Date: June 02, 2025

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

NSE Symbol	**PSFL**
ISIN	**INE0Q6001012**
Series	**SM**
Company Name	**Paramount Speciality Forgings Limited**

Respected Sir/Madam,

Sub.: Submission of Press Release

Please find enclosed herewith the press release titled "PSFL financial result for the half year and year ended March 31, 2025."

This press release is being submitted in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended.

This is for your information and records.

Thanking you.

For Paramount Speciality Forgings Limited

Aliasgar Roshan Hararwala
Managing Director
DIN: 00334957

Date: June 02, 2025
Place: Mumbai

1. Business Performance Overview

1.1 Revenue from Operations

- Revenue increased by 32.2% in H2 FY25 (₹6,259.44 lakhs) compared to H1 FY25 (₹4,733.82 lakhs).
- Year-on-year, H2 FY25 revenue rose by 20.1% to ₹6,259.44 lakhs over H2 FY24 (₹5,212.55 lakhs).
- H1 FY25 was adversely impacted due to:
  o Export sales reversals and delayed material pickups from clients.
  o A significant breakdown at one of the plants during August–September 2024, resulting in nearly 30 working days of production loss.
- H2 FY25 benefited from:
  o Improved plant utilisation.
  o Output gains from commissioning of new machinery at machining centres from January 2025.
- Core operations contributed ₹10,993.26 lakhs, while other income stood at ₹96.84 lakhs (including foreign exchange gains, interest on unutilised IPO proceeds, and income tax refund interest). These gains are largely non-recurring, and the increase is not expected to continue in future periods.
- The company maintains a diversified client base, mitigating revenue concentration risk through:
  o Continuous onboarding of new clients.
  o Targeted marketing efforts.

2. Key Operational Highlights

2.1 Finance Costs:

- Finance costs for FY25 stood at ₹204.94 lakhs, up 8.0% from ₹189.78 lakhs in FY24.
- The cost remained stable across both halves, with H1 at ₹104.33 lakhs and H2 at ₹100.61 lakhs.
- Borrowings consist of a mix of working capital limits and working capital demand loans (WCDL).
- The company continuously monitors market conditions to explore refinancing opportunities and cost-efficient funding options.

2.2 Employee Benefits Expense:

- FY25 employee expense was ₹785.11 lakhs, an 18.2% increase over ₹664.34 lakhs in FY24.
- H2 FY25 saw expenses of ₹412.07 lakhs, up 10.5% from ₹373.04 lakhs in H1 FY25.
- The increase was mainly due to:
  - Annual salary revisions,
  - Performance-linked bonuses, and
  - New hiring to support business growth.
- For FY26, the company will:
  - Continue selective hiring based on operational needs, and
  - Track employee productivity using defined metrics and project-specific benchmarks.

2.3 Depreciation and Amortisation:

- Depreciation for FY25 stood at ₹142.61 lakhs, down 65.7% from ₹415.35 lakhs in FY24.
- In H2 FY25, depreciation was ₹73.59 lakhs compared to ₹213.39 lakhs in H2 FY24 (–65.5%).
- The reduction is due to a methodology change from Written Down Value (WDV) to Straight Line Method (SLM), aligning better with the expected asset usage pattern.
- There were no major asset disposals or changes in useful life during FY25.
- As per the IPO objects, the company has planned significant capital expenditure in FY26, including:
  - Installation of new plant and machinery,
  - Expansion of machining centres, and
  - Upgrades to key production facilities.
- These additions are expected to result in higher depreciation in future periods under the SLM method.

2.4 Other Expenses:

- Other expenses for FY25 stood at ₹2,655.31 lakhs, marking a 23.0% increase from ₹2,158.18 lakhs in FY24.
- There was a sequential rise of 5.6% between H1 FY25 (₹1,291.29 lakhs) and H2 FY25 (₹1,364.02 lakhs).
- The increase was primarily due to:
  - Manufacturing overheads, including electricity, oil, inland and ocean freight, repairs and maintenance and subcontracting costs,
  - In line with higher production volumes during H2.
- To manage these rising costs, the company is undertaking:
  - Strategic procurement and logistics optimisation, and
  - Continued cost-control initiatives to strengthen operating efficiency and protect margins.

3. FY26 Growth Outlook and Strategic Roadmap

- Management aims to sustain the positive momentum from H2 FY25 and is targeting revenue growth of 18–20% in FY26.
- Key strategic priorities include:
  - Completion of capital expenditure as per IPO objectives to strengthen operational capabilities.
  - Automation and process upgrades to reduce lead times and improve cash flow cycles.
  - Customer-focused growth, through deeper client engagement and continuous onboarding of new customers.
  - Disciplined cost management across departments to support margin stability.
  - Enhanced asset utilisation and efficient scale-up of operations to support long-term growth.

4. Quote from the Managing Director

"FY25 has been a year of consolidation, resilience, and strategic progress for the Company. One of the most significant milestones was our successful listing on 25th September 2024, which has strengthened our market visibility, governance framework, and long-term growth orientation. Despite operational disruptions in the first half, we delivered a strong second-half performance supported by improved plant utilisation, execution of key orders, and prudent deployment of IPO proceeds.

Our continued focus on operational excellence, capacity expansion, and customer alignment has positioned us well for sustainable value creation. As we enter FY26, we remain committed to delivering on our growth roadmap and creating consistent shareholder value."

— *[Aliasgar Roshan Hararwala]*, Managing Director

5. Forward-Looking Statement:

Certain statements in this press release may be forward-looking in nature. These include statements relating to the company's expected financial performance, business strategies, growth prospects, and future developments. Such forward-looking statements are based on current expectations, assumptions, and projections and are subject to known and unknown risks and uncertainties, which may cause actual results to differ materially. The company undertakes no obligation to revise or update these statements, whether as a result of new information, future events, or otherwise, except as required under applicable laws.

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