni: Thank you for giving me the opportunity and really good set of numbers. Congratulations on that. So as you mentioned that we have,

let's say, opportunity in the exports somewhere around \$2 billion to \$3 billion. So I would like to know like what's our plan or how aggressive we are in terms of exports given the current geopolitical scenario?

Ranjit Lala: Well, what we have said is the market size is around \$2 billion to \$3 billion or \$4 billion. So it is not necessarily an opportunity for us. But definitely, there is a good opportunity. And well, our intent is that we expand our share of exports for sure. We have done well this year, and we expect it to continue in the coming years. So as Sachin mentioned, we might just touch 25%, 30% exports in the coming year based on the current order booking. We would like to increase that further.

Dinesh Kulkarni: Okay, that sounds great. As you mentioned, like not much CapEx on the new acquisition. So can you just lay out what would be our average CapEx for the next two, three years for group companies?

Ranjit Lala: Well, acquisition would not be a part of CapEx. CapEx would be something which we are investing in each of the organisations. Our current CapEx, which is expected would be for M.E. Energy, this is the second phase of expansion, okay? That could be maybe around ₹5 crores to ₹10 crores, let's see.

Then as of now, we don't see any CapEx for Monga, okay. Maybe in the next quarter, we can answer that better. For Kilburn, we are working on plans, how we can further enhance our current facility. And probably by the next quarter, we should be able to give you a real number.

Dinesh Kulkarni: Okay. That sounds great. Thank you very much and all the best.

Ranjit Lala: Thank you.

Moderator: Thank you, Dinesh. We'll take a question from chat that Yashvi has posted. What would be the possible size of the Indian dryer market? And what would be our market share there? Also, how the industry has grown around you? In your assessment with these two acquisitions, what would be our TAM in the domestic market and in the global market?

Ranjit Lala: What would be the size of the dryer market in the country? Again, it's very difficult to give numbers, what is the size. But I can say that we are among the leading players. Yeah. When it comes to rotary dryers, rotary kilns and all we are among the top two or three. For paddle dryers, we have dime a dozen players, and we don't operate in that market. We again give highly customised solutions and where I would

say the order values are very high. Again, there, we are among the top two or three. I can only give a subjective answer. It's very difficult to say what kind of share we have.

Amritanshu Khaitan: I think the market size, again, very, very broad-based, but Kilburn gets an enquiry of about ₹1,200 crores to ₹1,400 crores every year, and we would largely get the large enquiries. So a lot of the small scale dryer market is where we don't compete. So I suppose you can say the market could be anywhere between ₹1,500 crores to ₹2,000 crores in the Indian subcontinent. But again, we don't have any concrete data on that. I think if that addresses the question.

Moderator: Sure. And another part of the question was that in your assessment with these two acquisitions, what would be your total addressable market in the domestic market as well as in the global market, if you can answer that?

Amritanshu Khaitan: So the Monga Strayfield business itself has two segments. One is your sheet metal fabrication. Now that's a huge market. Again, no point putting a number, but they work on a very niche segment in that, largely focused on exports. The radio frequency dryer market is about ₹300 crores to ₹400 crores as a market size. So that is an addressable market for them.

For M.E. Energy, again, the enquiry pipeline is ₹700 crores, ₹800 crores. And then you have the ₹5,000 crores cement waste heat recovery systems, which we are not yet in. So again, very, very large market for M.E. Energy to work on to capture in terms of at least get entry into those segments. So a lot of opportunity. So combined addressable market would be very, very high for Kilburn as a whole.

Moderator: Okay. And another question was, what is the total goodwill we will book through the acquisition of Monga Strayfield?

Sachin Vijayakar: We are working on it, because we have just closed the deal. So it depends on the closing of the balance sheet. During the next quarter, we will address this question.

Moderator: Okay. Also, there is one more question for her side. The current warrants are due for conversion in FY '26, then we will have another ₹120 crores to ₹140 crores of cash next year. Where will the excess cash be used?

Amritanshu Khaitan: So whenever any inflow will come in due to the equity raise, which has happened, it will be used as per what has been approved by the Board that has already been pre-decided as long-term working capital, some part as CapEx, some part will go for general corporate purpose, which could be any further acquisition and some part as repayment of long-term debt. So it's already pre-decided as per the SEBI norms, you have to decide on the usage of these funds.

Moderator: Thank you. We'll take the next question from Dinesh Kulkarni. Dinesh you can go ahead and ask your question.

Dinesh Kulkarni: No, I think my questions have been answered. Thank you very much.

Moderator: Sure. Thanks. Then we'll take the next question from Naitik Mohata. Naitik, you can ask your question.

Naitik Mohata: Good afternoon. And congratulations to you and the team for posting a good set of numbers. Just one question from my side. Across the three companies, Kilburn, M.E. Energy and Monga, if we have orders on hand for the entire year, what could be a peak revenue that we could do at almost 100% utilisation?

Ranjit Lala: It should be ₹700 crores to ₹750 crores.

Naitik Mohata: Okay. So basically, that is what we are planning that next year, we will be running at almost 100% utilisation.

Ranjit Lala: And meanwhile, we have other plans also how we can enhance our capacities. We are working on that. I think by next quarter, we should be able to tell you something.

Naitik Mohata: So basically, then after two lucrative acquisition, we are still in the market for some kind of acquisition to grow Kilburn inorganically?

Ranjit Lala: Yes, we will keep looking out for opportunities.

Naitik Mohata: All right. Thank you and all the best.

Ranjit Lala: There's one question directly, which has been sent to me from Samrat Shah. It says he would like to know what is the current capacity utilisation of the plants at Kilburn, M.E. and Monga.

So I would say that current utilisation at M.E. is 100%, I would say, and that's the reason of going for Phase 2 expansion, yes. So that gives us

opportunity for further capacities in the coming year. For Kilburn, we have two plants, one is Saravali and one is at Ambernath. Ambernath currently as on date is 50% utilised, and I expect it to be 100% utilised by June, which I mentioned in my opening statements.

The Saravali factory also is around 70% to 80% occupied in terms of the existing orders. And we are seeing how to enhance it. So that is also very well on track. For Monga, I can comment on the two plants which they have, that is, I would say, 85% to 90% utilised, and they have one more plant for assembly, which I don't have the numbers right now. So that's how it stands. Samrat Shah, if you are on the call.

Moderator: Thank you. We'll take one question from chat from Ravindranath Nayak. He says, what scope do you see in nuclear in percentage of project cost? Will we expand our manufacturing base at Bhiwandi after shifting to Kanjurmarg? And what is the cost involved in this office shifting?

Ranjit Lala: Yes, that was the whole idea of shifting the corporate office to Kanjurmarg so that we can expand the facility at Saravali. And as said, we will try to give some more inputs in the next quarter. We have just started that process.

On the nuclear front, as I said, we have opportunities for coolers, vapor recovery units and order sizes can be ₹30 crores to ₹50 crores to begin with. And we will be utilising our existing facility for these orders which come in. I mean we are well placed for that in terms of having qualified as a supplier for these projects as well as our capacities. I don't find any challenge over there.

Moderator: Thank you. There is one more question in chat from Santosh Verma. Which industries are still untapped for us, which has high revenue potential, both domestic and global? In dryers, is there any technology or product which we are not present, but are in good demand from clients?

Ranjit Lala: Yes, definitely, there are some technologies which we are looking at. And this would be for recycling of EV batteries and all those things. We are seeing how to work on that. So we are looking at tying up with some companies over a period of time. Then for the cement market also, we are looking at RDF dryers. We are seeing how we can build that technology in-house or have some tie-up. So we are working on various things. And I think as and when we crystallise things, we'll keep you posted.

- Moderator:** Thank you. There is a follow-up question from Ayush Rathi. A broader question on the cement industry recently. We have observed price hikes indicating a potential shift in the industry cycle. Additionally, cement companies have been highlighting an increase in the capital expenditure. Given this backdrop, do you foresee a higher revenue contribution from M.E. Energy exceeding ₹100 crores? And also is this ₹100 crores the peak utilisation level? Or is there potential for further upside?
- Ranjit Lala:** Well, I think that was partially answered by Mr. Khaitan. Definitely, we are looking at increasing M.E. Energy's share in the cement industry. And that's why all these expansion plans are in place. So we expect a higher revenue over a period of a year or so. The idea is to take it to ₹150 crores and then ₹200 crores and gradually, we will go forward. But don't expect an orbital jump every quarter or every year. We will gradually get there.
- Moderator:** Thank you. We'll take one last question from Ravindranath Nayak. It's follow-up question. Ravindranath, you can ask a question, please.
- Ravindranath Nayak:** One question regarding this industry that as far as you said that the industry size is around possibly around ₹2,000 crores. And we are present largely in the rotary dryer and there are other dryer market the spray and also the drum dryer, the fluidised based dryer is also one of the applications. We are not having any presence there?
- Ranjit Lala:** Yes, we have presence in FBDs and VFBDs. If you go to our website, you will get to know more about our products. We have also supplied spray dryers, but we are looking how we can further enhance the technology. And we are working on that. Wherever we are not present, we are trying to see how we can get those technologies, provided they contribute in a big way.
- Ravindranath Nayak:** But as of now, the fluidised based dryer is not contributing significantly to the order book?
- Ranjit Lala:** Yeah, that depends on what kind of enquiries we get. But VFBDs is one of the big contributors from the tea industries. Anything between ₹25 crores to ₹50 crores we get orders every year. And I'm giving you a broad range.
- Ravindranath Nayak:** And you mentioned about this just total market size after these two acquisitions, because M.E. would be having heat exchanger along with

the waste heat recovery system. And this is RF dryer and also sheet metal system. So combiningly, our total market size currently, we are addressing with the dryer market ₹2,000 crores, what would be our size? Will it be more than ₹10,000 crores or ₹11,000 crores? Any ballpark figure in the Indian market, can you give us?

Ranjit Lala: Well, size depends on the opportunities that exist in the market. So as Mr. Khaitan said, normally the big enquiries do come to us. So at any point of time, we are having enquiries of ₹2,000 crores to ₹2,500 crores. I mean that keeps fluctuating. And that is constant.

Ravindranath Nayak: No, I'm not talking about dryer market. I'm just talking about the two other companies' market.

Ranjit Lala: The two other companies.

Amritanshu Khaitan: So Monga Strayfield, as I mentioned, RF dryer market is about ₹300 crores, ₹400 crores. And then you have the sheet metal fabrication. That is huge. It doesn't mean anything, because they are working on a very niche part of it. And when you talk about M.E. Energy, the overall waste heat recovery boiler market could be a couple of thousand crores. But again, there is no concrete data available. And then you have the cement waste heat recovery boiler market, which is ₹5,000 crores.

Ravindranath Nayak: So that means combiningly, our addressable market share is 5x from the current level?

Amritanshu Khaitan: That's correct. Provided we get the breakthrough into those segments.

Ravindranath Nayak: Okay. Thank you. All the best.

Moderator: Thank you. So this was the last question for the day. I would request the management to give any closing comment for the call, if any.

Ranjit Lala: Yes, I would say that our performance has been consistent. There could be some blocks here and there, but we stay focused on what we have to achieve. Our target is still to be in the range of ₹700 crores to ₹750 crores in the coming financial year. And we'll definitely ensure that we create value for the shareholders. I mean that's our focus. That's our target. There could be ups and downs over a period of time, but that's something which we should overcome time and again. Anything from Mr. Khaitan? Sir, would you like to say anything?

Amritanshu Khaitan: No, I would say you summed it up. I think we are in a very exciting phase of growth for the company. Obviously, next 12 months, we will see integration with Monga Strayfield and how we can leverage that company going forward. And a more exciting activity will be for M.E. Energy as well on how we pursue entry into larger spaces like cement. I think with that, we still look for a very strong year going forward, and we are thankful for all the support of all our stakeholders, our employees, our bankers and all the shareholders. Thank you.

Moderator: Thank you, sir. Thank you to all the participants for joining in for the call. And thank you to the management team for giving us detailed answers to all the questions. This brings us to the end of today's conference call. You may all disconnect now. Thank you.

Ranjit Lala: Thank you.

Amritanshu Khaitan: Thank you.