

REF: BSE/Reg. 30 & 46(2)(ao)/2023-24.

April 21, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001.
BSE Scrip Code: 522257
BSE Script ID: RAJOO

Sub: Submission of Transcript of the Investor Earning Call dated April 18, 2024 on Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2024.

Ref: Regulation 30 and 46 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI Listing regulations).

Dear Sir/Madam,

With reference to the captioned subject and pursuant to the provisions of Regulation 30 and 46(2)(ao) of SEBI Listing Regulations, please find enclosed herewith the transcript of the Company's Investor Earning Conference call held on April 18, 2024 on Audited Standalone and Consolidated Financial Results for the fourth quarter and year ended March 31, 2024.

The above transcript of the Company's Investor Earning conference call shall be hosted on the website of the Company at www.rajoo.com.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

For Rajoo Engineers Limited

Khushboo C. Doshi
Managing Director
(DIN: 00025581)

Encl: a/a



Rajoo Engineers Limited
Earnings Conference Call
April 18, 2024

Moderator: Ladies and Gentlemen, Good day and Welcome to Q4 and FY24 Earnings Conference Call of Rajoo Engineers hosted by Adfactors PR. This conference call may contain forward looking statements which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Khushboo Chandrakant Doshi – Managing Director from Rajoo Engineers Limited. Thank you and over to you, Ms. Doshi.

Khushboo C. Doshi: Thank you. Good morning everyone. Welcome to the Conference Call for Rajoo Engineers Limited for the fourth quarter and full year concluded on 31st March 24. It's a pleasure to have you all here. We appreciate your presence here today. Joining us on this call with me – Mr. Sunil Jain our Executive Director, Mr. Prakash Daga – Chief Financial Officer and our Investor Relation team Adfactors PR.

Let me start with the market scenario and some recent developments for that. India has the potential to emerge as a global plastic products producer. Global extrusion machinery market size was estimated at USD 8.33 billion in 22 and is expected to reach 11.6 billion USD by 2030. The demand for plastic extrusion machines is soaring as there is a growing need for extruded plastic products from several end use segments such as packaging, consumer goods, construction and automotive.

This preliminary gives the growth of the global plastic extrusion machine market. The domestic plastic product market is expected to grow threefold to reach Rs. 10 lakh crore by 27-28. The export of plastic products are expected to grow from 40,000 crore to Rs. 1,00,000 crore reflecting the global acceptance of Indian products. This is an excellent opportunity for the Indian industry, and we must make the most of it as more plastic products implies more plastic processing machinery.

Speaking of our company's performance, I'm delighted to present exceptional financial achievements of Rajoo engineers for the fourth quarter and year ended 2024. Throughout this period, the company has showcased remarkable growth and commitment characterized by notable milestones such as elevated production levels, augmented machinery dispatches and robust order book.

I'm very happy to share that our revenue for the year crossed Rs.197 Cr which is a testament to the hard work and dedication of our team and focused efforts on the chart strategies charted out in FY23. This is just the one step the overall growth strategy. This positive momentum underscores the effectiveness of the company's strategic initiatives and highlights its ability to capitalize on the emerging opportunities in the market.

Our order book has reached new heights reflecting the trust and confidence of our customer in our solutions. We are committed to ensuring that these orders are fulfilled promptly and with the highest standard of quality further solidifying our reputation in the world market.

During the year, we bet a high value order from one of the leading manufacturers of farm machinery and equipment based out of Europe. This prestigious order is for our cutting-edge Blown Film lines. This machine is used to manufacture silo bags as per the needs and requirements of the customer. This innovative solution represents our ongoing commitment to provide the solution in the agriculture industry with the state-of-the-art equipment that enhance efficiency and product quality.

I am pleased to announce the successful delivery of two prestigious projects in the category of sheet extrusion system, each boasting an impressive output around 800 kilograms per hour. This project will be present significant milestone for our company and underscore our commitment to delivering excellence in the field of manufacturing. Our supplies to Cosmo Films and Berry Global. Two of India's industry giants fixed volume about our reputation for reliability and innovation. This partnership not only demonstrates our capability to meet the demanding requirements of leading players in the market, but also signifies the trust they have placed in our expertise and technology.

I am thrilled to share our latest milestone in innovation and technology. The enhancement in technology for our existing Five Layer Brown Film line range. This initiative represents a significantly proven as we prepared to launch India's first ever high output, Five Layer Brown Film Line. With an impressive output of 800 kilograms per hour and the line speed exceeding 150 meters per minute, this cutting-edge technology sets a new standard in the industry competing with global leaders offering value for money for our customers.

Moreover, on April 16th 2024 we celebrated the inauguration of our new facility marking the significant expansion in our operational capacity. With an additional 21,000 square feet

dedicated to assembly, we are poised to streamline production processes and meet growing demand with efficiency and reduced lead times.

Notably our commitment to excellence extend to the establishment of a dedicated 7000 square feet space for quality control, underscoring our unwavering focus on elevating quality standards across all facets of our operations. This investment underscore our dedication in delivering superior products and services positioning us for the sustained growth and customer satisfaction in the ever evolving market landscape.

I'm pleased to inform you that in line with our commitment to enhancing the shareholder value, the company bought back 26,176 equity shares at a price of Rs. 210 each in assurance of shareholders special resolution dated 17 January 2024. The decision to conduct a share buyback can stand from a variety of strategic considerations such as efficient utilization of capital, given value to early shareholders wanting to exit and driven by a positive future outlook.

By repurchasing trainer, a company aimed to enhance value for shareholders by potential increasing earnings per share and this thing returns. Additionally, such action signals confidence in the company's financial strength and future prospects serving as a tangible expression of the management's beliefs in the company's ability to generate sustainable growth and shareholders value. Our strategic region is extensive and comprehensive. We are broadening our international presence entering into the new markets, investing significantly in research and development to create a more energy efficient product and adopting the digital solution to provide better customer experience.

The core of our approach remains our customer and our goal is to continuously exceed their expectations. We have a robust plan to stay ahead of the competition by developing or acquiring technology which is adjacent to our existing portfolio to offer complete solutions in the sector. Continuously optimizing manufacturing cost and standardization of the existing products that can give us an edge over the competitors not only from India, but globally as well.

Looking forward, our focus is on procuring a significant portion of the market in infrastructure, agriculture, electronics and renewable energy sectors. However, our vision extends beyond near our market dominance. We are dedicated to fostering inclusion and diversity within our workforce with commitment to allocate 81% of total employment opportunities for women and 2% for a differently able human beings.

Furthermore, under our sustainability programs we are determined to make significant stride towards reducing our carbon footprint. We aim to satisfy 65% of our total electricity needs through renewable energy sources, preliminary through the expansion of our existing solar

park. This reflects our unwavering commitment to environmentally responsible practices and emphasize our commitment to driving positive change both within our industry and beyond.

We are enthusiastic about the journey that lies ahead. Our objective is clear. We aim to create the long term value for our old stakeholders. So with this brief note, I would like to hand over to Mr. Prakash Daga, our Chief Financial Officer to take us through the financial performance of the company. Thank you.

Prakash Daga:

Thank you, Ms. Doshi. Let me brief the quarterly financial performance. Revenue from operations for the quarter was Rs. 52.68 crores in quarter 4 FY24 as against Rs. 71.43 crores in quarter four FY23. A year-on-year decrease of 26.26%. This was mainly due to delay in the balance of payment and lifting of machines by the customers. Since lead time of the order execution ranges from 4 to 9 months and it can exceed even 9 months in some orders.

EBITDA excluding other income was at Rs. 8.96 crores in quarter four FY24 as against Rs. 6.47 crores in quarter four FY23. Increase of 38.45% on a year-on-year basis due to higher capacity utilization and improvement in operational efficiencies during the current quarter. The EBITDA margin was at was at 17.02% as against 9.06% YoY increase of 796 basis points.

Profit after tax stood at Rs. 7.08 crores in quarter four FY24 compared to Rs. 5.39 crores in quarter four FY23 YoY increase of 31.35%. The PAT margin was at 13.45% as against 7.55% YoY increase of 590 basis points. Earnings per shares stood at Rs. 1.15 in quarter four FY24 compared to Rs. 0.88 in quarter four FY23 YoY increase of 30.68%.

Now coming to our full year financial performance. Revenue from operations for the year ended was Rs. 197.35 crores in FY24 as against Rs. 159.79 crores in FY23. A YoY increase of 23.51% on account of intensive efforts by a larger sales team, a sales team and entry into new territories coupled with revived demand for sheet extrusion lines and thermoformers. EBITDA excluding other income was at Rs. 26.68 crores in FY24 as against Rs. 14.02 crores in FY23 increase of 90.35% YoY on account of increase in sales, higher capacity utilization and improved operational efficiencies.

EBITDA margin was at 13.52% as against 8.77% YoY increase of 475 basis points, a conscious standardization of products helps to optimize raw material and other operating costs during the year. Profit after tax was Rs. 21.01 crore in FY24 compared to Rs. 11.49 crores in FY23. YoY increase of 82.86%. PAT margin was Rs. above 10.65% as against 7.19% YoY increase of 346 basis points. Earnings per share today to Rs. 3.41 per share in FY24 compared to Rs. 1.87 in FY23 YoY increase of 82.35%.

With this now I'm happy to open the floor for any questions you may have. Thank you for your attention.

Moderator: Thank you very much. We'll now begin the question and answer session. The first question is from the line of Manoj from Rajani Enterprises. Please go ahead.

Manoj: Sir first question was a book keeping question. So has there been an acquisition of assets during the period as I can see like the increase in the plant equipment, so just basically that in FY24?

Prakash Daga: There was a CAPEX of 9.33 crores during the FY24 and it was mainly into land we had purchase adjacent land for the expansion and considered building as well on that.

Manoj: And like secondly wanted to know like basic trends that you have noticed in the plastic extrusion machinery and for the next year as well like FY25 and FY26, if you could just guide something on that?

Prakash Daga: Ms Doshi, would you like to take this Question?

Khushboo C. Doshi: As I mentioned the kind of growth we are witnessing in the sectors like selling consumer goods, construction and automating that is very encouraging and that is leading the growth in the plastic extrusion machinery worldwide.

When the recent development in electronic vehicle is also opening up a revenue stream which may contribute in the future for the extrusion machinery.

Manoj: So it will be for the FY26 as well?

Khushboo C Doshi: Yes.

Manoj: And ma'am any kind of numerical guidance if you could that just an approximate figure?

Khushboo C Doshi: If we talk about the global market the current market size is USD 8.33 billion which was reported in 2022 and the expected to grow and reach at USD 11.6 billion by 2030. And if we talk about the domestic market the domestic market product is expected to grow threefold to reach to Rs. Rs. 1,00,000 Crore by 27-28.

So as far as domestic and global markets are concerned it is growing and we feel that there is a huge opportunity for the products which we manufacture.

Manoj: I am sorry ma'am actually if this might be a repeat question from last concall. So what is the market size that we can address that would really help?

Khushboo C Doshi: Yeah, this is the best part in the entire marketplace, which is huge and we are doing only of Rs. 200 cr. So there is a great opportunity and we plan to expand our footprint in the various geographic location outside India. And if you talk about the domestic market for the

horizontal sheet extrusion and thermoforming machine we hold 80% of market shares and in the global market those market shares are peanuts and there is a huge opportunity to reach out to all of them.

If you talk about the vertical extrusion systems which is Blown Film Line and other products we hold in the domestic market nearly 60% of the market share which also again giving us an opportunity to grow and in the export market again it's a peanut which is again giving us an opportunity there.

Manoj: And just one last question on mainly on the working capital cycle. So I can just notice an extension of the inventory days of like from I guess 130 days to 190 days or something like that if I'm not wrong and also there has been an increase in the payable days like kind of just I guess about 10 days to 15 days.

So has there been in like difficulty from the just the creditor side for us and also like what factors are having contributing to this change like I mean this is an industry wide phenomenon just like one of our company that's my question.

Prakash Daga: Let me explain it. see the inventory days have increased due to higher inventory level at the year end on account of time gap between the production and lifting of machines, back-to-back procurement of high lead time for components against high volume orders.

However, it's a temporary increase in the inventory and we hope it will be back to normal during next two quarters. Second question was about payable days which has increased. It is due to back-to-back procurement of high lead time components against high volume orders. Now see, due to this Red Sea crisis the important components what we are importing from Europe and other countries the lead time has increased. To overcome that increased lead time we have to increase the inventory levels, but the company has ensured that the longer holding time of the inventories is accommodated with longer payment obligations is import consignments with higher usance LCs. So overall, the net working capital cycle has temporarily increased to 165 days. However, see in our case we are following order based production. So the entire inventory that we are holding we can say it is sold inventory.

Manoj: So like you said in the next couple of quarters so first half we can see some normalization in the working capital cycle correct?

Prakash Daga: Yes we hope it will be normalized because we will let us see how this Red Sea crisis and all takes place and secondly the dependency on the customers with lifting of the order. So these are the two factors. We hope it will normalize the next two quarter and we can be back to normal levels.

Moderator: Thank you. Next question is from the line of RK Laddha from Yash Investments. Please go ahead.

RK Laddha: I just want to get some clarity is there any replacement demand for our machinery as read in your presentation that now at present 2,00,000 or more machines are presently in operation then what is the average age for our machine?

Khushboo C Doshi: So generally, the average age use to be at 20 years reduced to a 10 years because the technology upgradation. Nowadays, It is so fast that processors may feel like upgrading the technology or enhancing it within 10years.

RK Laddha: Then is there a good replacement demand also?

Khushboo C Doshi: Yes, there is a good replacement demand as well and there is good demand for the refurbishment as well which is again a different revenue stream opening up for us.

Moderator: Thank you. Next question is from the line of Rahul Khanna from ABS Global Investments. Please go ahead.

Rahul Khanna: I just had a question that looking at the growth, what kind of revenue and margins are we expecting for the coming fiscal year and also if you can guide for the next 2 years?

Khushboo C Doshi: Yeah, considering this year and the kind of order booking we have, we are targeting to grow by another 17% to 20% in terms of revenue by next year with improved EBITDA margin at around 13% to 15%.

Rahul Khanna: And ma'am these margins are we looking these as a sustainable margins?

Khushboo C Doshi: Yes.

Moderator: Thank you. Next question is from the Raj from Arjav Partners. Please go ahead.

Raj: How much is the order book currently?

Sunil Jain: Currently, the order book is about 140 crores and we expect in the next 6 months to 9 months these orders will be executed.

Raj: And how much is the current pipeline are we seeing?

Sunil Jain: Pipeline is to put a figure to it is very difficult because you're looking at a global level, but I would say we are very bullish because the market and the demand are increasing. As was mentioned earlier, they're getting into new geographies. So we have a good pipeline I would

say of at least about 800 crores, but it all depends upon the conversion rate from pipeline to order booking.

Raj: So how much is the average pipe and conversion rate pipeline to order book just some rough figure?

Sunil Jain: Roughly, you're looking at the current pipeline of 1000 crores. We are looking at that getting at least 1:5 would be the conversion depending on territory to territory.

Raj: Also, how much is the CAPEX are you planning to incur for FY25 and FY26?

Khushboo C Doshi: For the next year we are looking at around 15 cr of CAPEX in the tools mainly on the CNC machines imported ones. So, that would be there and for next to next year more CAPEX would be on the again the space creation.

Raj: And who are our main peers in our segment?

Khushboo C Doshi: Sorry.

Raj: I am asking who are our main peers in our segment?

Khushboo C Doshi: There are two if we talk about the European competitors, there are three major players 2 from Germany and 1 from Italy. And if you talk about the domestic market there are also two big player in the domestic market, Windsor machines and carbon extrusion.

Raj: And we compete with them on the basis of price for quality?

Khushboo C Doshi: No, we compete with them on the bases of technology, purely based on the technology because these two competitors are double in the age of Rajoo Engineers. So we compete in terms of technology.

Raj: So our works are comparatively higher price to an extent.

Khushboo C Doshi: I would say the higher technology that leads to a little price increase.

Management: And if I may add to that when we talk about higher technology in terms of energy efficiency we really give our value for money and that very well justify as being the revenue expenditure. It very well justifies the premium which they would be given to us.

Moderator: Thank you. The next question is from the line of Supan Parikh individual investor. Please go ahead.

Supan Parikh: So I'll just couple of questions. So like my first question would be are we facing any challenges like in case of manpower or logistic over the period of time?

Khushboo C Doshi: Which business doesn't face this. We are facing and of course Rajkot where our base is also coming up with the great engineering hub that also creates a security of manpower, but we could we are able to I mean if we talk about the current manpower situation at Rajoo Engineers more than 60% are the employees with us since last more than 10 years, 20 years, 25 years. So we are always blessed with the people around and we are not really struggling with the wind power, but of course it's a normal routine business challenges which we face when we are quite well able to handle that the same. And as far as the supply chain is concerned, Mr. Daga talked about the Red Sea crises and all. So those are the things which is causing an hurdle in the export market for us. For the domestic market more or less things are pretty much under control.

Supan Parikh: So I just wanted to ask about the Red Sea which are the major countries like we export to?

Sunil Jain: Yeah, we go as far as in Colombia, in Peru and then coming back in this part of the world. Then there is Africa, there's Nigeria, Kenya, South Africa. Then getting into we have already have a strong presence in Vietnam, Malaysia, Thailand. See when we talk about the Red Sea crisis is not only exports. It is also availability of vessels and the logistics issue because we do use some equipment which is important. So that affects the lead times. So when we are talking about these geopolitical crisis it does affect from all the operations and we are able to manage it by proper planning.

Supan Parikh: So I also wanted to ask what are the major industries like in Indian regions you serve the most?

Sunil Jain: Major what?

Supan Parikh: Major industries in India like in which you used to work domestically?

Khushboo C Doshi: If I may take the major industries we cater to currently is a flexible packaging and the semi rigid packaging sector.

Supan Parikh: This is just your new targets I'm just asking. So are there any targets in your mind for the revenues and margin for the next 2 years, 3 years?

Khushboo C Doshi: Yeah, I think I already talked about it. We are targeting about 20% growth by next year and in EBITDA would be in a range of 13% to 15%.

Supan Parikh: And what is the current trend in plastic extrusion market if you may say a bit?

Sunil Jain: Are we talking about domestic or global?

Supan Parikh: Both.

Sunil Jain: If we talk about the global in the sector which we are operating it should be in the region of about 40,000 or 50,000 crores. And as Khushboo rightly mentioned the overall plastic processing machinery our presence is negligible as a country. So that is surely going up now. People have started looking at India. If we look at the domestic situation the industries which we cater to because there is another industry the raffia industry which should be about 2000 crores, but we are not in that industry. But otherwise, the industry would be in the clear region of 1500 crores putting all the extrusion and thermoforming in products together.

Supan Parikh: So are we taking any steps as for the industry trend?

Sunil Jain: our strategy is that since we are in extrusion, extrusion itself caters to a lot of other industries. So, if we talk about the Industrial trend, when we talk about flexible packaging we already mentioned about new technologies which we have come up with, but extrusion itself also caters to sheet extrusions and there is a growing trend in the renewable energy segment, more specifically the solar energy segment and that's an area which we are looking at. So plastics is plastics, it can be used in packaging, it can be used in infrastructures, used in agriculture and all these are growing markets.

Supan Parikh: I just mentioned about solar I have one question over there is like what is the market share of solar and like how much opportunity we have in that solar phase going forward?

Sunil Jain: The opportunity with so much of government support and recently you may be aware Prime Minister Surya Ghar Muft Bijli Yojana which would mean solar panels being installed on households and then there is a PLI schemes for solar modules and even wafers. So the industry is going to definitely grow and we cater to one of the components which goes into manufacturing of solar modules. So that's the industry it's an additional sector which we are adding to our portfolio using the same our forte being extrusion.

Supan Parikh: So will be doing any CAPEX for this particular thing like for solar in future?

Sunil Jain: Yes, we already have supplied a machine and we have good pipeline of enquiries now because the government came up with anti-dumping duty on both the solar modules and solar cells which is encouraging a lot of domestic production. Otherwise people would have just imported stuff from China. So with local manufacturing coming up we are confident that the requirement for machines will go up and we are ready with the solutions already tried and tested so all geared up.

Supan Parikh: Also just add a question. Can you throw some light on the machinery which we manufacture for solar space?

Khushboo C Doshi: So when you have a solar panels, there is a solar cells inside and those cells has to be encapsulated by the sheet which is EVA Ethylene-vinyl acetate and this EVA sheet getting extruded from the machines which we manufacture. So this is the product which we offer to the solar sector.

Supan Parikh: So are we like giving out this sheets to the clients who may we send this machine?

Khushboo C Doshi: Yes, we have supplied machine in domestic market, existing player called Navitas Alpha. They are into manufacturing of sheets and also solar panels.

Supan Parikh: And my last question which I would like to ask is about POE sheet like which we manufacture, what is the status on that?

Khushboo C Doshi: POE sheet is the next version after of technology of EVA sheet and our machines are quite capable to process that material because basically the machines remain same and the material which you process the polymers that gets changed. So our machines are capable of processing the POE as well.

Moderator: Thank you very much. Next question is from the line of Sriram R our Individual investor. Please go ahead.

Sriram R: I have two questions. So one is how much was your exports for Q4 and also for the full year FY24. Second question is what is broadly the application split like earlier you have given this figure flexible packaging, semi rigid, agri, solar etcetera?

Prakash Daga: See export for this year FY24 was 45% of total revenue and industry wise if you talk about then we are supplying in different segments which I will just split. Yeah, supply to flexible packaging industry during the FY24 was around 63% of total sales. Then there was agricultural sector and semi rigid packaging as well. Semi rigid was 25% and others in agriculture and infrastructure segment.

Moderator: Thank you. Next question is from the line of Diana Arora from JD Financials. Please go ahead.

Diana Arora: Sir my first question would be in our export market like which regions account for most orders?

Sunil Jain: Latin America would be about 10%, Vietnam would be about 30%, Africa and South Africa would be the rest.

Diana Arora: Sir, which regions of countries have shown significant growth potential for the company's product?

Sunil Jain: Let me reiterate what I have said earlier. If you look at the global market presence of Indian companies is hardly there. So wherever you touch there is growth, but if we talk about specific markets in our industry specifically talking about flexible packaging, there's a huge growth in the Latin American market with the consumer segment demanding more and more packed foods. Africa as usual because they have specific products which definitely need flexible packaging. So both these markets are giving us good traction and Vietnam, Malaysia, Thailand again good growth and flexible packaging.

Diana Arora: And sir as you said that the presence of Indian companies is low in this area. So are there any further geographic expansion that we're targeting?

Sunil Jain: We are looking at the CIS countries right now and that's a good growth opportunity for us.

Diana Arora: We are seeing that the demand in the packaging industry has increased over a period of time. So how do we anticipate this demand to be in the near future?

Sunil Jain: I don't think people have a choice but to buy packed foods. So we do see that flexible packaging or packaging as such growing by at least 6%, 7% total packaging and out of that plastic packaging would definitely be growing at 12% to 15%.

Diana Arora: What will be the domestic and global share in terms of Q4 and FY24?

Prakash Daga: Quarter four FY24 the domestic share was around 70% and 30% for the exports. Again on annualized basis for the full year the domestic was 55% and exports was 45%.

Diana Arora: Have there been any strategic partnerships for collaborations established in this financial year to drive the growth?

Khushboo C Doshi: Well, there is many in the pipeline. We have not concluded so far, but we are aggressively working on this initiative. Probably we may have some good news at the end of the year.

Diana Arora: And as the industries rapidly growing. So are there any challenges that we have been facing, especially in terms of manpower, government policies, shipping lines, logistics and such and such thing?

Khushboo C Doshi: Well, as I mentioned earlier the manpower and the supply chain issues as every business faces that those are the normal routine challenges which we are facing at this point of time. We do not fall under any kind of a PLI scheme or any other schemes from the government side as of now. But probably after the election there could be some good news as far as the PM is announcing to have the 10 kg of atta bag for each and every person of India. So all those kind of activities may boost up our revenue streams.

Diana Arora: And what would be your current capacity utilization?

Khushboo C Doshi: We are currently utilizing 80% which is I would say that's full now and that's why we have invested in the new land and building which is adjacent to our existing premises. So with that new thing we would be able to add another 25% to 30% of our capacity.

Diana Arora: Can you throw some light on any new product segment that we are planning to move into beyond plastic packaging?

Khushboo C Doshi: Beyond packaging we are targeting agriculture, renewable and electronics. So these are the segments which we are targeting and we are moving slowly in that segment with our solutions.

Diana Arora: And have there been any notable changes in customer demand patterns in regional or regional market dynamics?

Sunil Jain: Again going back to what I said earlier, people are preferring more and more packed foods than e-commerce is a big growth driver because that demands flexible packaging and that kind of attraction one sees both within the country and overseas. So, consumer trend is definitely going in for more packaged foods which necessitates flexible packaging. And as you were talking about earlier renewable energy, solar is another growth driver which is not really consumer demand, but it is demand from the industry which is going to benefit us.

Diana Arora: And my last question would be how have we managed fluctuations in raw material prices and supply chain challenges?

Prakash Daga: If you talk about FY24 the prices of raw material is more or less remain stable and there were no major fluctuations and the only thing which was a challenge for us is this increase in lead time due to Red Sea crises and there are some disruptions in supply chain. So to mitigate that we have already increased our inventory because it is back-to-back booked against the orders. So price fluctuations during the current year at least we have not faced any challenges.

Moderator: Thank you. Next question is from the line of Naman Parmar from Niveshaay Investment Advisory. Please go ahead.

Naman Parmar: I just wanted to know what is your average price realization of the flexible packaging machinery?

Khushboo C Doshi: Yeah, average price realization would be around for the flexible packaging there are also various segment and the size of the technology differs, but you one can say that it ranges from 10% to 15%.

Naman Parmar: And for semi rigid?

Khushboo C Doshi: Semi rigid one can say 15% to 20%.

Naman Parmar: You are selling for 15% to 20% of what?

Khushboo C Doshi: That's the margin I'm talking about the growth margin.

Sunil Jain: I think the price realization see because of the customization let us say in flexible packaging, the ticket size would range from even 1 crores and going up to 10 crores. It depends on the output levels and the width. Semi rigid packaging again can go up from 1 crore to 2-6-7 crores.

Naman Parmar: And currently you are saying you are going into the solar module part. So how much of revenue you are expecting from the renewable side and let's say from next 2 years down the line?

Khushboo C Doshi: We are expecting another 20 to 25 Cr in the next 2 years from this segment.

Naman Parmar: And currently you have tell about the CAPEX of 9 to 10 crore. This is for the only land or it is for the tools also.

Khushboo C Doshi: No, currently it is for the land and building. The tools as I mentioned in the previous discussion, it will be for this year.

Naman Parmar: So the total CAPEX would be of 15 crore for FY25?

Khushboo C Doshi: Yes 10 to 15 crore.

Moderator: Thank you. The next question is from the line of Nikhil Arora, an Individual Investor. Please go ahead.

Nikhil Arora: But as you mentioned that we are targeting the EBITDA margins of 13% right for the next 2 years. So that would be like for exclusively for domestic or global or like inclusive both that's one confusion over there?

Khushboo C Doshi: No, that's including both the markets, domestic and global.

Nikhil Arora: And ma'am our total income comprised of roughly I mean somewhere around 4 crores for the financial year. If you can throw some light like what this is comprised of?

Prakash Daga: See, the total income is mainly comprising of interest on Fixed deposits of around 2.5 crores and there are some export incentives as well around 70 lakh or so.

Nikhil Arora: And one last question. I think I missed the number of the current order book value, so did you mention the order book value?

Khushboo C Doshi: It's around 140 Cr.

Nikhil Arora: And what would be the tenure for the same?

Khushboo C Doshi: It varies from 4 months to 9 months whatever the pending orders are that we aim to 75% of the orders we are targeting to execute in first two quarters.

Moderator: Thank you. As there are no further questions, I will now hand the conference over to Ms. Khushboo Chandrakant Doshi – Managing director from Rajoo Engineers Limited for closing comments.

Khushboo C. Doshi: Thank you. I would like to thank you all of you taking the time out at attending this call. I'm also thankful to each member of our Rajoo Engineers family as well as our clients, creditors, banks, financial institutions and all our stakeholders. For any further queries or information please get in touch with our Investor Relations team Adfactors. Thank you very much.

Moderator: Thank you very much. On behalf of Rajoo Engineers Limited, that concludes this conference. Thank you for joining us and you may now disconnect joining us. Thank you.