Management Discussion

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. Hi, good afternoon, everyone. I'm Ritesh Sharma, Chairman and Managing Director of the Tipco. And basically if I tell a bit directly about the engineering, Tipco Engineering is an engineering company. We are the basic engineers who design and execute the things. We are into chemical machineries for like -- for industries like paint, ink, adhesives, coatings, food, see whatever you see any of the chemicals which are I mean lower-risk cost to higher-risk, you can find us for any of the process for high-temperature to lower temperature, that's what we do. There is amazing major things, okay. And in few last years, if you practically see about the co-gro where we are supported by a lot of multinationals to get the orders, bigger orders, like we have been done one of the projects for the JK Max pains or ultra cement. For them also, we have done our coating plants.

If you heard about solid batteries and lithium-hand batteries, we are with ARCI regularly from last three years with R&D. Also with the development of rocket fuel dispersion, see, whenever we say dispersion, for any of the colors you see in the market, those all are made by us. I mean in our machine majorly, okay, from your Maggie or yellow to reds, Pepsi blue, your green you see. So that is a major VR, okay, from the agreement supplier to end-to-end solution for our customers. And this year, in January, we have also hand over one of the construction chemical project in Austria that is a good milestone for us, getting everything done by to Switzerland.

See, that means our acceptance to the international market is very good. So after that, doing a project in Europe, our more exposures open-end market, where we can still do a lot of things in that way. And while going-forward, it is new, new things we are entering in. And in April only this year, we got a tie-up with a company name is Lexamix where we have developed new of the machines, which are already accepted in pharmaceuticals, cosmetic and they are the globally one of the leaders in cosmetic machines also and they hold almost more than a lot of payments on their name for those machines. So we are going to produce in India as well as we do marketing in India, UAE, South America, Africa, that what we are doing.

This year, we are also designing few of the projects in India and abroad, okay, and that is a major thing for us. And from the equipment sides of mixing, milling and homogenizing and reactions, okay, that's what we are. And for upcoming, we are also hold two more new companies that is and Tech, that's the 50% sake part in those companies and those are also like a different verticals are part of in different industries, okay. One is like Unipar, the products which they are making and like Hanoo Tech, that is a solution provider for any of the pumping systems in the market from the higher-risk cost to lower-risk cost base. And in fabrication, we have 90% things in-house only.

All the fabrication setup is in-house, machining setups are in-house. So we can connect to a lot of verticals where we are already working like defense, we are already started. We are about to get good orders from there. We are discussing on that. We are the company whose sole can supply the complete equipment for the process of lithium-ion batteries as in the solid-state batteries and even for the adhesives and sealants, which is required everywhere, every corner today, okay.

So that about the Tipco? And if I tell you about some of the major customers which we have served in last year that is right now from in paints, approximately everyone we are supplying from India paints, from GK MAX, Ultra your silica plants, or Asian paints, now we got a vendor to Asian paints also lab and many more in-construction chemicals, you can name buy Normed, Force Rock,, they all are our customers. Many go in food, we are doing one chocolate plant also this year. It's amazing

for because it's a similar process only. So we are doing in chocolates also. So that what that of course Bala is at

Operator
Yes, sir.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah.

Questions & Answers

Operator
Thank you, sir. We'll begin Q&A session. [Operator Instructions] Sir, we'll wait for a moment. Yeah, yeah sir, we'll take our first question from Shah.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Okay.

Operator
Sir, you're unmuted.

Unidentified Participant
Am I audible, sir?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah hi, good afternoon.

Unidentified Participant
Good afternoon, sir. Thank you for giving me opportunity. Sir, my question is, as you recently raised the prep, so where you are going to use it? Okay. And can you kind of help me with what could be the FY '27 and FY '28 guidance?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See, we are doing we are just building a new plant in Pune, okay, and the total land will be approximately five to 10 acres. And after that, it's a glass plant as well as we are looking for one experience center for our customers because our machines whenever customers select our machine, if we give the experience of the machine, it becomes easier to decide on which product they can go. And if they are regularly involved with us in doing R&D of their product with us, so we can be a long-time partners for them, okay. So that is that what we are doing, okay. And if we talk about the numbers for 2027 and '28 coming year, see, our company is still on the very base. It is a starting for our company, we can say that, okay.

But no doubt, the way we are growing and the way that we are getting acceptance from the market, our growth numbers will be really better. I mean in X only.

Unidentified Participant
Okay, sir, any ballpark figure, if you can?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See it will be if just a standalone, if we talk about tepo, it's near about, near about somewhere,

somewhere like 30% to 40% growth we are looking for at least at least.

Unidentified Participant
Okay. Okay, sir. And sir, the new plant which you are going to make. So what will be our products like winds if you could share that the

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Major will be the plantary mixtures that what we are planning for. And see in equipment pharmaceuticals, we are entering with help of Lexa mix. In cosmetic we are entering. There will be more specialized product, okay, where, I mean, when we talk about the high-end mixing or high-end products that are focused from the starting only. Till today when we are giving up products in the market, those are compared to the high-end market already. So we can understand how we can satisfy the -- your all top-end customers and their requirements.

So on that basis, we are those all things there. So whatever we are making in North and whatever we are making in Pune, I mean, it will be different with the product quality as well as the performance that what we are looking for.

Unidentified Participant
Got it, sir. Thank you and all the best.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, thank you.

Operator
Thank you, sir. We'll take a next question from Aditya.. Okay. Sir, unmuted.

Aditya - Analyst
Yeah. Hi, yeah. This was you. Hello, we all well. Thank you so much for taking all the answer questions and answering so comfortably and so smoothly. I wanted to know so not particularly guidance, but wanted to know-how we see typco shaping up say over the next three to five years? And if you can say also the capability that we are trying to develop internally because even you already incorporated a subsidiary for defense, robotics and for the rockets and disbursement. And how do we so today we today we are large part of revenue is coming from supplying to paints. How do we plan to reduce the paint exposure and become a more secular growth rate than a particular industrial growth rate?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. See, basically, if I tell Adity, Aditya is a really beautiful question for me. See whenever as we started Tipco, we are we just call as paint because paint volumes are always good for us, okay. As I told you, we are into dispersion mixing, milling and homogenizing. So that is a base in a kitchen, you need one you know like microwave or any of the hardware, major hardware to build anything. You can make one number of food in that way our equipments can be used in multiple industry industries. And that's where -- and we are already see while doing in paints and I'm saying rocket fuels or I'm saying solidate batteries or lithium and batteries or rail earth minerals dispersion.

So that means we are covering more of the areas. Already we are doing that, okay, but we have not done a lot of marketing because of our protection constraint till today, okay. So exceptance to our product in different areas already there. We already have a customer from different segments, okay.

So for that, the acceptance is already good. So it's easy for us. We need to pitch the customer because it's in -- when we talk about the equipments, they are critical one, okay, and customer -- when the customer already have a trust on you. So it become easier for us to enter in that market.

And that already taken -- already done with us in last 20, 35 years for us and we are in base now in whatever we are doing today, it is a starting -- it is a starting point. Whenever we are talking about the capex of any of the companies, if you talk about any of the companies, nominal one, their capex start with INR50 crore INR200 crores. And see our turnover is, you can see that. And that's a capex -- machine requirements I'm telling you, okay. And whenever we talk about the complete capex, it is more than INR2,000 crores to INR1,000 crore where our material requirement is near about INR200 crores.

We can take the 30% to 40% of order of that, that it comes to near about INR80 crores for a single order, at least. That's what we have done in JK Max, Spain where we are the sole suppliers. Then we have taken for UK that your cement, we are the sole suppliers. Silica, we are the sole suppliers. So in that way, we are increasing every day. Might be seven years back, we are taking order of near about INR1 crore, INR2 crore project, but now our capability has increased to take a bigger orders and that would have shown our growth, okay.

So when -- while earlier, we can handle only one or two customer at one-time bigger one, but now our capacities are increasing. Our way of doing business is also increasing. So it's easy to come up with a good things and good growth. There is no -- obviously when you -- when you really talk about engineering, they always have a scope. It is see how much you can do. Yeah, a bit a bit more basic question about the business. So when you're talking to I'm audible right

Operator
Your voice little bit mean it's just little not clear. It's coming from behind.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Is it better now?

Aditya - Analyst
Yeah. So sir, just a very basic question that I'm trying to ask or trying to understand from the business that when we are -- when clients are speaking to us or when we are speaking to clients, so how does the sales cycle work? And how does the RFP, RFQ and conversion to order book and then on conversion?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
I tell you, I tell you. So first of all, it depends on the volumes, okay. If it is an order of near about INR1 crores, but the customers have already mined it and they took two months-to finalize it or three months-to finalize that one. Okay and when the machine requirement is more below than INR50 lakh rupees, that mostly one month. And when the projects are more than 20 groups, they need six months-to finalize. So we need to have a lot of discussions going on. And when you talk about the deliveries of any of the projects like this, if the machine is near about INR30 lakh or INR40 lakh rupees, it can be delivered in one month, okay.

And when the projects are higher than INR1 crore, INR2 crore, INR5 crore, we need to define the time as well the running orders. I have more questions. I'll come back-in the queue. May I hope I satisfy with that answer or you won't still have the question you can ask me. I still have -- I'm not sure you can ask me -- you can ask me the direct one.

Aditya - Analyst
So sir, what I'm trying to understand is that when we are talking about sales so there'll be a few customers who will be asking for customized product. There will be few customers who will be taking off the shelves. So what I'm trying to understand is the entire sales cycle journey.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah.

Aditya - Analyst
We onboard a customer say it like it will be a one month-to Three-Month to Six-Month cycle to onboard them, then another two to three months-to get the orders. Then once you have the order book, how long does it take for the order book to become revenue?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah.

Aditya - Analyst
I can join.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Hey, I think the, I just brief it again, see what happens. It depends if the customer is totally new, all the customer already knows us. If the customer is totally new, although we are doing a -- for the machine, we are almost fixed. We are making as per the models. There are only 30% orders which are made customized basic times, okay. The general orders take one month and two months maximumly to produce that seven to eight days, but to come on their number is one month or two months. So that is -- I hope you understand that. Okay. And when you talk about the orders, bigger order cycle, that is a different way when we talk about the bigger projects.

Right now just we are doing one Hindalgo project in Taloja, okay. And that project might be some constraint with the buildings, with the customers. So that cycle is bigger one. We need six months-to finalize the debt order. We need to hard work initially initial -- technical spixed goes, then deem review, then we put the quotations then they do the comparison if it is a specialized product. I mean general one, not the specialized one. If it is specialized, it take one month or two months, then we just need to give the trial to our product and the order is finalized.

So okay. Depending on -- see, it's -- it can't be described in few words. Every customer have a different way of

Aditya - Analyst
Underpood. So with the -- with this capacity and the upcoming capacity, what would be the total revenue generation capacity of?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
What is it?

Aditya - Analyst
With this -- our current capacity and we are also investing in new capacity for which we made the say which is press, what will be the total revenue generation capacity.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, see, we have a Pune project also and this project also. The capacity will be near about, near about what we are doing today is approximately if Pune started 100%, it will be about to forex. Yeah. But see it goes slowly.

Aditya - Analyst
What is the runway that we have in the current capacity -- with the capacity that we invested in?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. See, current capacity is like we put somewhere we say that, we are a capacity of about 50 to 60 machines every month at least

Aditya - Analyst
On the. Yeah. No, definitely interesting., wishing you all the very well. Thank you so much for answering all the questions for people to meet.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. Thank you.

Operator
Thank you, sir. We'll take a next question from sorry Mittunate.

Unidentified Participant
I'm good. How are you, sir

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Very good sir.,

Unidentified Participant
It has been fantastic for your company as and since IPO till that as it has been a huge wealth creator. I have been in all of your products, which you're talking about from moving from paint industries to defense industries and now into consumer segment. My questions are with regards to the defense products as and we are developing two different products. One is the dispersion or for the -- for the mileage purpose, basically the rocket fuels. And the second one is with regards to the paint as in specialized paints are required for the defense products. That's what you have been developing?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
More also. We are working for five, seven more products, but the names are not about disclosed right now, but we are working with five, seven new products. Trials are going on with them.

Unidentified Participant
Nice. So more 5 and 7 products are being coming in next financial year or as on how it next year, not this year? Not this year. Next financial year.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Okay. Take time like that cycle is big for the first day, we R&D do that, then they have a trials, then we got the orders, but it's a long you are in, you are in.

Aditya - Analyst
I understand, I understand. These kind of developments takes time, but once it does then as I don't

see any competitors of your scale at least in any space as enlisted as an unlisted space. So my question is, so if my understanding is we got the approvals as and for this nano dispersion as and where we are using this nitrocellular something like that. So are we getting the orders or they just approved it and we are keeping it and we are yet to get and?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
I tell you. See we are already got a one order that is already delivered to them, okay. We are able to get the new orders. You will see they instructed all the factories which are making fuels for them, for all the missage and other thing. So whoever is making that, they need to be hire a machine from us because in MA only our machines are approved in that. Nice. My second question is why only rocket engines as and it can be used in any kind of engines which I see. I tell you. I tell you. It is not to -- it is not about the fuel, it is again it comes to chemicals, typical chemical. So it can be used there also, okay. But as for the DRD or HMIRLs, their first requirement is that, okay, and that is a starting for us to doing work there?

Aditya - Analyst
Nice. And so that being -- so is there any specific segment which as an how many -- I'm trying to understand how much sales we can get-out of this kind of segment.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See, actually. The good sales we can get next year, okay. This year we are just building that more products we are getting at -- getting done and trial with them, okay and might be, it can be really good. Numbers can be really nice.

Unidentified Participant
Yeah, I really can see that. My -- another questions are with regards to your subsidiaries. I think recently, you have taken over some of yours not subsidiaries more like a system concerns and how much

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Basically... We see we are trying for that. Still it is under discussion going on, okay. I hold 50% stake in both of the companies, okay, and where-is we call ranks that is a totally comparable to uniPot and, it is one kind of a company it is an engineering one, okay, where we work on pumps right now we are trying to -- almost trying to get a very good order from Tata semiconductors for that. Okay. See, maybe we are all engineering, but they are the partners -- different partners also in both the companies. That is where both of our companies are basically run by them. I'm looking after them from last -- like one is from four year and one is from last about it will be two years. So still that discussion is going on to be merger and. So it will be only one company.

Aditya - Analyst
Okay. No, I got it. Sir, is there any way to get-in contact with you as in come to your -- as a factory or offices?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, see in Pune, we have an office, you can come any dine, you can let us know in factory also, right now we are -- because we are in hurry to build-up a new factory, your factory is really totally packed up always again any dine that we can discuss.

Unidentified Participant
Okay. Okay. And sir, my last question is the -- so the expansion is going on in the Pune facility by three to four days. At the same time, I remember the last con-call, you talked about the Sony expansion also

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Working on it also.

Unidentified Participant
So Sony will be focusing more on the paint industries and these.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
I tell you. If you see when we talk about the specialized products, that has to be go in Pune, okay, which volumes will be less, but the PAT and EBITDAs are high, which are more critical, okay. And we are moving more from the Pune side because what we have feeling that the more equipment requirements are coming from that side. We are on the different side in North. So we think as per our business strategies and what I feel to increase our C that's why we Call-IT, we are at a very base, it is a nominal one. When we want to increase it and take it up, we have to go that side, okay. So the requirements, that side is really high.

And secondly, the more technical -- the machines which we are making, those are the technical machines, not the ordinary mixtures, okay. So they can be more consumed that say. And in North, we have a general requirements for mixing, for the projects for lot of simple, simple things, what we do, okay. So when we differentiate in both the factories, it will really support us in a different way, so that we can able to be like a German company working in India. That is a target.

Unidentified Participant
Yeah. I think I do see your tie-up with Lexam and you're getting into those kind of products, which are specialized products are

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
We just supply those products in NYK, if you heard about orders from them, okay. And then August also we got and we got in July also the similar machine order to all their labs and when labs are complete, but those products has to-be-built up in Pune, but for the trials we have just built here, but those are the specialized ones. So since when the Pune office will start as in the functional? the CV, we are also waiting it because we are just waiting for some of the like master plants approval and other thing from the your MIDC that we are working very faster because we also have pressure to finish it varies soon because we also lose some sale.

Unidentified Participant
Right? Yes.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
So our target is to at least in Q4, we have a factory as well as experience center, that is what we are trying for. And next year Q1 and Q2 will be the majorly running.

Unidentified Participant
Next year, Q1 and Q2 for the financial year talking about?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, Q1, Q2.

Unidentified Participant
Okay. Okay.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
This year, this year, Q4 will be like you are trying to have our at least our experience center as well as assembly unit there.

Unidentified Participant
Okay. And with the new money coming and are we going-in the southern side also like or some because

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
We are working, we are working on that also with this one company I mean like we have something, we have some plans.

Operator
Okay. Sir, please come back and queue for further questions.

Unidentified Participant
Yeah, just a last question, sir. Just a last one.

Operator
Okay. Okay.

Unidentified Participant
You just said about the 30% 40% increase in this financial year in terms of the sales as in my understanding is. And we do have an operating leverage played last quarter only have seen that -- so do we expect further operating leverage to be coming in and kicking-in and getting more better margins?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yes, obviously we are trying for that and we are trying -- means we are trying to achieve that sales. The both of things have to be increased.

Unidentified Participant
Okay. Cool, sir. Thank you. Really appreciate it. I will get into contact with your Investor Relations.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thank you.

Operator
Thank you, sir participants, please limit two questions per participant. We'll take the next question from Pratik Pandari. Sir, we were unmuted.

Pratik Pandari - Analyst
Yeah. Hi, sir. Thanks for the opportunity. Just relatively new to the company. So just wanted to touch upon German technology that -- so I wanted to understand that currently the machines that

we are manufacturing here in India, are we manufacturing on behalf of technology?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See, we have not just started that. They have just share some of the drawings to make that. We are making a protocols only. So when the Pune factory will be running, then only they will be coming to me there for the production, okay.

Pratik Pandari - Analyst
So that would be designed by our engineers, but the technology use would be?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
No, no, no, it's completely the same technology which we got from the Germany only from the LX. The LX is the main guy who has developed all the technologies, who holds the patents. He also patents for those machines in India.

Pratik Pandari - Analyst
So that's what I'm asking. The machines that would now manufacture would be using the Lyxamix technology, right?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Similar.

Pratik Pandari - Analyst
Okay, okay. Also, the second thing I wanted to understand was you mentioned that you have some customized machines as well as general machines and there is a certain quantum of lead-time differential for both the kind of machines. So what would be the margin differential also the customized machines that you guys make go in which particular sector and just one last question. And say instance for example, if our machines are going into paint sector, can they be used in the different sector as well or they are limited to that particular sector only?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
No, see, we are not -- we just don't say we are in pains. We are -- we are into 17 to 18 different, okay at the moment when we are doing specialization or the -- some customization that we see how much customization is required for that machines.

Pratik Pandari - Analyst
Okay.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Okay. And obviously, somehow when we are doing customization, it has to see at what terms we are giving, we are looking for new orders or something. On that behalf, sometime we get a good margins, but it takes so much time.

Pratik Pandari - Analyst
So those specifications also coming from that particular industry in which our machines would be used, right?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. We see whenever we are taking order, we are taking as for the industry. Our first is machine,

then it's industry. So we build as per that only. So all those models are defined on the industry basis.

Pratik Pandari - Analyst
So say for example, in India, if someone was doing precision dispersion right earlier. So they used to import the machines from European companies or they give us some

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Seell now lot of players are using machines from Europe, that's basically from for the better discretion, okay? And we are the major competitors for all of them. Like web. Like web, their lead-time -- their lead-time is six to eight months and somehow we just asked for some of the -- for my customer also for getting a European machine that is about 14 months for the delivery in India.

Pratik Pandari - Analyst
And we are delivering in one to two months.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
We are doing that. It's a regular production machine for us.

Pratik Pandari - Analyst
So I mean, what is that particular edge that we have? That's what I wanted to understand in terms of when we are being compared to a European manufacturer who is also supplying machines. And it's a -- for the quality at least, people rely on the European machines a lot. So just wanted to get a sense on that.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Basically, you're totally true for the reliability, product performance. That is the three things where the customer want to be have and they are getting from India and we have already proven it. So that's why initially we are very slow and now we are moving fast. That is the base thing for that. We have already compare that. The proven as well as qualities are already accepted.

Pratik Pandari - Analyst
Okay. All right. Thanks a lot,.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thank you.

Operator
Thank you, sir. We'll take our next question from 10 min mix

Tanmay - Analyst
Sorry am I audible yeah hi are you hi how are you

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
I'm good

Tanmay - Analyst
I just so I'm from 361. I have a few questions on the subsidiaries. So now you have three subsidiaries, right, two that were incorporated earlier and one is the new one that you just announced.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yes, yes.

Tanmay - Analyst
In brief, can you describe the product offering of each subsidiary,

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Say we -- first of all, we are all working -- the subsidiaries are working on that. Okay, it is about to done. It is not yet done for two of them. It is declared, but it is not completely done. Okay. But I just want to brief you on both -- on all the threes, okay. One is ranks. Ranks is basically for -- it's commonly as what do needs. If you know Uni parts,, is basically making a bigger spare for JCP bull or Caterpillar ace, okay. It's more about the export unit as well as we are doing -- we are trying for a lot of more equipment for railway and other industry. Okay. That isn't pure see when we Call-IT tip code engineering -- basically engineering company, we love to do engineering things and things which are critical, okay. So that things are done in ranks. When we talk about, is basically a company which is doing the pumping systems.

They are majorly into pumping and filtration and pumping and filteration is a requirement like a like a hurt in a human body pump is required requirement for -- and every, every single company somewhere, every chemical industry needs that, okay, like I was telling them that we are working with Tata semiconductors for some of the pumping, for the critical pumping, we are about to close that. We are very close. And if we do that, we will really announce it immediately. And third is like defense and robotics. For that, we are about to get some of the orders from the defense for the fabrication.

Tanmay - Analyst
Got it. That sounds very exciting actually work that you're doing. And I mean, I mean, I would love to hear in deep about all that, but maybe we don't have enough time. So on a con-call or something you could describe in detail what we be doing for a Tata. My other question is, so currently, you have your Sony facility is built on-half an acre of land, right?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yes.

Tanmay - Analyst
Our Pune facility is going to be five to 10 acres. I'm assuming you're negotiating a lot more orders. So is there a specific timeline on when we can hear orders? And from which kind of clients is these orders coming from?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
You see basically for the, right now we all -- we already have a call for the good orders from the big brands, okay, but we are not able to take the orders because of their capacities right now. Okay. Okay. Might be if we have a -- we are just waiting to do it faster because we understand, we mean if you go to -- if I give you the example of any signal example, like Asian, if you go, see what he is looking for, what type of supplier he must like that and to whom is -- they are going to give the order. See, they can give direct orders some, okay. But when they can see the capabilities as well as capacities of our factory, they can get a bigger orders.

Okay. And the expansion of every paint in-construction chemical and different areas where we are

working are expanding like anything and next 10 years are for them, okay. So we already have a lot of orders discussion that is already going on, but we are trying to be done like one more very good brand like if you know Atal Limited, they're also expanding. We are also in very good discussion with them for their upcoming plant, okay. We are trying to do it. So that's why we are also in hurry to start-up a new factory as soon as possible.

Tanmay - Analyst
Got it. Okay. And what would be the cost of setting up the Pune factory because we raised quite a bit of capital in the pref and the IPO? No-cost of the Pune factory and the rest of the money is going to working capital or it will be in an FD for now?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
So we have to look basically see the factory construction has to be started very faster. Okay. So we have not done on that way. How do -- I mean how to utilize it or not, but we want to go as a working capital because we want to build-up a new stock. And that will be really helping us to get a good returns in a faster way.

Tanmay - Analyst
Got it.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah.

Tanmay - Analyst
Okay. Yeah, that's all. Thank you.

Operator
Thank you, sir we'll take a next question from Yokesh.

Yokesh - Analyst
So much,. Yeah. Thank you so much, sir. Sir, I think a lot of my questions are already answered. Few of them just I wanted to segregate by segments. So you have with your currently for the paint machines, which has a 50-60 machines capacity as of now. Then you have a second one coming at Pune, which is currently for the Lexamix, it has three to four times, right? And then you have a segment which is again your subsidiaries that you are trying to merge, right? Now on the first one, I wanted to understand what is the current utilization that we are having out of 50 to 60 machines that it is there? We are almost -- almost this mean already backed. Yeah. Okay. Lovely to hear that. And on the second one on the Lexamix, how is it? Are we paying royalty to them or exactly what is the contract is like 2% on the sale of the products. Okay, 2%. So it will directly grow up from the gross margin itself?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. I mean, we see on the sale, we need to be the 2%. And that we are getting our technologies and everything as well as customer-base name. So we have to do it on that way only.

Yokesh - Analyst
Great. And my second question -- third question is from the same one. I saw there are a couple of pilot projects which are going on with HEML and DRDO. One for the rocket fuel, second one is for the EV battery coagulation, let's say, within how are they going to get commercialized? So will they

be -- so my question is more on the commercialization of this. So when do you see the pipeline turning into the actual see for the rocket fuels, it's already started.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
We already get two, three new requirements from the market, which is suggested and recommended by the DIDOs, okay. For that, we are already working. And we see about to -- because see, the process is really lengthy initially, okay, right now also by setting this because it is a very critical one. It's like a bomb you are grinding a bomb.

Yokesh - Analyst
Yeah. Yeah. Okay. And this is all from government only. These orders are government

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Only the seal -- whoevers to supply it to government also, they will also accept our machines.

Yokesh - Analyst
Lovely. Okay. And on the battery side, sir, how is the commercialization looking? Because

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
The battery side, we are already discussing for -- because it is true, we are in India, we are the one of the kind company. However complete -- practically mean, it's true because you can take on that everything that we are the company which is making a complete setup for lithium-ion batteries and solid-state batteries for from metal inch,, then dispersion, nanodispersion, then again post-mixing to packing. We have a complete solution. But yeah, Geshy, that will be most things will be starting from the Pune factory only. We already made a prototype, all the tires are going on, but for the bulk production, it has to go from Pune, not from -- so once it starts. But my reason also because we already bagged and secondly, we the customer who are looking for these products, they are the high-end products. And we want to place it in the right way and first, we want our customer to fill the products. Right, on the Experience.

Yokesh - Analyst
Okay. Okay.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
That's the right question. See, taking order is not difficult. You can take order, but for more bigger orders, better profitability and things, it's better to have a good R&D and good trials for your customers.

Yokesh - Analyst
Right. And what's the time that we are looking at for these kind of products?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Time lines mean for us.

Yokesh - Analyst
Timeline hasn't the addressable market that who would be our customers and

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Say or so right now producing for the lithium-ion batteries, the lot of paste manufacturers are

coming and it is going to be very, you know, very much commercialized in coming time that a lot of people will see making the disbursers mean making the main slurries for. Right, right. So it has to be -- it is moving really fast in a country as well as globally. And for all these products which we are selling in the market, we're just talking about the Indian market, but India is one part of market, then you have a globe. We are working seen you on a product like China -- sorry, product like Germany and the marketing like China that what the and the way of doing business, that think of?

Yokesh - Analyst
Lovely, lovely, sir. Sir, last question on the side, do we increase -- do we expect increase in margin because of their technical advantage and

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
The same ones because she is starting in a initially might be, we will be the same or little bit higher margins, but when it's completely set and we have a regular production, the margins can increase.

Yokesh - Analyst
Okay, lovely. So first, the operating leverage will start from Sony Park and when this plant is completed by next FY first Q1 you mentioned. Yes, and it goes in-full production by when

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Q2 like complete production for the complete plan for the will be Q2, Q3.

Yokesh - Analyst
Got it. Got it. Lovely, sir. I wish you all the best. Thank you so much.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thanks. Thanks Vita. All the best.

Operator
Thank you, sir. [Operator Instructions] We'll take next question from Sachy. Sir, unmuted.

Sachy - Analyst
Hi, Ritesh, sir. Sir, I have a question. Like we understand that the company completed its IPO a few months ago. So could you please clarify whether the funds you raised through IPO were planned? Keeping in view the company capital and growth requirement for next four to five years or any additional funding requ?irement, if any, like through debt or do you have any plans to raise additional equity capital through another funding round in next one to two years.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
So right now we are trying with the debt-only that would go because the things are moving really fast, okay, that is the first thing. And for that, for more delusion, we are not looking for that. We're trying to gain it. But yeah, we'll take some of the decisions, but better to go with that. We're trying more with that.

Sachy - Analyst
Okay, okay, sir. And as you are like Pune plant is going to be start very soon. So is there any additional income like in the form of the government subsidy or PLI benefit will be getting from the government and you will be

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Having -- and that way only we have selected the place several, where we are getting some of the benefit from the state government.

Sachy - Analyst
So that impact will be like visible in books of accounts in this financial year '26, '27 or in the next financial year.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
So next year. Next year.

Sachy - Analyst
Okay, okay. Okay, sir. So that's all from my side, sir. Thank you so much.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thank you, sir.

Operator
Thank you, sir. We'll take the next question from Ankur sir

Ankur - Analyst
I wanted to know like which are your most advanced most technical products if you can just tell us about three or four of them and why they are unique like in what way?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Sorry, Ankurje, can you please repeat the question?

Ankur - Analyst
Yeah, sir, I wanted to understand our products. So I wanted to know which one are the most technically advanced 0 or four products that we are selling and you know why they are considered like unique.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See, basically when we talk about these, all the products, all are technical and by itself only because a little smaller change can change anything like for the mixing, for dispersion and grinding, okay. These all products are really technical. Reason behind that, their flows, their way of internal build-out that matters a lot, how much R&D we have done on our product and after the R&D when we bring it to the market, okay. So it takes a lot of time to bring in a market. For me, it took more than 10 years to bring all the products on the floor. And every product took almost 30 years to get acceptance everywhere. So it become technical by itself only.

Ankur - Analyst
And sir, are we doing anything in the semiconductor industry?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yes, yes. See as if you see, I mean for the data semiconductors, we already told that we are working for some of the removal of their wastewater that what we are working. Already we are in discussion about -- very -- we are very near to close the orders with data semiconductors. We are still trying.

Ankur - Analyst
I understood, sir. Thank you.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah.

Operator
Thank you, sir. We'll take a next question from Imran Khan. Sir, you're unmuted.

Imran Khan - Analyst
Hi, thank you. I thought I wouldn't get the chance, but thanks. MR. Sharma, this is the first time I'm speaking to you and I have been tracking the company from the last one or two months only? Yeah. So pardon me if I you know, ask questions which are very basic. Yeah. First of all, sir, if you could help us understand more about you, because you are running the show here. So we don't have a lot of information on you, right? I mean, what is your background, where have you worked? How did you start this company? If you could give a background about that?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. Basically, when we talk about Ritesh, although it is not just me who is running the show, there are lot of really -- I mean, we have a lot of guys in the company from the R&D, from marketing, okay, but they are dou. It is a second-generation, okay, for the, my father given me this business, but I have interest in this engineering from my -- like our school ages only. I love to come and see the machines and build the machines.

After my -- I mean my graduation, I just joined the company, okay. In 2010, I gained practically in a factory. So from 2010, I just watched what is a market basically. And 2010 and 2014, it took four years for me to do a complete R&D research and understanding the market and our market requirement and where we are standing and what products we have. And after that things start moving from the -- from the value of 2000, it's near about INR50 lakh rupees, okay. And then it's start moving the business.

Imran Khan - Analyst
Right. So you have not worked in any other company, so to say, right, where you have

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
-- basically -- basically not, basically not. But yeah, today we are working with ABV together. I can -- I do analysis for them for the different things. We have MOU between us, between both of us, okay. Then we also -- we also worked with IMC, MT with their picking system then a lot of like say, the pump industries like IDEX, we work really, very well in where the North India is one of the biggest suppliers as well as technical service provider for them.

Imran Khan - Analyst
And from where did you complete your engineering?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
So basically University.

Imran Khan - Analyst
University. Got it. Got it. That's very good. And very one very quick question because I know there is

a time limit. So if you could maybe name a couple of very large or smaller players you think who are direct competitors to you.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
It's Nesh, that is a major one.

Imran Khan - Analyst
Yeah. So only one you consider the competitor that sir.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
See, we are doing in 17, 18 industries. Every industry have a different competitor. Yeah. So we have many competitors.

Imran Khan - Analyst
Right. Somebody asked you about this thing that why we get the orders and not the other one, you mentioned because of general.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
I tell you the reason that is the reason because see when we talk about the machine industry, machine industry is basically it's in -- it's like you can say, if you heard about cars, if they launch today, it takes lot of months like JSW also come with MG or any other brand need to come with someone to see the product first of all, to trust on that, it take time. And after the performance as well as reliability, getting a result of five years,. Whenever you're going to buy something, you just check how much reliable it is.

Imran Khan - Analyst
And I'm sure the bigger companies are also reliable. I think one.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, yeah, we are competing with them.

Imran Khan - Analyst
Yeah. And I'm sure there is -- there is this angle of saving some cost for them, the customers. I think this is one of the major reasons that we get service --

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
The major is service as well as availability. Second, yeah, cost is there, but when you're getting a similar products in comparison of everything, so it becomes easier for them to decide.

Imran Khan - Analyst
Right, right. And very quickly, you know, so this plant that you are running right now, how much at peak you can do the revenue and the new plant that is coming, how much at peak you can do from that plant?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Is it the combined plant if I talk about and about the, the peak will be near about near about more than INR500 crore, INR600, INR500 crore INR600 crores.

Imran Khan - Analyst
Thank you so much.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
More than that.

Imran Khan - Analyst
Yeah. Thank you, Mr Sharma. This is very, very wonderful to speak to you and I hope to have a one-on-one conversation whenever we have time. Thanks.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, definitely, definitely.

Operator
Thank you, sir. Sir, due to time constraint, we'll take last question from meet. Sir, unmuted.

Meet - Analyst
Am I audible?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah. I mean, nice to meet you.

Meet - Analyst
So I'm meeting you for the first time. Okay. So I just wanted to understand what could be the potential risk that co could face?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Yeah, potential risk. See, the good thing is in our business, whatever we have in our factory as it whatever we sold, we take the money okay so and nothing is intangible, everything is tangible. That is a great thing okay so about the risk like export stop like if the economy is doesn't want to grow that is a risk. If we have a stop with our population that is a risk. If people stop doing R&Ds for making new products that is a risk.

Meet - Analyst
Okay. Yeah. Thank you.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thank you. Thank you.

Operator
Thank you, sir. Sir, actually we have a lot of questions, but we don't have time. I definitely we'll look at another meeting. I would like to thank the management and the participants on behalf of Arihant Capital for participating Bharat Conference. It's really good to see we have great participations and lots of investors' interest for Tepo. And Ritesh, sir, any final closing remarks from your side?

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Really -- really nice talking to everyone and we are always welcome to answer all the questions from my investors. We are always and see we are -- we are in the base now. We have a lot of things to do, new R&Ds and engineering. Engineering is always tangible. You can see the next.

Operator
Great, sir. Thank you. Thank you, everyone. We are closing the session.

Ritesh Sharma - Chairman and Managing Director, Tipco Engineering India Limited
Thank you.

Operator
I thank you, sir, Bye.