



20th August, 2025

National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block – G
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
Code : IFGLEXPOR

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Code: 540774

Dear Sir/Madam,

Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our letter dated 29th July, 2025 and 13th August, 2025, please find enclosed herewith transcript of Earnings Conference Call on 1QFY26, held on Wednesday, 13th August, 2025. A copy of this is also being hosted on Company's Website: <https://ifglgroup.com/investor/meetings-reports/> .

Thanking you,

Yours faithfully,
For IFGL Refractories Ltd.

(Mansi Damani)
Company Secretary

Encl: As above

IFGL REFRACTORIES LIMITED

www.ifglgroup.com

Head & Corporate Office: McLeod House
3 Netaji Subhas Road, Kolkata 700 001, India
Tel: +91 33 4010 6100 | **Email:** ifgl.ho@ifgl.in

Registered Office: Sector B, Kalunga Industrial Estate
P.O. Kalunga, Dist. Sundergarh, Odisha 770 031, India
Tel: +91 661 266 0195 | **Email:** ifgl.works@ifgl.in

CIN: L51909OR2007PLC027954



“IFGL Refractories Limited
1Q FY '26 Earnings Conference Call”

August 13, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on August 13, 2025 will prevail.



MANAGEMENT: **MR. JAMES MCINTOSH – MANAGING DIRECTOR –
IFGL REFRATORIES LIMITED**
**MR. ARASU SHANMUGAM – DIRECTOR AND CHIEF
EXECUTIVE OFFICER, INDIA – IFGL REFRATORIES
LIMITED**
**MR. AMIT AGARWAL – CHIEF FINANCIAL OFFICER –
IFGL REFRATORIES LIMITED**
**SGA, INVESTOR RELATIONS ADVISORS – IFGL
REFRATORIES LIMITED**

MODERATOR: **MR. SAHIL SANGHVI – MONARCH NETWORK
CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the IFGL Refractories Limited Q1 FY '26 Earnings Conference Call hosted by Monarch Network Capital Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital Limited. Thank you, and over to you, sir.

Sahil Sanghvi: Thank you, Zico. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all to the Q1 FY '26 Earnings Conference Call of IFGL Refractories Limited. We are pleased to have with us the management being represented by Mr. James McIntosh, Managing Director; Mr. Arasu Shanmugam, Director and CEO India; and Mr. Amit Agarwal, Chief Financial Officer. We'll have the opening remarks from the management followed by a Q&A session.

Thank you, and over to the management for the opening remarks, please.

James McIntosh: Yes. Good evening, ladies and gentlemen, and thank you for joining us on the IFGL Refractories Limited Q1 FY '26 Earnings Conference Call. I hope you and your family and friends are in good health. Along with me on the call, we have our Director and CEO India, Mr. Arasu Shanmugam; and Mr. Amit Agarwal, our CFO; as well as SGA, our Investor Relations Advisors.

We have uploaded the results and presentation on the stock exchanges, and I hope everyone of you have had the chance to go through these. IFGL Refractories began the year on a healthy note and delivering strong performance on both a standalone and consolidated basis, achieving the highest ever quarterly revenues.

On a year-on-year basis, standalone revenues grew by 14%, while consolidated revenues rose by 10%. Standalone EBITDA stood at INR 37.7 crores with margins of 13.5%, while consolidated EBITDA was INR 39 crores translated into margins of 8.5%.

Amid well reported global headwinds, India continues to outperform, backed by strong economic fundamentals and maintains its position as the shining star of the global steel industry, recording a 6.3% growth year-to-date.

As the world's second largest producer industry, this reinforces the decision we made in 2021 to prioritize our domestic market growth. Our India made, India sold strategy has driven a 32% increase in standalone domestic business, reaching INR 213 crores. We remain confident in India's growth potential reflecting in our ongoing capex investments in the country.

Amid the ongoing global volatility, we are encouraged by early signs of improvement in some of our subsidiaries, particularly in the United States. The recent policy direction from President Trump focusing on made in America includes a doubling of steel tariffs from 25% to 50% under Section 232 of the Trade Expansion Act.

This move aims to boost domestic steel manufacturing by protecting U.S. producers from foreign imports, which we expect will positively impact our American operations by strengthening local steel production.

Our UK operations from Sheffield, are performing well. The planned Sheffield technology transfer is on track for completion in quarter 3 of this year and will enable us to bring advanced technologies and new products to the Indian market. Additionally, the ongoing restructuring of British Steel is expected to open up positive opportunities for us.

On the Monocon side, our restructuring program is well underway. With our new leadership team, our new product development focus is beginning to bear fruit with industrial side orders received after very encouraging trials at many of our customers.

We have opened new sales channels including a wholly owned subsidiary in Australia, which will enable us to capitalize on growth opportunities there. And finally, the creation of a new team focused towards refractories and technology begin to make their influence felt. We believe that we will see positive figures within the next three quarters and then beyond, we will be in a position to grow our business and profitability.

Our German operations continue to face pressure on the ongoing European economic slowdown in the foundry space as discussed last quarter. We remain focused on navigating this challenging environment by actively exploring alternative applications for our foundry products to diversify our opportunities.

Though market conditions remain uncertain, we are confident that once stability returns to the region, our strategic initiatives will start bringing in tangible benefits. With that now I would like to hand over to Arasu for his comments on our developments in the India region.

Arasu Shanmugam:

Thank you, James. Good evening, ladies and gentlemen. I am pleased to share that we have delivered our highest ever quarterly revenues, which is INR 278 crores first time in the history in first quarter of FY '26, with this standalone revenue up 14% in the first quarter. Domestic revenues grew strongly by 32% to INR 213 crores while exports stood at INR 63 crores, down 22% on year-on-year basis.

Profitability was lower compared to the last year, primarily due to higher raw material costs which are now showing a sign of stabilization and increased employee costs following organizational changes we implemented over the past eight, nine months, which is an investment in human resource. Building on an organization 2 years prior to the actual revenue generation is paramount importance for company in growth path.

It is also important to note that Q1 FY 25 EBITDA has been benefited from onetime provisional reverse of about INR 3.5 crores related to specific customer, which is not reflected in the current

quarter numbers. Moving ahead, our prudent decision a few years ago to focus on the Indian domestic market is now delivering strong results.

India continues to stand out as a bright spot in global steel industry and indeed the global economy with GDP growth estimated over 6%, ahead of any major economy. As mentioned by Mr. McIntosh, our strategic domestic focus has been supported by steadily building capacity expansion. And last year, we took another important step by entering the non-ferrous refractory segment.

We see this as a high potential growth driver for the future, offering significant opportunities while helping us diversify our product portfolio. A dedicated leadership team is spearheading this initiative and we are confident it will add meaningfully to our long-term growth trajectory. On the capex front, our Greenfield project at Khurda, Odisha has been kicked off and is expected to be completed by the end of financial year '27-'28 with a project cost in the range of INR 300 crores to INR 350 crores.

Our Gujarat Greenfield project, joint venture with Marvel, currently under regulatory approvals and is targeted for completion by the start of year of FY'29, with an estimated cost of around INR 300 crores. This JV focuses on nonferrous refractories primarily producing basic fired magnesite spinel bricks, basic fired magnesite bricks, fired magnesia chrome bricks and other basic bricks. This expansion will strengthen our product portfolio and open new growth opportunities.

Moving ahead, I am pleased to share that during the quarter, our research team in India could internalize and implement the technology provided by our subsidiary EIC in America for developing a cold start SES for slab caster. The newly designed solution for cold start operation in steel plants.

Ongoing trials have shown encouraging results with the design demonstrating stability in most cold start scenarios. This innovation directly addresses real-world challenges in steel casting and reinforces our commitment to delivering high performance reliable solution to customers worldwide.

During the quarter we also inaugurated a 60 ton per day fully automatic, continuous tempering kiln for magnesia carbon production at our Vizag unit. This milestone enhances our ability to manufacture high-performance magnesia carbon brick for steel making, ensuring superior performance, longevity and reliability in high temperature applications.

Our technology transfer from Sheffield, another subsidiary, is progressing well and is expected to be completed by third quarter of this year. This will enhance our product capabilities and enable us to supply products that are currently not manufactured in India. Our experts are actively working on the process, and we aim to complete it at the earliest possible time.

Our total refractory management offering also gained traction, and we are actively engaging with few steel plants in this space. We believe we have immense potential to deliver. Despite the global scenario, we remain confident in our long-term growth story.

With this, I hand over to Amit for financial performances.

Amit Agarwal:

Thank you, sir. Let me give you a brief on the financials. Starting with standalone financial highlights. Total income in Q1 FY '26 stood at INR 278 crores, registering a strong 12% year-on-year growth, our highest ever total income during any quarter. EBITDA for the quarter was INR 37.7 crores, a decline of 15% year-on-year growth.

The decline in EBITDA and margins was primarily driven by ongoing global headwinds, elevated raw material costs and higher employee expenses resulting from structural changes as team expansions at various levels. Additionally, operating expenses increased due to new plants.

It is also important to note that Q1 FY '25 EBITDA included a provision reversal as mentioned by Mr. Arasu for around INR 3.5 crores related to a customer, which was not present in the current quarter. EBITDA margin was 13.5% for Q1 FY '26. Profit after tax in INR 14.7 crores in Q1 FY '26 declined by 33% year-on-year. Breaking it down further by geography, our domestic business recorded a robust 32% year-on-year growth in Q1 FY '26.

The domestic market now contributes around 77% of our standalone revenue in Q1 FY '26, up from 67% in Q1FY25. Our export business saw a 22% decline in Q1 FY '26, largely due to economic slowdown and demand fluctuations across key overseas markets. As a result, exports contributed 23% to our standalone revenue in Q1 FY '26, down from 33% same to last year.

Let me move forward to consolidated financial highlights. Our consolidated financial highlights also include our international subsidiaries. Total income for Q1FY26 grew by 8% year-on-year, reaching INR 457 crores. Our EBITDA is 39 crores for the quarter, a declining by 26% on year-on-year basis. EBITDA margin of 8.5% in Q1 FY '26. Profit after tax stood at 10.8 crores for Q1 FY '26, down by 56% on year-on-year basis.

With this, I shall now leave the floor for question and answer. Thank you.

Moderator:

Thank you very much, sir. We will now begin the question-and-answer session. Our first question comes from Lakshmi Narayanan KG with Tunga Investments. Please go ahead.

Lakshmi Narayanan KG:

Thank you. So you had a very impressive performance in the India stand-alone. I want to understand you talked about raw material issues. So, which raw material exactly you are talking about where the prices have been elevated? Can you just give us some of what kind of price escalation you actually got? And how are the prices trending now, raw material.

Arasu Shanmugam:

You see, when I said raw material, we said raw material as a bigger item, but actually it should be called as total input cost. Let us say, you know most of our operations wherever is there, even the labour cost increase, we go every quarter, 6 months there are increases. Barring that, alumina family, it is available in public domain, you can see the kind of alumina price increase all over the world and that has definitely a major impact.

In addition to that, various other raw materials such as some of the power consuming raw material like fused raw material, wherever power is highly consumed. At the end, even various countries they have put power, you know what you call, surge charges, which also finally

affected. So, in a nutshell, anything which is involved with fusion, all raw material, primarily aluminum and magnesium phase, in addition to that other inputs. So, everything has touched.

Lakshmi Narayanan KG: And how are you seeing it right now? We are already in the mid of August. So, do you think that pressure continues in this quarter and you think that it is settling down or how is it?

Arasu Shanmugam: So, it is actually now, let us say, instead of earlier we used to see continuous increase. Now, wherever it has reached, it is stabilized there. No much trend of an increase we are foreseeing right now.

Lakshmi Narayanan KG: What has been the percentage increase in raw materials, if you can just elaborate?

Arasu Shanmugam: I mean, it is different for different raw material and we are putting up a single figure, combining everything will be difficult. I would say it is that level. I mean it is not a pre-pointable, it varies and it is a mix effect.

Lakshmi Narayanan KG: Okay. Like alumina alone, like, how much it has actually gone up for us?

Arasu Shanmugam: No, I think those very detail in particular, I think we can discuss later.

Lakshmi Narayanan KG: And in terms of your India stand-alone business, can you just give a split of how much is flow control and how much is the ramming mass, etc, broadly?

Arasu Shanmugam: No, readily I do not have that. So, readily I do not have it. We do not have that. But actually, IFGL is predominantly a flow control company. Definitely, a substantial portion of revenue comes from flow control and alloy, which covers isostatic, slide gate, ladle, flow control, zirconia, nozzle and other things. And that is our always a major source.

In addition to our new entry, whatever we have just explained in the introduction part, we are also entering into the non-ferrous well predominantly, the bricks and the monolithics. But still, we are a flow control selling company predominantly and to become a balanced one, it will take 2 years down the line after our till the time our projects deliver products and sales.

James McIntosh: I mean, for me, what has been important in the growth of IFGL since 2021 is to not only grow our business in India, but also to grow the breadth of products which we manufacture. I mean, it's absolutely clear prior to 2021, the focus of IFGL was flow control and then flow control was very much on the fingertips of everyone. But since then we've added mac carbon bricks, we've added alumina bricks, we've added casting flux. We've added a wide range of precast shapes. We've added products in many different areas. So around this is important to talk about percentage in flow control as more [inaudible 0:20:42]

Arasu Shanmugam: Correct.

Lakshmi Narayanan KG: And another question is that the revenue growth which you are actually getting in standalone, are you gaining market from -- are you displacing a company or these are all Greenfield client engagements?

- Arasu Shanmugam:** Mostly all growth are through gaining market share in existing as well as spreading our total refractory management model to already running its steel plant, not much of Greenfield project revenues.
- Lakshmi Narayanan KG:** And this goodwill written off will continue till which quarter?
- Arasu Shanmugam:** Goodwill written off.
- Amit Agarwal:** This is the last year after that, there is no goodwill.
- Arasu Shanmugam:** So Q4.
- Amit Agarwal:** This year, it will be closed.
- Lakshmi Narayanan KG:** Got it. Thank you and I will come back in queue.
- Moderator:** Thank you. Our next question comes from Harsh K Shah with Dalal & Broacha. Please go ahead.
- Harsh K Shah:** A few questions from my side. So firstly, great work on the domestic side. Just wanted to check here. I mean, in terms of the strategy in the domestic market, is it a case that we are focused more on gaining more market share at the cost of aggressive pricing? So why I ask this question is because one of your listed players have been kind of calling out since many quarters that in general, the competition is kind of undercutting. So, I wanted your thoughts on it?
- Arasu Shanmugam:** No, no. Our Managing Director has mentioned, it is our strategy. And competition will -- we also have the same feeling. So other competitors are cutting, but in spite of that, we have our strategy of increasing market share. So it's not what you mentioned, what the other competition mentioned is incorrect. And it is basically because of our different strategy, which also I would say that we won't elaborate much on that. But you ignore what they have said.
- Harsh K Shah:** So basically, what you're trying to say is that you are not undercutting. I mean, to be very precise?
- Arasu Shanmugam:** Absolutely not.
- Harsh K Shah:** Got it. And also, I mean, do you have any kind of a data point in terms of what your market share could be within the flow control in India?
- Arasu Shanmugam:** We don't have that figure immediately calculated, so.
- Harsh K Shah:** Got it. Then secondly, for any like-to-like products between, say, IFGL or any of your peers, how would you rate your product now that since last 4 years, you have been kind of bringing a lot of changes. So how would you compare in terms of the performance or tech to your peers? And also if you could do you have any low-hanging fruit in terms of the product portfolio or something which you would like to highlight on that?
- Arasu Shanmugam:** On performance part of whatever you asked we have, we are at par some places we are better because that's the real selection criteria of customers. We can't be an underperformer and still

gain market share. So that is on the first part. On the second part definitely as I already mentioned in my opening remarks about our entering into non-ferrous refractories.

So it's going to be balanced portfolio, spread down across all the refractories consuming instead of just depending on a particular small narrow portion of steel value adding in chain. So it's going to be balanced as we move away. On the performance front I have already told we are at par with the international players or better and that's the key and the main reason on enabler for our market share improvement.

James McIntosh:

If I could just add, every area that we as a company have looked at entering our first starting point is to look at obviously the performance in the market. And the reason that we invest so much in research and new product development is to create products which compete in the market favorably from a performance point of view and also from an economic point of view.

Some of these new products will create for the customer value in different ways depending on the customer. Our objective always is to look at the market and to decide and determine what is the best way for us to grow in that market in the most effective fashion. And now IFGL today after certainly the last 4 years is in a much better technical position than it has ever been to capitalize on growth potential and new opportunities than it has ever been. And we aim to continue doing that in all of the areas that we are concerned with and all of the new product areas that we are looking at is to grow our business by performance.

Harsh K Shah:

Got it. And also, sir, if you could kind of help us understand, I mean, you have mentioned in the PPT that the new projects would start contributing, say, from FY '28 and onwards. But if one has to say, understand how, say, FY '26 and FY '27 could pan out just for our standalone operation, which is purely the Indian part, what are the growth levers?

I mean, how should one consider in terms of what growth projections or maybe if you can help us understand from where we'll be able to grow in a similar manner, which we have kind of done in the past few quarters. If you could help us deep dive at least on the Indian operations, how -- what is the plan for the next 2 years till the other projects come on stream?

Arasu Shanmugam:

No because next 2 years as I was mentioning we are going to considerably grow in our non ferrous business, alumina plant which is already running from Gujarat till the time our basic plant is getting ready. On the other side like what our MD mentioned just now leveraging the research and other thing how we are going to improve our product and performance so that we gain more market share.

I mean very indication is like we used to have some 14-15 customers on total refractory management. This is now it has grown to 21-22 and which will grow further. So it's leveraging the product thing and research for enhancing our market share in existing customer as well as finding new customers in the game space as well as growing in non steel till the time products are going to come.

Harsh K Shah:

Correct. I mean I understand so another way of asking I mean if you could help us understand what would be the average capacity utilization for us ballpark, I don't want product wise just in general overall company level within India?

Arasu Shanmugam: You see in refractory particularly when we have a full range player it is difficult to put one single number on capacity utilization. So I don't think I can give you a single number on capacity utilization.

James McIntosh: I think that obviously, the efforts of IFGL to grow in the domestic space has been focused towards new product development, new areas of investment. We've invested heavily in all areas of flow control. We've invested heavily in all of the new product areas. And of course, when you invest in production capacity, then that enables you to be in a situation, where you can grow the business.

Now, our objective over the next few years is to grow the business, and we don't have any more expansion plans for our current product that gives you an indication that we have plenty of capacity. Also, if you look at our objective for the future, it's to introduce more new products, and this will come as a result of our investments in the new joint venture, that Arasu mentioned earlier and also the development of our new plant.

So, there's an awful lot of growth potential for us. And most of the investment that we have in our existing businesses, for example, on the ISO side is purely technical. It's upgrading the technical capability of the product.

Harsh Shah: Got it. So safe to assume that...

James McIntosh: Upgrading the technical capability

Harsh Shah: **Got it.** So, safe to assume that in the stand-alone, we can grow in excess of 15%, 20% for the next 2 years, even without any incremental capex?

James McIntosh: Correct.

Arasu Shanmugam: You are right.

Moderator: Our next question comes from Sahil Sanghvi with Monarch Network Capital Limited.

Sahil Sanghvi: **Good Evening.** Congratulations for good numbers, especially on the domestic side, now we are across the 70% exposure from the domestic market. So, my first question is, this time, what we see is that the revenue numbers and the EBIT margin from America has improved substantially after a very long time. So, if you can just highlight what were the factors leading to this and how sustainable is this?

James McIntosh: In the United States, there has been very much, very positive change in sentiment since we see a very much more buoyant market as a result. If you were to look at the United States back in the last term of President Trump, it was very positive for the steel industry, very positive for the steel industry because obviously, when you have tariff protection against low-priced products coming from other countries, that enables the domestic manufacturers to really focus on developing, and there is tremendous investment in the Group and various other groups.

You have the very positive Nippon Steel deal with U.S. Steel. So, there's an awful lot happening in America and the steel industry, which is all very positive for suppliers. And obviously, that's

where IFGL benefits because we have specific businesses in the United States, which are focused on the steel industry and both of them are seeing very good improvement, and we believe that will continue. We believe that will continue very positively from now.

Sahil Sanghvi: **Right sir,** and secondly, I wanted to understand I mean on the new products that we have introduced, Magnesia Carbon Bricks and Casting Flux, I mean how are we doing on that front? And what kind of ramp-up do we see on that?

Arasu Shanmugam: We do see a very good ramp-up rate, like for example, we expect sizable share there we are expecting in another four, five months we may reach a very good level in Magnesia Carbon. Magnesia Carbon traction is very good and I know our performances wherever we supply are definitely very, very encouraging, compared to the existing vendor.

So, it gives us an opportunity, opportunity for taking a sizable share from there. So that definitely goes well and casting flux because it is, you know, little critical for customers. So there the trial phases are all full on. It will get little longer time on the commercial order and ramp up. But, but they are all in the expected level. Both are on the expected rate of, ramping up is taking place.

Sahil Sanghvi: Right, sir. And said this INR 3.5 crore gains that we've received, is it from Liberty's team?

Amit Agarwal: Yes, yes. It includes Liberty Galati and some other.

Sahil Sanghvi: Okay, okay, understood, understood and okay understood. Thank you so much. I'll come back in the queue if I have more questions. Thank you.

Moderator: Our next question comes from Rahul Kumar Singh with Prabhudas Lilladher Private Limited.

Rahul Kumar Singh: Actually, my question with the CFO. Am I audible.

Arasu Shanmugam: Your voice is not clear.

Moderator: Sorry to interrupt you sir. May I please, Mr. Rahul Kumar.

Rahul Kumar Singh: Inaudible [0:37:50]

Arasu Shanmugam: Question is not clear.

Rahul Kumar Singh: I mean I'm not able.

Arasu Shanmugam: Yes, Are you talking about -- we couldn't hear.

Moderator: Yes, you're using a bluetooth device. May I request you to use your handset sir. Disconnect the device.

Rahul Kumar Singh: Inaudible [0:38:04]

Arasu Shanmugam: Hello, you are talking about Europe. Hello, are you talking about Europe? We couldn't hear you properly.

James McIntosh : Yeah, I'm sorry, I can't understand.

Moderator: The participant has left the queue. We'll move to the next participant. Our next question comes from Mayank Bhandari with Asian Markets Securities Private Limited.

Mayank Bhandari: Sir, if you could highlight to what does this regulatory approval mean for the IFGL Marvel JV?

Arasu Shanmugam: So, Marvel JV IFGL, the regulatory means what you know, we already acquired the land and in Gujarat there are steps, you know converting agricultural into non-agricultural and then from non-agricultural to you know industrial use. So that processes are all moving and other regulatory is in that line. It is moving but parallel.

There are other jobs which are simultaneous in nature. Right. Without even preparing your project, selecting the process line and equipment. All those things are moving simultaneously. So, I would say that our -- we are not losing any time in that. But simultaneously, the work is going on. Once the regulatory is over, then the work will start and then we will meet the committed time of the end of FY '29. That we are going to meet.

Mayank Bhandari: Yes. So, I think as of now, we are targeting FY '28, where we will see the contribution from the basic bricks in this JV.

Amit Agarwal: FY '28 is for Khurda and '29 is for JV.

Mayank Bhandari: So, '29 is then, okay, this is postponed because of regulatory approval thing.

Arasu Shanmugam: Yes. Yes.

Mayank Bhandari: Secondly, sir, what is the contribution from, I mean, in terms of tonnage, if you could highlight from the alumina bricks and magnesite bricks, both in 1Q?

Amit Agarwal: I think that we are not doing. We have just started the business with alumina bricks and magnesite bricks.

Mayank Bhandari: I think last time you had given 400 tonnage number for.

Amit Agarwal: I think we have shared the monthly production and sales, not the contribution.

Mayank Bhandari: Okay. And if I look at your annual reports, Sheffield has kind of remained flattish in terms of revenue, if you compare with FY '24 and we have also seen profit on -- profit of only INR 2 crores from Sheffield as per FY '25 annual report. Could you highlight to me what could be the future growth expectation in next two to three years in terms of revenue growth, as well as profit?

James McIntosh: Yes. I mean, obviously, Sheffield's results over the last year or so were affected very badly by the blast furnace. They are very big in blast furnace and they were affected by Scunthorpe, British Steel, Scunthorpe going to a one blast furnace operation for a period of time. Now that the second blast furnace is back up and running, and we've returned to normal situation.

As far as growth in the future is concerned, as Arasu mentioned earlier, there are a number of projects which Sheffield specifically are working on with IFGL India to bring new technology to India, especially on the iron making side and also on the non-ferrous industrial side of the business, which is new for us.

That will be a positive for them and also we have maybe restructuring of our Monocon operation. We are creating sales outlets and organizations which will not only benefit Monocon, but also seek to help the Sheffield operation to grow its business and other market areas that they have not been so far. So, we see a very positive future for Sheffield for sure.

Mayank Bhandari: Okay. And if you could touch upon again on the EI Ceramic part where we have seen very sharp drop in the profit in FY '25, '24 number is INR 13 crores of profit and '25 is only INR 5 crores, INR 6 crores of profit?

James McIntosh: I am sorry I did not understand that. Did you say...

Mayank Bhandari: On the EI Ceramic.

Mayank Bhandari: EI Ceramics, I am asking question, which is...

James McIntosh: Yes. I mean, EI Ceramics for sure on the American side, certainly last year there was, the profitability and sales were up. So far this year, I mean, we have come back very, very strongly. And I think sales wise EI Ceramics is up about 25% on sales over last year and profitability is up by a huge amount. I cannot even give a percentage there, but not EI Ceramics is definitely back so far this year with very good results and we, as I said earlier, expect that to continue in the future.

Mayank Bhandari: Okay. Thank you, sir. I will join back in a bit.

James McIntosh: Thank you.

Moderator: Thank you. Before we take the next question, a reminder to all the participants, you may press star and one to ask a question. The next question comes from Harsh K Shah with Dalal & Broacha. Please go ahead.

Harsh K Shah: Yes. Thanks for the follow-up. If you could help us maybe quantify any contribution from the non-ferrous segment in Q1 as of now?

Amit Agarwal: I think, Harsh, that is just the starting point we have done. So, nothing major in that. We have long plans to grow into this non-ferrous segment.

Harsh K Shah: No, I get that point. I am just basically trying to understand whether we are doing any sort of...

Amit Agarwal: That is not available with us to share publicly that kind of contribution or the percentage of non-ferrous and ferrous.

Harsh K Shah: Got it. Okay. Secondly, on the gross margin front, so how should one look at the gross margin improvement? So, basically what I am trying to understand is, when do we feel that our high-cost inventory would be completely consumed by which quarter?

Amit Agarwal: I think inventory. Maybe, see, it has to be seen like this that what Arasu has mentioned that, what we see that we have almost seen this peak of input cost and we do not foresee much of increase in input cost in future, that major input cost increase. So, maybe by this quarter we will be consuming all our high-inventory cost or something like that.

Harsh K Shah: So, basically, from Q3, we should ideally see improvement in gross margins if things remain the same as it is now?

Amit Agarwal: Maybe yes.

Harsh K Shah: Okay. And have we got any sort of price hikes in some of the products or how has been the situation on that front?

Arasu Shanmugam: Yes. We got price increase on product definitely in some of our flow control area, effective from June, July. So, which will reflect in coming quarters, not in all, but few places, yes.

Harsh K Shah: Okay. And also, I mean, in terms of the consolidated EBITDA margin, right? First, usually, I mean, say, probably, a year back you used to kind of guide for 12% plus kind of conserved margin. How should one look going forward? Because, I mean, even though you are growing very well in the domestic market, right, but the operating leverage is really not being seen on the margins as of yet. I mean, just wanted -- get some thought on that. I mean, how should one look at the margin profile on a company level?

Amit Agarwal: I think we still look at double-digit margin profile at console level.

Harsh K Shah: For this year...

Amit Agarwal: Yes.

Harsh K Shah: Okay. And lastly, last question from my side, what is the tax rate? Because, I mean, for FY '26 and beyond, because what we are seeing is that it is constantly in excess of 25% odd. So any...

Amit Agarwal: No. It is 25%. Effective tax rate is 25%.

Harsh K Shah: 25% only.

Amit Agarwal: Yes.

Harsh K Shah: On a console level.

Amit Agarwal: Sorry, at standalone level. Consol, we have the different tax rates.

Harsh K Shah: Okay. Got it. Okay. Yes. That is it from my side. Thank you.

Amit Agarwal: Thank you.



- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. As there are no further questions from the participants, I now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital Limited for closing comments. Over to you, Sahil.
- Sahil Sanghvi:** Yes. Thank you. On behalf of Monarch Network Capital, I would want to thank the management for patiently answering all the questions and also would like to thank all the participants for joining this call. Arasu sir, would you like to give any closing comments?
- Arasu Shanmugam** Yes. We hope we have been able to answer all of your queries. We look forward to your participation in the next call. For any queries, you may contact SGA, our Investor Relations Advisor. Thank you.
- Sahil Sanghvi:** Thank you.
- Moderator:** Thank you. On behalf of Monarch Network Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.