



“Uravi Defence and Technology Limited  
(Formerly Known as Uravi T & Wedge Lamps Limited)  
Q2 H1 FY25 Earnings Conference Call”  
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**MODERATOR:** **MR. GANESH NALAWADE – KIRIN ADVISORS**



**Moderator:**

Ladies and gentlemen, good day and welcome to the Uravi Defence and Technology Limited, formerly known as Uravi T & Wedge Lamps Limited, Q2 H1 FY25 Earnings Conference Call hosted by Kirin Advisors. As a reminder, all participants' 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Ganesh Nalawade from Kirin Advisors. Thank you and over to you, sir.

**Ganesh Nalawade:**

Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Uravi Defence and Technology Limited, formerly known as Uravi T & Wedge Lamps Limited. From management team, we have Mr. Niraj Gada, Managing Director and CEO, and Mr. Siddhant Gada, Executive Marketing. With that, now I hand over the call to Mr. Niraj Gada. Over to you, sir. Thank you.

**Niraj Gada:**

Thank you, Ganesh. Good day, everyone. I warmly welcome you to the Uravi Defence and Technology Limited conference call for H1 Financial Year '25. I am delighted to have the opportunity to share our progress and results for the first half of this fiscal year. Before diving into specifics of our quarter 2 performance, I would like to provide a brief overview of our company and business model to set context by our discussion today.

Uravi Defence and Technology Limited, which was formerly known as Uravi T and Wedge Lamps Limited, is a prominent player in the automotive lamp manufacturing sector, recognized for our expertise in crafting high-quality incandescent and wedge-based lamps under our esteemed brand name, UVAL.

We are dedicated to providing tailored lighting solutions for both original equipment manufacturers, which we recognize as OEM, and aftermarket, that is retail segment. We offer them a wide range of products, including stoplights, taillights, indicators, wedge lamps, halogens, and LED headlamps.

Our extensive distribution network across India and strategic collaboration with leading LED filament lamp manufacturers in China have positioned us for growth, both domestically and internationally. This partnership underscores our commitment for delivering cutting-edge solutions to meet evolving customer needs.

We are an IATF 16949:2006 certified and added ERA standard and E-Mark certifications, reflecting our commitment to quality, which are very high in current OEM standards. While exports and aftermarket segments currently contribute to 3% to 4% of our business, we see immense growth potential in these areas and are strategically expanding our reach into South America, where Indian brands have established a strong presence.

In line with our diversification strategy, we have successfully entered the defence and power sector through the acquisition of SKL (India) Pvt. Ltd. This acquisition enables us to develop power supply systems for extreme environments, critical for military defence systems and guns. We expect these segments to generate INR15 to INR22 crores revenue by year 2025.

Furthermore, we are exploring the EV charging solution business for all types of vehicles and actively developing components for EV two-wheelers. Notably, we have created a prototype of T10 LED lamps for speedometer illumination and are working to strengthen our presence in the retrofit LED aftermarket segment as well.

To drive growth, we are targeting 10% revenue increase in financial year 2025 by deepening relationships with our existing customers, approaching new OEMs, developing new products and seeking strategic technology partnerships to venture further into LED space. Our expansion into Eastern and Southern markets is set to enhance our dealer-distributor network significantly.

We shall take a closer look at our financial performance for Q2, that is, H1 FY25. During Q2 FY25, we achieved a total income of INR11.19 crores with an EBITDA of INR1.56 crores, reflecting an EBITDA margin of 13.95%. Our net profit for Q2 stood at INR0.35 crores, translating to a net profit margin of 3.09 and EPS of INR0.30.

For H1 FY25, we recorded a total income of INR22.49 crores with an EBITDA of INR3.36 crores and an improved EBITDA margin of 14.95%. Net profit for first half amounted to INR0.79 crores, resulting in a net profit margin of INR3.52 crores and EPS of INR0.70. These results underscore our focus on operational efficiency and strategic growth initiative.

Looking ahead, we are committed to building on our strong foundation and pursuing opportunities in both automotive and defence sectors. Our roadmap includes expanding our product portfolio, including EV components for all EV manufacturers in India, strengthening our presence in LED segments by developing advanced products for international partnerships.

Additionally, we are exploring new product opportunities, particularly in South America, and further integrating defence solutions into our portfolio to achieve revenue diversification. Furthermore, we are actively exploring overseas acquisitions to enhance technology growth in various segments, aligning with our strategy for long-term growth and innovations.

These initiatives, combined with our emphasis on quality innovation and strategic growth, position us for strong performance in financial year '25 and beyond. In closing, I would like to express my heartfelt gratitude to all our stakeholders for their unwavering support and trust in our region.

Your commitment continues to be a driving force behind our growth. With that, I am pleased to open the floor for questions and discussions. Thank you once again for joining us today and for being an integral part of Uravi Defence and Technology Limited's journey. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Naina Jain from LK Capital. Please go ahead.

**Naina Jain:** Good afternoon, sir. My question is, how do you view your current net profit margin and what measures are being taken to improve it?

**Niraj Gada:** Thank you, Naina. Thanks for the question. What we have done, if you closely look at the quarter 2 results, we have been able to reduce lots of expenses in this. And the actual effect of this will

come in December and March quarter. There are several measures we have taken like improving efficiency, reducing cost -- reducing our energy cost.

And developing lot of production and diverting lot of production in our other units where we have lot of cost advantages. This we have done. So, I can see that the year end of '25 will have a sustainable and very nice profit margin. Thank you.

**Naina Jain:** My next question is, can you provide a breakdown of revenue contribution from OEMs, the aftermarket and export markets?

**Niraj Gada:** So, currently we are doing somewhere around 95% of OEM sales. We have about 2.75% of aftermarket and rest is export. Now, these exports are also an OEM exports and what we are doing like we took part in couple of exhibitions in South America. And there we are expecting to have a breakthrough of first consignment in coming few months because there are lot of formalities we have to do. So, once that is done, then I think we will have significant export rise in South American retail market.

**Naina Jain:** Okay, sir. My last question is, what is the current position of the company and how will it support the upcoming investments?

**Niraj Gada:** As you are very much aware, we have already raised funds and through which we have acquired SKL India Pvt. Ltd. What we are looking at is SKL's numbers are going to be as per our assumptions while we were acquiring this company and this is going to add healthy numbers to Uravi's final consolidated balance sheet. Business-wise, Uravi is also having a standard growth what we expected in last year for Incandescent Lamp segment and taking over these efforts and all the measures to reduce the expenses and improving profitability and adding consolidation of SKL and we will have healthy numbers for Uravi in this financial year end.

**Naina Jain:** Okay, sir. Thank you.

**Niraj Gada:** Thank you very much, Naina.

**Moderator:** Thank you. The next question is from the line of Aditi Roy from Patel Advisors. Please go ahead.

**Aditi Roy:** Congratulations, sir. My question is, are there other acquisition targets under consideration to further diversify the business?

**Niraj Gada:** Thank you, Aditi, for your question. Yes, of course, as we have raised funds, we are already looking at many opportunities and we are taking a lot of data and visualizing a lot of companies for future acquisition and if the opportunity and synergy is there then I think, of course, we are open to look for new acquisitions as well. Thank you.

**Aditi Roy:** So, my second question is, what are the key growth drivers for achieving the 10% revenue increase target in FY25?

**Niraj Gada:** In FY25, our core focus was to have linear growth in Incandescent Lamp with approaching new OEMs, which we could do by increasing our SOB in couple of OEMs, which in final result, you will see that Uravi has taken the growth and the consolidation, as I said, SKL performance will

also add to Uravi's numbers and which is going to be our diversification and growth-oriented strategy. Thank you.

**Aditi Roy:** So, I have one last question. How does the company plan to capitalize on the growing demand in the South African market?

**Niraj Gada:** I'll correct it that it's the South American market. South African market we have to yet venture because in Nairobi and Nigeria, in Kenya and Nigeria, it's a huge market, but currently our focus is on South American market for the reason that Hero and Bajaj both have their plants in South America, Venezuela and Brazil and they are manufacturing a huge number of two wheelers there. And being part of OEM supplier, our brand is known in South American countries.

So, we participated in a couple of exhibitions and introduced ourselves and we could establish a couple of connections for distribution network. And as I said, we are undergoing some process and approvals. Once it is done, then we will start exporting to South American markets. Thank you.

**Aditi Roy:** Thank you, sir. That's it from my side and congratulations once again.

**Niraj Gada:** Thank you very much, Aditi. Thank you.

**Moderator:** Thank you. The next question is from the line of Abhay Sharma from JC Capital Partners. Please go ahead.

**Abhay Sharma:** So, my first question is how does the aftermarket business contribute to profitability and what are the plans to grow this segment?

**Niraj Gada:** Mr. Abhayji, aftermarket business is a time-taking business because once you have to establish a huge network of dealer and distributor and create your brand name, create your presence in the market and then the actual profitability comes. So, successfully since last two or three years, Uravi has established a good network throughout India and Nepal and now you can see UL brand lamps of the shelf all across India, which has given a significant presence as a brand value and which has opened a door for UL to introduce many other components, automotive components like LED headlamps, maybe wipers and horns, which we are trying to incorporate in our portfolio.

So, these kinds of opportunities are there which will add to our profitability by adding to revenue as all our network is already established and people are known to brand UL for their quality and OEM presence. Thank you.

**Abhay Sharma:** Okay, sir. The next question is how does the acquisition of SKL India position Uravi in the defense sector?

**Niraj Gada:** Thank you, Mr. Abhay. See, Uravi has identified our government's policy of Make in India and was looking for some good companies and venturing into defense because that we could identify as a future growing segment apart from green energy. So SKL acquisition will help Uravi in growing in terms of defense where we can supply our power supply systems to all defense

ancillary units which are catering to government of India and our contacts in automotive will allow us to introduce SKL to companies like Tata Motors and Ashok Leyland for their Tata Advance and Ashok Leyland defense as well. So, that is the synergy we could identify. Thank you.

**Abhay Sharma:** Got it, sir. Thank you. That's it from my side.

**Niraj Gada:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Rachana Sharma from HNI. Please go ahead.

**Rachana Sharma:** Thank you so much, sir, for providing me this opportunity. My first question is, can you elaborate on the benefits of partnerships with Chinese and Philippine LED manufacturers?

**Niraj Gada:** What we are anticipating, Rachana ji, is after five years, there would be major LED markets for automotives. Currently, it is in four-wheelers, but after that, it would come to two-wheelers and EVs as well. So there was a need of gradually establishing a supply chain for LED as well as technology to produce if required in India.

So strategically, what we have done is we have had an understanding with a company in China where we can have a supply chain of LEDs as a raw material and technology to produce a finished product in India and cater to Indian market. So, as a first step, we have started developing a speedometer LED, which we have been successfully given samples to a couple of OEMs, and we are awaiting the results. Simultaneously, for aftermarket, due to that partnership, we have been able to get a finished LED headlamp product and supply to our aftermarket distributor network.

And what I am looking is after two years, we will be able to establish a much bigger business in LED to OEMs and aftermarket. And if required, we have a line open to produce in India with technological partnership of China and Philippines both. Thank you.

**Rachana Sharma:** Okay, sir. So, my next question is what is the expected timeline for launching EV chargers and tapping into the EV ecosystem?

**Niraj Gada:** Thank you for the question. See, EV chargers are technically already developed by us and EV chargers which we have been talking about since long has been in the process for a while. However, the EV market is yet to be very much mature in technological front. So, there are a couple of changes coming after every month and which we have to incorporate in our charger and again give for testing or again we have to test in-house.

So, through the company where we are developing this, again some new models have been tested and they are being under testing. So, definite timeline I think by January 25, I will be able to give you the definite timeline for the implementation and production or revenue generation of EV chargers in Uravi.

**Rachana Sharma:** Okay, sir. And sir my one last question is are there plans to develop proprietary defense technologies or products in-house?

- Niraj Gada:** See, once we have acquired a company who has a good reputation in defense, there is always a door open to look back, do some backward integration or have some proprietary technology development for Uravi as well. It may come in terms of another acquisition or some identification of market and which we can do backward integrate and as Uravi has enough resources in terms of land building and funds. So I see a good opportunity in near future or maybe in future where we can have such advantage of acquiring or entering into defense segments. Thank you.
- Rachana Sharma:** Okay. Thank you so much, sir for patiently answering all my questions. That's it from my side.
- Niraj Gada:** Thank you, Rachana ji.
- Moderator:** Thank you. The next question is from the line of Sakshi from Green Capital. Please go ahead.
- Sakshi:** Hello. My question is are there any specific government incentives or programs that the company plans to leverage for the growth?
- Niraj Gada:** See as we grow there are different kinds of programs or opportunity comes where we can be a partner of government or take part of such benefits or such schemes, but currently we don't have any schemes in front of us apart from venturing into some green energy project, which we are not thinking at present, but given a choice we will do that. But otherwise in defense we are striving to be one of the most valued partners for all government defense organizations where we are already having a presence, but we want to be a preferred choice. That is our target.
- Sakshi:** Okay, sir. I have one more question. What are your long-term plans to expand the product portfolio into EV and other high-growth segments?
- Niraj Gada:** At present currently we are consolidating with SKL's product in which we are trying to develop some more products for SKL in terms of power supply and segments like alternators and other things which are part of the finished product. That is in SKL what we are doing. And we may have some opening in that in coming years.
- Simultaneously for EV, as I told, by January 25, I'll be exactly knowing what will be the part and when we can start our actual EV, maybe two-wheeler or four-wheeler EV charging modules working commercially. And in the long term, what I'm looking at there is enough opportunity in Making India Defense where we have identified many things where we can work and supply not only in India, but all across the world by making it in India. So I think the details can be shared once we have some firm work on that.
- Sakshi:** Okay, I have one last question. What is your vision for Uravi Defense and Technology Limited over the next 5 years?
- Niraj Gada:** What we are targeting is our first target is to have a consolidate crossing INR100 crores in a couple of years. Consolidated, I am repeating again and with a very good margin and later on, we are also looking into venturing into some sort of new development in defense as well as automotive which if the technology is available to us then I can have a good scope of that also, but that only will happen if there is some concrete things developing in that area.

But certainly, we are exploring our opportunities in defense and automotive synergies. And I'm expecting and I'm very hopeful that it will happen, but our certain target is to cross INR100 crores within 2 years to 3 years that is our first target, which we try to achieve by developing a SKL business and having some growth in Uravi as well. Thank you.

- Sakshi:** That's very great, sir. Good to hear and all the best. And thank you. That's it from my side.
- Niraj Gada:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Yashwanti from Kojin Finvest Private Limited. Please go ahead.
- Yashwanti:** Yes, thank you, sir. Thank you, sir, for the opportunity. My first question is about our SKL acquisition. So what is our current stake in the company? Could we acquire the whole 100% or we are still yet to acquire? I'm sorry in case it's already answered, pardon me. Am I audible? Hello?
- Moderator:** Ladies and gentlemen, we have lost the management line connection. Please stay connected while we reconnect him. Thank you. Ladies and gentlemen, thank you for patiently holding. We have the management line back on the call.
- Niraj Gada:** Sorry, it got disconnected. May I have name again and question, please? Thank you.
- Yashwanti:** Yes, this is Yashwanti from Kojin Finvest. Sir just wanted to understand on our SKL acquisition. So initially we acquired around 55% plus percentage share price. So just wanted to understand whether we could increase our stake in the company. Is it now 100% subsidiary of our company? Please pardon me if you already answered this question.
- Niraj Gada:** I will answer that currently we are holding 47.39% and by November end Uravi will be holding 50.01% of SKL currently. And our first target will be to get the growth of SKL to a certain level. And eventually we are open to acquiring more percentage in SKL because the decision will be taken as per the opportunity, but since we have just acquired the 50.01%, our first target would be to have SKL's growth by having a Uravi synergy with automotives. So our first target is that. Thank you.
- Yashwanti:** Yes. Sir regarding that [inaudible 28:43] 50.01%, which will be by the end of November. So what is total investment we have done till date, assuming our stake at the 50.01%?
- Niraj Gada:** Once we acquire 50.01%, I think the exact numbers are not, but somewhere around INR12.5 crores will be invested.
- Yashwanti:** INR12.5 crores. So on FY...
- Niraj Gada:** 47.39% is already being acquired.
- Yashwanti:** Okay. Approximately INR12 crores we are already invested and the company has [inaudible 29:27] around INR20 crores of revenue as on FY24. So what was its first half contribution and have we accommodated the numbers in our accounting?



- Niraj Gada:** Since the transaction happened on 25th of September, we could only add around INR4 lakh or INR4.5 lakh maybe numbers I am not sure, but one week's profit of SKL only. So the actual number of SKL consolidation will appear in our 31st of December.
- Yashwanti:** Okay. But approximately at a company level of SKL, what is the revenue which we might have reported as a whole, not our stake, but as a company, how much it would have?
- Niraj Gada:** SKL, I think we did around INR11 crores revenue for September. And with INR2.5 crores of net profits.
- Yashwanti:** So up to September or in September?
- Niraj Gada:** Up to September. Total revenue of SKL, what was when we acquired was INR22 crores yearly.
- Yashwanti:** Yes, INR20.2 crores. Almost 10% to 12% growth we can see in the SKL.
- Niraj Gada:** Yes, and being a defense company, the growth, last year we had general election. So a lot of projects were delayed by six months. So the actual number will come in next year when all the projects will start rolling out. And in SKL, we have received one, which announcement we will be doing formally. We have received one order from L&T Defense, which is for 244 guns.
- So the major production is going to come in next year. So the figures for next year's SKL will be much bigger than what we'll have this year.
- Yashwanti:** And what will be the monetary term for this 200 guns order, just for the single order?
- Niraj Gada:** The order value is somewhere around INR26 crores.
- Yashwanti:** So it will be a huge impact with the one-time order.
- Niraj Gada:** Yes, of course, ma'am.
- Yashwanti:** And in SKL, what exactly we do for the guns? We manufacture the whole gun, or we manufacture the components for the guns?
- Niraj Gada:** See, we don't manufacture any finished product. In SKL, what we do is we supply the power supply system. Now, whenever there is some sort of guns or tanks being made, they need power supply because they don't have a power supply to launch missile or launch a rocket or drop a bomb. So for that, they need to have a power supply.
- And in SKL, we have a power supply system supplies to all these defense units where our engines are capable of running. First of all, they are very compact. And secondly, we have a range where our engine can perform from minus 20 to plus 50. And that is the temperature. And, we never know where the guns are deployed. If they are somewhere in the Himalayas or somewhere in the desert. So this is the main USP of SKL, where we are compact and our engines can perform in the wide, extreme temperatures. Thank you.

- Yashwanti:** Okay. And this INR26 crores of this approximately order book, which you said for the gun, which L&T is placing 200 guns, you said, right?
- Niraj Gada:** Yes. Somewhere around 200 plus, Yes.
- Yashwanti:** Yes. So this INR26 crores of contract is only for the power supply, right?
- Niraj Gada:** Yes, ma'am. Only for power supply. The entire value of the order must be very high, which we don't know.
- Yashwanti:** Okay. And, sir, just wanted to understand, now we are supplying components, and then the power supply to the defense, right? And we already have a strong presence in the automobile and plus few more industries. So what is the contribution you can see, may not be now, but maybe at a FY25 level or FY26 level, how much the defense would contribute to your overall revenue, and what will our traditional businesses contribute to the overall revenue?
- Niraj Gada:** If we consider FY26, then I am expecting defense in terms of revenue, will be around 70% of Uravi current revenue. But profitability will be much more because of the type of business is different and margin levels are different in both businesses. Okay.
- Yashwanti:** And then what is the growth you expect in our traditional business, we are supplying to the automotive and other industries?
- Niraj Gada:** Automotive lamps, we are anticipating a growth of around 5% to 8%. 8% in this year, and maybe once LED will start, then the growth will be more in double-digit, ma'am.
- Yashwanti:** But why is it a single-digit growth, sir? Because the automobiles, though the growth has been kept, the automobiles are still running at a good rate. So why only the 5% or 8% growth we are seeing for the automotive segment?
- Niraj Gada:** First of all, ma'am, we are doing only lamps for automotive and automotive is a vast, like LMV, HMV, two-wheelers, EVs. Now, EVs, you compare YoY, then you can see a double-digit growth and maybe you can see a 50% growth for something. But actual revenue, when you see, it's not much.
- Compared to two-wheeler industry in India, the urban growth is less, rural growth is more, and if it grows, like this last festive season was good and rural growth was nice, then we may have a double-digit in Uravi also. But since I'm being a little bit conservative as always, I am expecting around 5% to 8% growth for this year, ma'am.
- Yashwanti:** And we supply these power lamps to all the four segments, that is two-wheeler, passenger vehicles, and the commercial vehicle, and now the EVs also, right?
- Niraj Gada:** Mainly our business is two-wheelers only. Four-wheelers are almost converted into LEDs and their consumption is very less. Now you can imagine India is manufacturing average 1.5 million two-wheelers per month, I'm talking about average, and about 100,000 EVs, whereas four-wheelers are hardly somewhere around 300,000 a month. So there's a huge difference in volume. So our focus is on volume and as two-wheeler industry will grow, the Uravi will grow.

- Yashwanti:** Okay. Sir, in one of the earlier participants, you were talking about, you're talking with the Tata and Ashok Leyland. So I just wanted to understand that we are directly suppliers to this OEM, or we are the suppliers, we are the tier 1 suppliers of this OEM?
- Niraj Gada:** Yes, of course. You very well, very correctly said, it is always through tier 1 because we are supplying part of the finished product. So tier 1 will be taking care, but of course all the recognition and the product validation is done by OEM. So OEM knows Uravi very well, but it has to be routed to tier 1.
- Yashwanti:** Okay. And in that case, as we are moving, as you said, the margins and the difference is higher. So in the first half, we reported the margin of around 15%, for the H1, I'm talking about, around 14.95%, so almost 15%. So going forward, what kind of a range, as an investor, we could see for Uravi?
- Niraj Gada:** Somewhere around 20% to 22%.
- Yashwanti:** 20% to 22% at the EBITDA level, right?
- Niraj Gada:** Yes, ma'am. I'm talking about consolidated, ma'am.
- Yashwanti:** And again, pardon me if you have already answered, I just wanted to have your outlook on how we are developing ourselves as an EV charger business, how are our focus, or how are our strategies over there?
- Niraj Gada:** EV chargers, we have been working very hard since last one and a half years. And unfortunately or fortunately, the market is maturing, technology is maturing. So maybe our investments on that EV charger front will be done actually as the product matures. So a lot of changes are happening. The models are getting revamped. I will be able to tell exactly what will happen to our EV chargers in maybe next investor call in January.
- Yashwanti:** Okay. But then we are doing it at an in-house level, or we are looking for some acquisition or the collaboration for this technology?
- Niraj Gada:** It would be both ways. What we are targeting is acquiring technology and producing in-house, ma'am.
- Yashwanti:** And what kind of an investment outlook are you proposing for this segment?
- Niraj Gada:** So that's what I'm telling. It depends upon the product. So if the product needs something which is totally automatic, then investment will be bigger. If it is a semi kind of thing, the investment will be less. So the details will follow once we know what the products are being required or needed by OEM because there are a lot of safety standards and a lot of other standards in size and everything has come. So that we have to look into it. And then only we can decide.
- Yashwanti:** Okay. And, sir, in terms of our traditional business of these automotive lands, and now we are also supplying the Automotive lamps and LEDs. So what is the individual capacity in both these segments? And again, we are supplying the power system to the defense equipment. So what is

the capacity? And currently, of course, the power system is with SKL. But what is the current capacity and what kind of utilization level we are at currently?

**Niraj Gada:** Thank you for your question. Now, incandescent lamp, will be somewhere around utilizing 70% of its install capacity. But we do have contracts for outsourcing and which we can take up to the unutilized capacity. There may be some spare capacity of 20% more by utilizing those sources. For SKL, we have a capacity of 30% more and we are already looking for the expansion and acquiring new land and building for furthermore. But currently, SKL has a 30% to 40% spare capacity.

**Yashwanti:** Okay. Number almost 60% utilization it already has. And then...

**Niraj Gada:** Yes. 50% less. So we are already looking for some land and building for expanding for SKL for the products like alternators and some more engine components.

**Yashwanti:** Okay. And then what kind of a capex you are looking for SKL to have those new products and expanding capacity?

**Niraj Gada:** Somewhere around INR5 crores to INR7 crores.

**Yashwanti:** Okay. And that will be funded to -- can it be funded for the internal or you looking for the internal...

**Niraj Gada:** 100% internal.

**Yashwanti:** 100% internal. And currently, there is no need of a capacity extension as per other traditional business rules because we already have. But can you also mention...

**Niraj Gada:** Yes, we have.

**Yashwanti:** Yes, you also mentioned that there is a requirement for the outsourcing. So are we looking into taking those outsourcing contracts or you wanted to focus on our own clients currently?

**Niraj Gada:** No, we have some capacity which we have identified which can be utilized for manufacturing to be transferred there. But that has a process and it needs OEM approval. But we have identified the source and once if we have -- we don't have enough capacity then we can always figure that source and that can be used to have additional revenue for us.

**Yashwanti:** Okay. And for my last question on SKL, like -- Sorry. Now, how you taken over the management or will the senior and the board level management will continue with the SKL the original management? How are the things happening over there? And how much of the staff of SKL we are retaining or how the thing at the employee level, at the senior, at the board level as well as at the employee level?

**Niraj Gada:** The staff of SKL is retained from 1% to 50%. Whatever is the person -- each and every staff is retained. Uravi has already joined management level. Being a very technical line, our partner in SKL or who is owner of SKL, Mr. Bhatia, is taking care of all the technical styles so far.



Marketing, we have started involvement and administrative has been 100% taken care by Uravi now.

**Yashwanti:** Okay. That's really good. I wish you all the best and see you in the coming on this report for more details. Thank you so much.

**Niraj Gada:** Thank you, Yashwanti. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen. As there are no further questions from the participants, I now hand the conference over to Mr. Ganesh Nalawade for closing comments.

**Ganesh Nalawade:** Thank you everyone for joining the conference call of Uravi Defense and Technology Limited. If you have any further queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you everyone for joining the conference.

**Niraj Gada:** Thank you very much. Thank you everybody. Thank you.

**Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.