

June 13, 2025

To,
The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Symbol: AARON

Subject: Transcript of Earnings Conference Call – Q4FY25/FY25

Dear Sir/Madam,

In continuation to our letter dated June 05, 2025, and June 10, 2025, and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we would like to inform you that the transcript of the Earnings Conference Call held on June 10, 2025, to discuss the Financial Results for the Quarter and Year ended March 31, 2025, is available on the website of the Company.

The web link to access the said transcript is: [Click here](#)

It is further confirmed that no unpublished price-sensitive information was shared/discussed in the meeting / call.

This is for your information and records.

Thanking You,

Yours faithfully,
For Aaron Industries Limited

Nitinkumar Maniya
Company Secretary & Compliance Officer

Aaron Industries Limited

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Q4 and FY25 Earnings Call: Key Results and Strategic Outlook

**Tuesday, 10th June, 2025 at
4:00 p.m. IST (16:00hours)**

**The management team was
represented by:**



**Monish Doshi
Director & Chief Financial Officer
Karan Doshi
Whole-Time Director
Paresh Naik
President**

Moderator: Ladies and gentlemen, good day, and welcome to the earnings call of Aaron Industries limited for the financial year ended 31st March 2025. The floor will be open for question once the management presentation concludes.

Please note, today's call is being recorded and may include forward-looking statements based on current expectations. These involve risk and uncertainties that could cause actual results to differ materially. The company is not obligated to update such statements except as required by law. Listeners are advised not to place undue reliance on them. Representing Aaron today, we have Mr. Manish, Doshi Director and Chief Financial Officer, Mr. Karan Doshi, Whole Time Director and Mr. Paresh Nayak, President.

Without further delay, I now invite Mr. Manish Doshi to share a brief overview of the company's performance, and provide insights into our operations. Thank you, and over to you, sir.

Monish Doshi: Good afternoon, everyone. Thank you for joining our Q4FY25 earnings call. It's a pleasure to speak with you all here today.

We have uploaded the presentation summarizing the Company's performance for Q4FY25, along with the results on the Stock Exchange for your convenience. I hope you all have had an opportunity to review the same.

Before I provide updates on both our company's performance for the last quarter and the financial year 2025. I am pleased to inform all our shareholders that we have achieved all our financial and production goals as committed by us in last financial year.

Now going ahead with the details. I would like to share them. For the quarterly performance Q4FY2025. We are pleased to report a strong performance in Q4FY25.

Revenue from operations stood at Rs.24.11 Crore up by 31.54% QoQ and 26.39% YoY, driven by higher volumes and a favorable product mix.

EBITDA grew significantly by 53.71% QoQ and 37.08% YoY, reaching Rs.5.10 Crore reflecting strong operating leverage. The EBITDA margin improved sequentially to 21.14% up from 18.09% in Q3FY25.

Net Profit rose to Rs. 2.75 Crores, an increase of 53.05% QoQ and 18.41% YoY.

While PAT margin was slightly lower YOY at 11.42% versus 12.19% last year, it improved sequentially from Q3's 9.81%.

Full year performance - FY 2025

Revenue from operations grew by 23.26% YoY to Rs.77.93 Crores.

EBITDA for the year stood at Rs.15.03 Crore registering a growth of 33.40% with the EBITDA margin improving to 19.29%.

Net Profit for FY 25 stood at Rs.8.24 Crore reflecting a healthy 30.21% increase from the previous year with the PAT margin improving to 10.58%.

These figures are a testament to our team's relentless focus on operational efficiency, disciplined cost management, and strategic execution.

As we move forward, we remain committed to driving growth in both volumes and values. We are confident in our ability to sustain and enhance our performances.

In conclusion, I would like to emphasize that the company is dedicated to maintaining strong financial discipline while capitalizing on its inherent strength. Aaron is committed to enhancing its financial performance, and is well positioned to deliver greater value to all the stakeholders as we move forward.

This brings me to the end of my address. I will now request the moderator to open the line for the question-and-answer session. Thank you.

Moderator: Thank you, sir. We'll now begin the question-and-answer session. Participants who wish to ask a question may please raise their hands.

We'll take the 1st question from Akshada.

Akshada Deo: Hello!

Monish Doshi: Hello! Yeah, ma'am.

Akshada Deo: Yeah. Congratulations on a great set of Q4 as well as this year's performance. If the company has done very well.

Monish Doshi: Thank you.

Akshada Deo: Yeah, so I have quite a few questions. I've been tracking the company for the last month or so now. so can you tell me you've grown 23% roughly this year and you have guided for more like, I think you've guided for 35% for the next 2 to 3 years as well as may be you can do a little bit better as well.

if you know Tailwinds favor you. So is that any reason that if we grew 23%, any something like a constrained capacity, because I think Unit 3 got started in April, and we were already at 80% capacity in November.

Monish Doshi: Right. So, the increase which we are seeing right now is mainly because we have been focusing on our production efficiency as well as we have been working on expanding our market reach to different areas of India. So now we have since last year we have opened multiple warehouses, and we have also set up our distribution channels in different States of India. So, because of that, we are able to see the rise in both the industries in elevator segment as well as the stainless-steel segment. so that we have been working on that for the whole year, and at the in the last quarter it has shown us the results we on which we have been working.

Akshada Deo: Okay. But, sir, I mean to say, could we have done more if Unit 3 was functional beforehand? Because I just want to understand if you already have the demand, and we are just waiting on the capacity to come in so that we can have the next leg of higher growth.

Monish Doshi: Yeah, definitely, if Unit 3 had been operational sooner than it would have helped us in many ways, because it has a large production capacity and with that, we have we would be able to improve our efficiency a lot. So definitely it would have helped us in generating better figures in than this.

Akshada Deo: Okay, okay. And so, the margin expansion that happened. Can you tell me why, Democrats, I think 17-18% is a margin that we, as company expected, and you've done almost 21% this quarter.

- Monish Doshi:** Right. Yes, that was because, if you see the previous quarters, our inventory was very high, and that was because we were having a limitation in our capacity of production, so that all has we have been able to generate the revenue because of those inventory high inventories, and because of improving our productivity. So, for the last quarter we are seeing a better EBITDA margins.
- Akshada Deo:** So, this was for better inventory management. Is that what you mean to say?
- Monish Doshi:** Both the ways, inventory management as well as the production capacity, and also the increase in the market reach.
- Akshada Deo:** Okay, yes. So, you mentioned that you increased number of warehouses as well as you know. Can you give me a number that we were may be at 3 to 4 warehouses. Now we are at 6, 7, something like that, so I can gauge.
- Monish Doshi:** So approx., right now we have 5 different warehouses and we have developed 4 different distributors like distribution network channels in different. So, like in Bangalore we have set up one, in Indore we have having that same, we had expanded our reach in West Bengal also 2 years back, even in Nasik we have done the setup. So, because of that, we are getting a good response from all the growing 2 tire cities.
- Akshada Deo:** Okay. So, Bangalore Nashik Indore are new for us?
- Monish Doshi:** We had the market over there, but now we have a proper setup of Distributor, so that will help us improving the overall region.
- Akshada Deo:** Okay, okay. Okay. And so, the next question was related to we were looking into tying up with international OEMs as well for their Indian manufacturing, and we were waiting on this capacity to come in so that that can also be serviced. So do you have any update regarding the same, any talks that went forward.
- Monish Doshi:** Right now, we are into talks but nothing has been confirmed. So right now, I wouldn't be able to name anything but yeah, definitely, we are looking towards that and we are trying our best to associate with some OEMs big players which can help us utilize the capacity.
- Akshada Deo:** Sir, will we be able to maintain our margins if we get into these larger OEMs?
- Monish Doshi:** Yeah, ma'am. Actually, this goes both ways, like, obviously, the OEM tie up will be to enhance our top line and the value addition which we are working, it would be contributing to our bottom line. So, we'll be maintaining both the things. It's not that we'll be completely dependent on the OEMs. We have our market where we are supplying value added material. So, in that we'll be able to maintain our margins as well as we'll be able to improve the revenue generation.
- Akshada Deo:** Okay. okay. So, we expanded into this. I don't know if I'm saying this right? Selvangini line the Italian machinery. Can you tell me what contributed to our margins, because I think the company was a very bullish on its efficiency.
- Monish Doshi:** Sorry I didn't get you. Could you repeat the question.
- Akshada Deo:** The Salvangini line that we put up, I think, in 24, early, 24-25 may got operational, so has it contributed to our margin expansion?
- Monish Doshi:** Ma'am, the production was started in April, so in the coming period we'll be able to get the benefit.

- Akshada Deo:** Okay. So, this was for Unit 3 only.
- Monish Doshi:** Yeah, yeah.
- Akshada Deo:** Okay, okay, okay, I understood that. And now, we have 5,000 auto capacity. So what do you think by when we will be able to utilize this at 80-85%, the way you used to your own previous capacities?
- Monish Doshi:** So, for us, we have set up a target for 3 years that within 3 years, at that, by the end of 3 years we'll be able to reach that efficiency. Because it goes both ways, we have to develop the market as well as the production capability. So, on the production part we have done our work. We have already done this Capex, but now we are exploring the market. So gradually, within 3 years we are hopeful that we'll be achieving it.
- Akshada Deo:** Okay. So then may be I can expect a little bit more margin expansion, considering that Unit 3 will be active and all the depreciation that we were all, or you know, everything that has been capitalized. Now this should technically go broader, even more. Is that right?
- Monish Doshi:** Definitely. Yeah, yeah, even, we are looking towards that only.
- Akshada Deo:** Okay. Okay. And, sir, can you give me like this I don't know if this is possible for you to tell me but can you give me like a per auto door revenue or something like that, like a unit economic figure? Because this is again, 60% of our business.
- Monish Doshi:** So, you want item wise? you want the segment bifurcation, like the division of elevator and stainless steel?
- Akshada Deo:** I think that you already gave right almost of the times you do mention like last a couple of quarters ago, it was 58% for auto doors and stainless-steel division was another 15-16%, I think yeah, those numbers and along with that, if you can give me like a per auto door like one door when you know we do an installation of an auto door. What is the average revenue that a company, you know, can make from that.
- Monish Doshi:** That would be difficult for us, because there are many different types of doors which we are supplying and we are doing value addition in that also. So yeah, to identify a revenue per door will be difficult. I can like, basically, we always prefer to see it as a whole, because the whole segment grows like If we are doing a project, then even the cabins goes with it, and the doors goes with it, so we always prefer on seeing as an whole segment.
- Akshada Deo:** Okay. So, for FY25, can you just give me some segment wise data?
- Monish Doshi:** Sorry?
- Akshada Deo:** The segment wise data for FY25 in auto door elevator segment as well as the SS Steel, and your trading segment.
- Monish Doshi:** Okay, yeah. So, in this, for elevator out of like, our total revenue is 78 crores. So, in that 62 crores is from elevator division and 16 crores is from this stainless-steel division.
- Akshada Deo:** Okay, sir. So by the time the 3 year capacity gets done, can you tell what the bifurcation you are internally targeting, like elevator, would still remain 60, 70% of the business, or what would be the mix.

- Monish Doshi:** Yeah, definitely, it would be around this only because, even the stainless steel helps us to push elevator business, because the raw material which we consume in elevator division is developed by our stainless-steel division only. So, saying, that elevator division will always be higher on the higher side than stainless steel division.
- Akshada Deo:** Okay, so can you give me EBITDA margins of these segments specifically?
- Monish Doshi:** Ma'am, I won't be able to share you that specifically, because, like in stainless steel, it would be showing negative but most of the material which is produced. After that, 70% to 75% is being consumed in elevator division. So, it would given wrong perspective.
- Akshada Deo:** Okay. So, in your elevator division, you have multiple segments like it's coming from bungalows. It's coming from residents, high rise, hospitality, commercial. So how are you tracking the demand internally? And how are you seeing the demand from these 4 segments? If you can share.
- Paresh Naik:** Yeah. Good afternoon, Paresh Naik here. I would like to explain you about this. See the low rise building and high-rise building are the major contributors to our elevator segment. The bungalow segment is growing day by day but that cannot match the volumes that we get from a high rise or a low-rise building, because over there the requirement is in multiple doors. A bungalow, society, if it is there, So, we may get around 20 cabin order but against that the number of doors that we get in a low rise building itself are higher. So, it is the multi-storied buildings which will dominate this segment, this market and we actually get a better margin from the bungalow segment, because over there that is a lot of value addition over there the products which are procured, or the product that are selected by the owners of the bungalow is a little bit more fancy, wherein our value addition into the designer sheets are deployed over there, so on the margin part, this segment gives us better margin than the standard low rise or high rise buildings where it is usually the standard lifts with the plain SS cabins.
- Akshada Deo:** Hmm. Right. So that's more value add and this is more it drives the entire top line as well as the overall business.
- Paresh Naik:** Yes Yes.
- Akshada Deo:** So, for the demand side. Do I understand Just let me know, if my understanding is correct, that everything is more becoming facade and aesthetic base. So, starting from hospitality to even luxury, high rises which are on the rise, and the even per square foot rates of real estate has also been growing high and lifts was traditionally not, as you know, paid thought to, which is now completely changed, and it is not overlooked anymore also, number of lifts have started to rise with the bifurcation of passenger lift, service lifts, owners lifts. So typically, what a building would have 2 or 3 lift size even that has been increasing is that where, like the demand and volume overall is coming from?
- Paresh Naik:** Yes, see, the demand is coming from it is very simple that earlier having an elevator was a luxury sort of, whereas now it has become a necessity. So, all this is driving the whole elevator industry itself, plus the number of elevators have increased. As you said that in one multi-story building earlier there used to be one or 2 lifts. Now there is a service lift separate. So all these are leading to the increase in the number of elevators, and plus the whole growth in the tire 2 and tire 3 cities, the urbanization is growing rapidly because of that, the because of the space constraint people have to go for multi-storied or at least 5 storied buildings, so that will keep on increasing. As

the economy is also growing, so this will lead to further growth in the elevator segment.

Akshada Deo: Okay. But, sir, we are growing much faster than the.

Moderator: Ma'am, ma'am, I'm so sorry but please get back in the queue.

Akshada Deo: Sure, I'll get back in the queue. Thank you. Thank you.

Moderator: Thank you. I will take the next question from Mr. Shanky Bansal.

Shanki Bansal: Hello!

Monish Doshi: Hello!

Shanki Bansal: Yeah. Congratulations on the good set of number in last quarter. Just want to know the breakup of the products like the 24 Crore top line, What contributes the auto door and cabin meant?

Monish Doshi: Hello!

Shanki Bansal: Hello!

Monish Doshi: Yeah. So, for elevator segment, you are asking right, sir?

Shanki Bansal: Yes, yes.

Monish Doshi: Okay. So around 60% is out of auto door systems and the cabins would incur around 13% of the total elevator segment business and rest is of the components other components which we are selling with cabins and door systems.

Shanki Bansal: Okay, understood. I've also seen in the PPT, like we have done the geographic expansion by opening the new warehouses in Ahmedabad, Mumbai, and Kolkata. Can you tell me that What is the traction there? How we are generating? Is it? We are getting a very good response from these 3 warehouses or the OEMs.

Paresh Naik: Yeah. Paresh here.

Shanki Bansal: Yeah

Paresh Naik: The opening of warehouses in Kolkata has led to increase in business because the OEMs over there. Now they get us faster service from us. The products are readily available, especially the standard products which move very fast. So those standard products that we have stocked in Kolkata because of the proximity. Now the OEMs are get a better facility from us, and that has increased our business. Similarly, Mumbai and Ahmedabad are more on the stainless steel. We have more higher stocks of stainless steel over there, and doors, of course, are moving from there plus now we have traders in MP, Belgaum, Hyderabad. So, we are using their warehouses. They have established large warehouses with our guidance, and they keep a larger stock. So, all this increase in our traders and having stock at these locations is helping us to increase our business that we have been means working for it since for the whole last financial year to improve our reach in the market.

Shanki Bansal: Understood

Paresh Naik: That is an ongoing process. Mr. Shanki. Yeah.

- Shanki Bansal:** Okay, okay. So can you brief me about because we have, I think, achieved a 24 Cr top line on a quarterly basis. I think this is one of the highest performances we have seen. So, what is the additional chunk of revenue we have generated in this quarter? What does it denote to will it from the elevator segment, or from the trading of SS sheets or cabins?
- Monish Doshi:** Yeah, hi, Monish here. So, in quarter 4 both the segments have grown like even in the elevator segment as well as in stainless steel we have had a good growth ratio. So almost in quarter 4 the stainless-steel segment we have done around 9 crore business and remaining is of elevator business.
- Shanki Bansal:** Okay. And just one question, I think, I've seen the legacy of the business and considering the last couple of financials, I think June is the quarter where the number is weaker than the last quarter. So, we can expect that June will be stable or the number will be improved considering the Capex is online, wrong.
- Paresh Naik:** Paresh here. Actually, the June quarter is weaker because of the weather conditions. Due to monsoon, majority of the projects are on a standstill, or they go slow. So, they place orders with us, but they do not lift, or they do not take the elevator parts, and usually they start taking those from July, August, September onwards. So that is only a weather effect due to which this whole segment is on a low profile. They keep on discussing projects with us, but actual revenue is generated when we do the billing. So, the orders are with us, and we also plan our production and supplies accordingly.
- Shanki Bansal:** Okay. One last bookkeeping question. Actually, I've seen the last PPT, which is the half-yearly financials you have released in that the number of employees was around 210, and now the current employee strength is 190. So now we are doubling our capacity, more than doubling our capacity, and the employee strength is decreased. So, I'm not able to gauge this number in the same context. Can you tell me what is the reason?
- Monish Doshi:** Yeah. So basically, previously, we were more focused on laborious processes. Now, we are more oriented towards automating our processes and with this like increase like the Salvagnini line. Because of that, the production has like, it has shifted from laborious to more of an automation. So in to balance that we are controlling our main force also.
- Shanki Bansal:** Understood. One last question. I have also seen that the companies generally used to keep 150 days inventory, so if we are growing at a CAGR of, let's say, 30, 35% in the next couple of years. So how do you manage the working capital requirement? Will you take more debt, or whether you want to retire the debts and do from the internal accruals how the company is planning?
- Monish Doshi:** Yes. So that will be done based on the requirement of that period, like if we see a potential for a good business, and if we are in a requirement of debt, then we might go for that also but that would be completely based on the market conditions and the opportunities which we are getting in that particular period.
- Shanki Bansal:** So does the company have decided that whether we will not cross the debt to equity from this point any threshold you guys have decided, or that will be totally depending on the conditions?
- Monish Doshi:** Basically look, we have already done our Capex and now we are not looking for a higher capex in that case. So, whatever the debt would be majorly would be for efficiently maintaining the working capital. So, in that case, for a short period of time, it might cross also, based on the requirement of that period but yeah, we are having a

keeping a close control on that. So, it's not that we won't like, We won't be utilizing the debt which we have taken. It will be always utilized at the maximum efficiency.

Shanki Bansal: Okay, okay, thank you. Thank you and best of luck.

Monish Doshi: Okay. Thank you very much.

Moderator: I will take the next question from Mr. Dheeraj.

Dhiraj Kaswan: Hello, hello, sir!

Monish Doshi: Yeah. Hi, hello.

Dhiraj Kaswan: Congratulations on the results. My 1st question would be that right now we are only supplying to OEMs. So, in the whole supply chain of like making an elevator, and like giving the elevator to the OEM, and then they do some process, and send the elevator to the building. So how much of the value addition are we already doing? And how far are we from doing like kind of B2C thing in this segment?

Monish Doshi: We right, like, we are not more focused on B2C, because our core is into manufacturing and we are right now focused on expanding our market reach as a B2B supplier and OEM partner only.

Dhiraj Kaswan: Hmm.

Monish Doshi: So, in that case, B2C is like in near future, we are not looking towards it, and our main focus will be expanding the market for our elevator customers like basically elevator companies with which we are working. So, we'll be more focused on providing them new products and better products by which they can expand their market and, in that case, we are already doing a revenue like value addition. So basically, based on the requirement. Like, we have all the facilities in house so based on their requirement, we do value addition in most of like many projects.

Dhiraj Kaswan: Okay. So, I mean, my main question was that in the final elevator that is put in the building, how much of that are we currently making like, is it 70% - 80%?

Monish Doshi: Okay. So, the components, okay, you are asking about the weightage of our components which we are selling in an elevator?

Dhiraj Kaswan: How much of value addition does the OEM have to do to sell the final product to the consumer?

Paresh Naik: Okay. Paresh here. I'll explain you exactly the whole model of it. It is the OEM, the Original the actual installer takes the order from the customer and as per the order he places order to us. So, once he places the order to us, it is the product is final what we have supposed to supply to them. So now, if we take a total elevator, then our value in the total elevator project will come to around 40%. That is, the doors and cabins and other mechanisms. Rest all is invested by the installer and the value addition that we do is on the designs that they ask from us that okay, if they need a designer cabin, if they need a colored cabin, if they need a cabin which has got a golden finish, or they need automatic door in a special way, like if they need a telescopic door, or if they need a center opening door. These are the value additions that we do to suit his requirement. That is our role.

Dhiraj Kaswan: And okay. So, regarding the stainless steel sheets, my question was that we are using 70 to 75% of the sheets internally only, so if the margins we can't say the margins for

the whole segment. So, my question was that, how much are we making, like, we are at least profitable when we supply 25 to 30% to other manufacturers right? The stainless steel. And what kind of margins are we making on that product?

Monish Doshi: Yes. So, as I said previously, that it would be difficult to bifurcate both the segments by on the basis of margins, because most of the production which is done in stainless steel is consumed by elevator division. So, the cost of production is faced by the stainless-steel segment, whereas the margins are accumulated on the elevator side. so, we mostly prefer that seeing it as a whole, whole company, or both the segment at the same time would be a better idea would be a better way of seeing the actual scenario.

Dhiraj Kaswan: Okay, okay, sure, sir. And my next question would be that the whole, like capital work in progress, whole CWIP component, has already shifted to like fixed assets. we completed the product we started production from April onwards. So now do we have anything in capital work in progress, or everything is has been shifted to fixed assets.

Monish Doshi: Yeah. So, from the start of April, most of the capital work in progress has been shifted in that.

Dhiraj Kaswan: Okay and, sir, in the inventory section we only have stainless steel, right? We don't carry other types of inventories like, apart from all the products that we are keeping to sell to other people. The raw material please mainly stainless steel only?

Monish Doshi: Yeah. So, major chunk is of 2 things. One is of our finished products which we are keeping for the standard products which we have, and the and the inventory of orders ready orders which we are having, and the second major chunk is of stainless steel. Yeah. So, in these 2 parts, we are maintaining our inventory.

Dhiraj Kaswan: Okay, great. So that's all from my side. Just last one thing, will it be possible to do a plant visit in Surat like we our firm is based out of Vapi, and there was a plant visit in Jan but I wasn't covering the company at that time, so will it be possible to do an individual Or may be you know, a full plan visits with a lot of analysts also.

Monish Doshi: Yeah, definitely, we'll let you know once we are planning for such and visit again. Previously we have done it with our IR team, so you can be in touch with them, and they'll let you know whenever we plan the second planned visit.

Dhiraj Kaswan: Sure, sir, thank you so much and looking forward to you.

Monish Doshi: Okay. Thank you.

Dhiraj Kaswan: Yeah.

Moderator: Sure, sir, you can drop us an email on our IR Id, and we'll get back to you shortly.

Dhiraj Kaswan: Alright.

Moderator: Okay, we'll take the next question from Mr. Bhavya.

Bhavya Sonawala: Am I audible?

Monish Doshi: Hello. Yeah.

Bhavya Sonawala: Hi! Am I audible?

- Monish Doshi:** Yeah, yeah.
- Bhavya Sonawala:** Yeah, Hi, Monishbhai, and Pareshbhai, just a couple of questions. In the stainless-steel division, just wanted to understand in this year. Have we seen any new opportunities for our future, apart from the elevator division that we might get into.
- Monish Doshi:** So yeah, we have expanded our reach by selling and associating with different distributors and like, Basically, we are not more oriented towards finalizing a product right now but we are trying to sell and trying to reach different areas by supplying sheets only. So currently no new product is in line. But yeah, we'll be growing the sheet market.
- Paresh Naik:** Paresh here. We have recently opened the office in Mumbai especially for the Sheet division and as you are asking for the product, I would like to explain you that other not the product but the utilization of the sheets. In Mumbai, we have seen that there is one big segment of interior application. So, we are hopeful of deploying our sheets other than elevator in the interior segment. So that will be of use to us but that is a new operation, So, the work is in progress, and we are hopeful of getting good orders from there in the interior segment.
- Bhavya Sonawala:** Okay, got it got it. Just the last question. I wanted to know in in future are we planning to develop any other elevator related products, probably some elevator electronics or mechanisms, or anything that you know, might contribute going ahead, Anything in discussion right now?
- Monish Doshi:** So not electronically products because, our core is on the fabrication side. We are like, we have our polishing unit, and we'll be more oriented towards developing those fabricated products from stainless steel. So electronic products, we won't be looking into it but yeah, based on the requirement we are developing, we'll be developing products which are of stainless steel and which are used in elevators or even in any different industry but that would be based on the requirement and the quantum.
- Bhavya Sonawala:** Understood, but currently, whatever stainless steel that is required in elevator cabin or a door that that is fully done by us already right?
- Monish Doshi:** Right, right.
- Bhavya Sonawala:** Okay. Okay. Done. Thank you so much. All the best.
- Monish Doshi:** Okay. Thank you very much.
- Moderator:** We'll take the next question from Mr. Mahesh Attal.
- Mahesh Attal:** Hi, Sir! Am I audible?
- Monish Doshi:** Hello!
- Mahesh Attal:** Yeah. Am I audible, sir?
- Monish Doshi:** Yeah, yeah.
- Mahesh Attal:** Sir, can you just share me the numbers of our sheet metal and the elevator doors for last 3 years? 23, 24, and 25.
- Monish Doshi:** Okay, just give me a minute, and I'll let you know.

- Mahesh Attal:** We have only 2 divisions. Right?
- Monish Doshi:** Yeah.
- Mahesh Attal:** Okay.
- Monish Doshi:** Hmm, yeah. So like, for, based on the quantity of auto doors, if we talk about 22-23, it was the quantity which we sold was close to 11,000 for that year, and the cabins were around 800 cabins.
- Mahesh Attal:** Okay.
- Monish Doshi:** And last year like in 24-25. Sorry 23-24. We have sold 14,500 door auto doors, and the cabins were for 1380 and last year, in 24-25 we have sold 18,500 doors and cabins we have sold 1,640.
- Monish Doshi:** Okay and sheet metal? Can you just go to sheet metal, sir?
- Monish Doshi:** Sheet metal like we me more like 2 years back, we were mostly using in in house consumption only, so for that I can give you a rough idea of how much we were selling outside, and how much for the last 2 years.
- Mahesh Attal:** No, I just. I just want to know the output that you have got.
- Monish Doshi:** Output as in you want it in like, in names of number of sheets or tons, because.
- Mahesh Attal:** Tons, tons would help me.
- Monish Doshi:** Okay, so just give me a minute. Hello, yeah. So, in 2023-24, Our monthly production was of 50 tons, and in 24-25, it is of 70 to 80 tons per month.
- Mahesh Attal:** And what's my capacity there?
- Monish Doshi:** Over there the capacity is different, based on because there are multiple machineries. But yeah, right now, what we are focusing is to reach, and consumption of 120 tons per month within 2 years.
- Mahesh Attal:** Okay, fine. So just sir, my question would be starting now. So now I just want to know look the most of your growth, I see, has come from the elevator doors division. That's the main part, major part of our business. Now I see that you're doing 18,500 that's like 18,500 if I divide it by the capacity you are having. So you're running at around 77% capacity last year.
- Monish Doshi:** Hmm.
- Mahesh Attal:** Now, what is the maximum capacity that you can achieve? In this elevator doors division. Now, because you have added unit 3 again. Now you are at 5,000, so can you tell me the it? FY 26 end I'm not working, I'm not looking at, what is the capacity you'll be reaching. I just want to know that what is the maximum capacity achievable in our industry. So, let's say tomorrow. Let's say, let me just ask you this way, that,
- Agar humare pass 2000 doors ki capacity hoti, to kya aap 2000 doors bana pate mahine ke? (Local Language)

- Monish Doshi:** In this, abhi jo situation aap dekhenge, to hundred percent production would like it's wo possible nahi hota kafi scenari ki vajah se but yeah, like, previously, we have been working on 80% of the production capacity. (Local Language)
- Mahesh Attal:** I can assume that we can go up to 80, 85% of capacity. Okay.
- Monish Doshi:** But that would take time, because I wouldn't prefer k 5,000 capacity hai (Local Language)
- Mahesh Attal:** No, no, no, wo thik hai but I'm not asking k hum broader view k hum ja sakte hai 85 tak? (Local Language)
- Monish Doshi:** Yeah, definitely, with time and by developing the market reach we can definitely reach good numbers in that. And we have, as I said previously k hum logo ne jo target rakha hai wo within 3 years we are looking k hum wo level tak paheche. (Local Language)
- Mahesh Attal:** Okay. So now, sir, up just now, I'll just cut down into division wise. So, like you have grown into doors and also in cabins. So, if I see your margins there has been a consistent increase in the margins by certain basis points. Last year, also, we've increased like 150. We have added 150 basis points to our EBITDA. So, what are the margins? When I am running my business edit? A let's say, a 70% capacity. So, When I let's talk only about 2,000 doors ka thing What's the margin that is achievable? What should we take as our base margin? EBITDA margin going ahead?
- Paresh Naik:** Hello, Panesh! Here.
- Mahesh Attal:** Yeah.
- Paresh Naik:** See the margin is not directly proportional to the number of doors, but it is on the type of orders that we get. like if it is a plain stainless steel SS matt or SS mirror door, then the margin is limited, but the similar order is with golden color door, or a rose gold door, or a designer cabin, or a glass door. Then the margin is more. So, our strength is that all this is our own in-house production. Since last few years our chairman had that vision, and he kept on doing a backward integration and developed all the process, so that our dependency is least on the outside market, and we do all this valuation on the stainless steel on the sheet at our plant, and that sheets those sheets are used for making of our doors and cabins. So, the value and the margin depends on the type of order that we get, and as we are champions in customization, we are getting more and more orders wherein the margin is better than the plain orders.
- Mahesh Attal:** Fair enough. So basically, yeah. so yeah, so basically, what I what I should understand is that last few years we were able to move to a premium kind of doors and cabins and we are focusing on the higher margin business. So higher margin as a percentage of business has been more.
- Paresh Naik:** Yes.
- Mahesh Attal:** Right? And we are focusing more there. That's what I'm asking on a blended level also Is there any scope of implicit from here?
- Paresh Naik:** Ha, ha, yeah, yeah. See? The margin is again directly proportional to the number of orders that we get, and the number of order depends on our production capacity. So, in last year we have invested in our Capex and installed the Salvagini line of machine and other automation lines also we have introduced. So, we'll be able to produce

more, and that will lead to a higher business and again, the margin that we have maintained till date is more than 20%. So, I'm hopeful of going through 20 to 25% in this financial year also, in the current financial year.

Mahesh Attal: Pareshbhai, What would be the spread between our lower margin and higher margin product difference of spread.

Paresh Naik: Lower, lower.

Mahesh Attal: Lowest, lowest, and highest.

Paresh Naik: I cannot say exactly, because that the number of products are very huge, like

Mahesh Attal: Yeah, but the then you must be having some number on your highest margin product. Right?

Paresh Naik: Like we, we go for at least 10%, and the lowest is 10 and highest can go up to 30, 35%. Okay. if it is a designer cabin with lot of intricate designs and if it is a process wherein, we have to do lot of evaluation. Then it goes up to 35.

Mahesh Attal: Okay, sir, one question Pareshji, I would be having is now recently there was one news wherein, you know, the Mumbai Metro has got into like they want to have automatic dose for all the trains and all. So, is that something that we can cater in future? Are you looking in that direction?

Paresh Naik: See, that is a different segment altogether. it is the Mumbai suburban trains. You are saying that they want to move for the automatic doors, but that is a different segment. But yes, we do have that technical capability to explore into that and we can be the suppliers the contract manufacturers for the company whoever gets the door. That's a the mechanism is different from the elevator segment but yes, we do have that capability of manufacturing these doors.

Mahesh Attal: Okay. But with our new, that Salvagnini line and all the new capacity, don't you think that that door also should be opened? And maybe 2 years down the line. You may have some green light there.

Paresh Naik: Ha! Mahej ji, we are already exploring into this market of contract manufacturing. So, this year we are seriously exploring that. So, if we get an opportunity, we'll surely do that.

Mahesh Attal: Sir, can I? Can you just name few of the OEM? Are you supplying to OTS also?

Paresh Naik: No.

Mahesh Attal: You're not doing 2 OTS, who are your largest OEMs.

Paresh Naik: The largest OEMs, I think. You would not be means it will not at all connect, because those are in the tier 2 and tier 3 cities. So those are regional players. It is not Cone or Schindler, or OTIS, or Johnson, or any of these.

Mahesh Attal: Why, what is stopping us from going to them?

Paresh Naik: I have my order books full at present. And the demand is so high in the tier 2 and tier 3 cities in the regional players that now, as we have increased our production capacity, so now we'll be approaching the bigger players also.

- Mahesh Attal:** So are you in talks or in any green shoots you can see, or maybe something fructifies in this FY26 there.
- Paresh Naik:** Yeah, yeah.
- Mahesh Attal:** Larger OEM, in the dear one.
- Paresh Naik:** Are into talks with few people, but it has not yet materialized. It takes a longer time.
- Mahesh Attal:** What is the times that generally it takes for you to you know, Get on board of one of the larger tire one OEMs.
- Paresh Naik:** That we cannot define, because it is. It depends on their requirement also that if they require the contract manufacturer because they already have a setup so in that if they need, they we can get an order.
- Mahesh Attal:** and what are the new areas we are looking at, sir, like any new areas that are opening up for us.
- Paresh Naik:** Area in the sense, the region you are saying, or product.
- Mahesh Attal:** No, no sector, sector, any new sector like, because, you know, there's residential and commercial, that's 1 thing, and any new sector that could be.
- Paresh Naik:** No, no, at present. At present we want to purely focus on our core strength and we are sure to expand on that front because of the increased capacity.
- Mahesh Attal:** So, what would be the FY26 Sir? What do you expect? Your capacity utilization would be on the expanded capacity? Where do you want to end up in FY26?
- Paresh Naik:** Like
- Mahesh Attal:** 5,000 doors may se kitne doors bana lenge aap? (Local Language)
- Paresh Naik:** Ye 3,000 tak hume pahochneka expectation hai. (Local Language)
- Mahesh Attal:** Average me ha fir end of year tak? (Local Language)
- Paresh Naik:** Average, Average.
- Mahesh Attal:** Average 3000 you want to do it. You are having visibility on the orders sir, on 3,000?
- Paresh Naik:** Pardon.
- Mahesh Attal:** What are the what is the order book that you are having?
- Paresh Naik:** Order book. See? The financial year has started, and we have now registered lot of new distributors also. So, then this will go up.
- Mahesh Attal:** Yeah. So, we don't have any order book thing in our company.
- Paresh Naik:** At present. At present the order book are as per the present requirements, and the orders are coming in for our new expanded distributorship, so it will come gradually every quarter to quarter you will see the increase from next quarter.
- Mahesh Attal:** What would what would be the revenue capability at with the if we operated 80, 85%, sir, with this new capacity? What would be the revenue potential?

- Paresh Naik:** Around 120 crores or so. By the end of the year.
- Mahesh Attal:** No, no, not end of the year, I'm saying if we operate it, suppose 5000 doors me mahine banal eta hu to, what would be my top line? (Local Language)
- Paresh Naik:** Hold on, please. You are seeing the per door, the cost.
- Mahesh Attal:** Sir. Simple, sir, 5,000 doors into 12. So like, let's say, 60,000 doors here, and out of that 85% if I achieve. (Local Language)
- Paresh Naik:** If we look at the 80% capacity, then it will be around 200 crores, like 5,000 doors ka agar hum 80% lete hai So it will be around 200 crores. (Local Language)
- Mahesh Attal:** Basically, wahi janna hai abhi aap 200 crore tak koi capex nahi karenge hum? (Local Language)
- Paresh Naik:** Nahi hume requirements nahi hai. Agar koi naya line of business aata hai or usme hume achha opportunity dikhta hai to yes we may go but abhi tak abhi for next 2 years hume koi requirement dikhta nahi hai. (Local Language)
- Mahesh Attal:** Okay. Any cash flow projection you have done for this year, sir FY26? How much cash should be generating?
- Paresh Naik:** At present. At present we are only looking at the growth of 20 to 25%. Otherwise on the cash flow front in details, we have not worked out.
- Mahesh Attal:** Okay, so basically, you are expecting 25% growth on the top line.
- Paresh Naik:** Yes.
- Mahesh Attal:** That's don't you think that's conservative? Because when you're talking about 3,000 doors, that's conservative, right?
- Paresh Naik:** With any expansion, there is, there are a lot of expenses also, which going in developing a market.
- Mahesh Attal:** And to my previous guys, one of the previous guys also talked about the number of employees because I did not understand you coming with the new unit. How does the reduction happen? Because there should be an increase? Right? 50% tak reduction ho gaya hai employees ka. (Local Language)
- Paresh Naik:** Actually, as the automation has increased so at present the number of manpower has gone down. But with the increased orders, and with the increased production as necessary, we will take the manpower because we have to take care of the production and the dispatches also. So, it is not that we are into only decreasing the manpower as per requirements, we'll do it.
- Mahesh Attal:** No, So where is our business like in a seasonal k aapne appoint krr liya kisiko or nikal diya (Local Language)
- Paresh Naik:** Seasonal nahi hai ye maheshji ye seasonal nahi hai. Ye humari requirement k anusar manpower hota hai. Abhi humara automation jo hua uske karan ek level pe jo manual jyada kam hota tha, wo kam hua lekin jese jese production badhega, dispatch jyada hoga to hum manpower jarurat hogi to lenge hi na kyu nahi lange manpower. (Local Language)

- Mahesh Attal:** Alright. Alright! Thank you. Thank you Pareshbhai and Thank you and all the best.
- Moderator:** We'll take the next question from Mr. Tejas.
- Tejas Jariwala:** Am I audible?
- Monish Doshi:** Yeah.
- Tejas Jariwala:** So, congratulations for the good set of numbers along with the margins. It's just a very basic process from my side. So, as we are into B2B, and supplying to OEM. So, what is the strength of the numbers in terms of the distributors that we have currently?
- Paresh Naik:** See at present, we have more than 600 customers which are buying consistently from us.
- Tejas Jariwala:** Okay.
- Paresh Naik:** And the number of distributors that we have is more than 20 all over India. So, and in totality there are more than 1,000 customers, but 600 plus customers are buying consistently from us. So, and the distributors till last year we're only around 10 to 12 now. It has gone up to 20, the traders will say.
- Tejas Jariwala:** Okay. So I think it is eventually a 50% kind of rise in terms of the distributors and we have seen the many activities in last 2 quarters, where the lot of expo and marketing activities you did in different different part of the India. So, any new installer that you have on boarded during those 2 quarters.
- Paresh Naik:** Yeah, many, many like every month we are, adding more than 20-25 customers.
- Tejas Jariwala:** In terms of the installers?
- Paresh Naik:** Yes, these are installers. We are OEM suppliers to the installers. as I said, we have now opened up a few more States also, now we are focusing more on north. So north and south, both so west, Gujarat and Rajasthan, Gujarat, Rajasthan, Maharashtra, and MP. We have covered to the maximum. Now, we are focusing more on south and north. Especially Himachal, and all those places.
- Tejas Jariwala:** So can you just give any rough idea on the how much the total top line is contributed by the you know, the top 5 distributors or kind of break off. If you have any?
- Paresh Naik:** See that. That contribution is not very high, because we have a very balanced kind of customer base and we have seen to it that it is only 12 to 15%, which is contributed by the bigger customers and as we keep on increasing our customer base, the contribution keeps on dividing. So, dependency on large customers we have kept less and we are more focusing on increasing the base.
- Tejas Jariwala:** And one last question, how we are It's a very generous question how we are positioning ourselves in overall scenario of this smart city, and especially, you know, there are a lot of redevelopment activities are happening in India. So, I mean, what's our positioning through the installers in that kind of redevelopment market, or I mean, you know any project that caters to a smart city.
- Paresh Naik:** Yeah. See, our strength is the customized solutions that we are providing. Now when we go for redevelopment and all these projects, there is a lot of customization which is done for the even the existing elevators of the old technology that are installed in the buildings. So over there due to our customization and the product which is very

flexible so we get more orders from the redevelopment work also and as the whole industry is growing due to the smart city projects and the rapid urban urbanization which is going on that will lead to more consumption of elevators. So and as I said, the tier 2 and tier 3 cities, we have a very good representation we have a very good reach over there, so that will help us a lot in increasing the business.

Tejas Jariwala: Right, Right. So, yeah, thank you. Thank you. And I wish you very best like for the for the future numbers. Thank you.

Paresh Naik: Thank you. Thank you Tejasbhai.

Moderator: Thank you. We'll take few questions from the Q & A tab now.

Monish Doshi: Yeah. So, the one question is by Sunil Patel, that is,

what is the USP of our doors and cabins or our business cause, it is seems commoditized business. And one more question about global elevator manufacturers like thyssen, Kone.

Yes. So, in that case, first, I'll let you know about the USPs, basically in auto doors and cabins, Now the for an elevator, these 2 parts are the key parts which are seen by anybody or touched by anybody. So now the trend has changed that people want something different and something exclusive than what others have, and they always tend to develop a new design for their doors or new design for the cabin. So, it's not that it is commoditized because the value addition part is based on the creativity and the requirement of the customer. Definitely, elevators are expanding but with the value addition it I wouldn't say that it is getting commoditized business. And for the global market, Global elevator manufacturers like Thyssen group, Kone and others. So, they do manufacture cabins and doors, and they do manufacture complete elevator solutions, but they are not into customization. They only prefer commercial operated designs which are simple and standardized, and because of that because of their limitation of large scale production and large scale manufacturing line, they have that limitation, and because of that, it is helping us to grow our market with the value addition which we are doing. So, whatever their limitation is, it is helping us to expand our market as well.

So, the second question go is by Rahil.

What is our growth and EBITDA margin guidance for next 2 to 3 years?

So, in that case, as I said previously, that we are move oriented on expanding our market reach for the next 3 years, and with that happening our growth turnover growth will be definitely seen, and the EBITDA margins will keep on improving. So, for the with the production line which we have installed and the efficiency on which we are working right now to improve the production capacity, it will definitely contribute in a better EBITDA margin.

So, there is another question by Sunil Patel. That is, what is the current capacity utilization for elevator doors and cabin units?

So, before the production stage of this Unit 3, the Salvagnini line, we were close to 80% of the capacity utilization of what we had. And now, with the expansion of this production capacity because of Salvagnini, I would say, we are right now, around 30 to 35% of the production capacity and this year we'll be improving on that sector as well.

So, there's 1 more question by Sunil Patel. Are we exploring another use case for our stainless-steel products?

Definitely right now, what we are doing is we are targeting manufacturers who are using their stainless-steel products for their product production. So basically, we are more associated in targeting industries where we can be raw material suppliers for their requirement. We are not more focused on developing a different product for ourselves, but we'll be more oriented towards being an raw material supplier to those companies who are developing their own production based on stainless steel.

There's 1 more question by Akansha.

Value proposition for company coming to for to manufacturer with Aaron versus doing it themselves?

Basically, ma'am, in this we have a unique capability, because we have everything in house like the stainless-steel polishing as well as the fabrication part. There are many multiple things which our competitors or different other companies can't do on their own. So based on that, they do require like they are, basically, they have to get associated with us if they want some special type of processing done for their cabins or doors, or even for the stainless steel. So, in that case our customers are quite loyal because of this thing only that they get a different product from us easily, and they have that confidence because of the working with us from a long time. so that helps us in the value proposition as well.

So, there's 1 more question by Anirudh Kulkarni.

What are the OEM names?

Sir, I wouldn't be able to share it with you right now, because we are into talks, and we haven't finalized anything but definitely once we are done with that, we'll let you know.

I think all questions are done.

Moderator: Akshita, ma'am, do you have any other question? As I can see your hand raised? Please just confirm.

Akshada, ma'am.

Akshada Deo: Hello, So most of my most of my questions are answered. So, I'm grateful for the management taking this much time. So yeah, nothing, nothing more from my side.

Monish Doshi: Thank you. Thank you very much.

Moderator: Okay, we'll take next question from Mr. Shanki Bansal.

Shanki Bansal: Actually, I just want to ask like, in last 5 year, our sales has compounding at the growth rate of 30%. and even the profit growth rate is also commendable. But just, I have listened to Mr. Paresh, He's saying that this year companies start getting 25% growth. So, our capex is life. This is a mega capex. So why we are targeting 25%, why we are not aggressively targeting more than 30%.

Paresh Naik: See the whole planning that we have done is for a higher percentage itself but it takes time to establish a new market. So, this is the minimum that we are expecting, or else

we will surely go for a higher growth percentage. If everything goes through but this is the minimum that we'll get.

Shanki Bansal: Okay. Okay. Because, I've heard that you are saying that in 2026, our outer door utilization will be somewhere reached to 3,000 per month. So, that's why I was wondering that why we are targeting 20-25% types of growth since.

Paresh Naik: Okay See Sir isme (Local Language), It is like this that with the increase in the production, the other input factors also will increase the raw material cost will increase, the manpower cost will increase so that will also affect the margin. But yes, with the increase reach that we have established, and we are still working on making more and more traders in the other parts, other States. So, I'm sure that will help us in increasing the business. And, as I said it is the other expenses that comes in with the increased production that also affects the margin side. But this is something that minimum that we'll be able to do.

Shanki Bansal: That's fine, Mr. Paresh. Actually see, when you've done the Capex, so your depreciation cost will, once your Capex will be live, it will be increased, and other cost also will be increased simultaneously. So, we know this fact prior to the Capex correct. So, my point is that when once the Capex will be live company should be more aggressive rather than be conservative. So why we are guiding 25%? That's my question. You should be more aggressive in your approach. Once the capex will be, live.

Monish Doshi: Yeah, Mr. Shanki, this is Monish. So basically definitely, we are like, we have strategies to go more aggressively and because of that previously, as I told you, that we are exploring new markets as well as market reach but whatever the figures we are giving right now, that is, on the conservative side itself, because we don't want that we over promise, and then we under delivered. We are more oriented towards under promising and then over delivering and our past record you must have been seeing that that we have always, have been committing conservatively, and then we have tried our best to surpass that. So whatever Mr. Paresh told was based on that only that the commitments which we are giving will be on a conservative level, which we know that this, for sure, will be crossed anyhow.

Shanki Bansal: Understood, understood. And one more thing actually going forward, we are planning to do half yearly con calls, or it will be regular quarterly con calls?

Monish Doshi: No, we'll be doing half yearly, only.

Shanki Bansal: Okay, okay, that's okay.

Monish Doshi: You are always. You are always welcome to talk with us whenever required.

Shanki Bansal: Yes, yes, if there will be a second chance to visit your plant, I will surely participate in that also. Not a worry.

Monish Doshi: Sure sure sir, Definitely.

Shanki Bansal: Best of best of luck, Manishbhai! Best of luck, Paresh.

Monish Doshi: You. Thank you very much.

Shanki Bansal: Okay.

Moderator: Oh, thank you!

Monish Doshi: Okay, ma'am.

Moderator: Do we have any other question from anybody? Okay, as there are no further questions, I would now like to invite the management to share their closing remarks.

Monish Doshi: Yeah. So, thank you Everyone for joining and being part of the meeting. We are grateful to have you all over here and we are also excited with the questions which you have asked and hopefully, we have sufficiently provide you the information required, and we'll be looking forward to any questions, if you have, you can send us the mail, or you can also get in touch with our IR team also. So do let us know if there's anything, and we'll be grateful to help you out. Thank you.

Moderator: Thank you. On behalf of Aaron Industries Limited. We sincerely thank you for your time and continued interest. We appreciate your participation on today's call. You may now disconnect. Have a great day.

Monish Doshi: Thank you all.

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