

**Sec/Coat/039/FY 2025-26**

**Date: 25.07.2025**

**The Secretary**

**BSE Limited**

New Trading Wing,  
Rotunda Building,  
PJ Tower, Dalal Street,  
Mumbai- 400001

**Scrip Code: 539046**

**The Manager**

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block "G"  
5<sup>th</sup> floor, Bandra Kurla Complex,  
Bandra East,  
Mumbai- 400051

**Symbol: MANAKCOAT**

**Dear Madam/Sir,**

**Sub: Transcript of the Earnings Conference Call on Un-audited Financial Results of the Company for the quarter ended June 30, 2025**

In continuation to our Letter dated July 23, 2025 and pursuant to Regulation 30(6) and Regulation 46(2)(a) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Conference Call on Un-audited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2025, is available on the website of the Company at [www.manaksiacoatedmetals.com](http://www.manaksiacoatedmetals.com).

We request you to take the same on record.

This is for your information and for public at large.

Thanking you,

Yours faithfully,

**For Manaksia Coated Metals & Industries Limited**

**Shruti Agarwal**

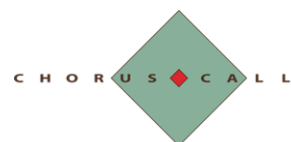
Company Secretary & Compliance Officer

Membership No.: F12124



“Manaksia Coated Metals & Industries Limited  
Q1 FY26 Results Conference Call”

July 23, 2025



**MANAGEMENT:** **MR. KARAN AGRAWAL – WHOLE-TIME DIRECTOR –  
MANAKSIA COATED METALS & INDUSTRIES LIMITED**  
**MR. MAHENDRA BANG – CHIEF FINANCIAL OFFICER –  
MANAKSIA COATED METALS & INDUSTRIES LIMITED**  
**MR. TUSHAR AGRAWAL – SENIOR VICE-PRESIDENT –  
MANAKSIA COATED METALS & INDUSTRIES LIMITED**

**MODERATOR:** **MS. SAKHI PANJIYARA – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Manaksia Coated Metals and Industries Limited Q1 FY26 Results Conference Call hosted by Kirin Advisors Private Limited. 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara, and thank you and over to you, ma'am.

**Sakhi Panjiyara:** Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Manaksia Coated Metals and Industries Limited. From management team, we have Mr. Karan Agrawal, Whole-Time Director, Mr. Mahendra Bang; Chief Financial Officer, Mr. Tushar Agrawal; Senior Vice President. Now I hand over the call to Mr. Karan Agrawal. Over to you, sir.

**Karan Agrawal:** Thank you very much. Good day everyone. A very warm welcome to the Q1 FY 26 earnings call of Manaksia Coated Metals and Industries Limited. On behalf of the entire management team, I would like to extend our sincere appreciation to all the investors, analysts, and stakeholders for taking the time to join us today.

I'm pleased to be joined by Mr. Tushar Agrawal, our Senior Vice President, and Mr. Mahendra Bang, our Chief Financial Officer. It's a pleasure to connect with you as we embark on yet another promising year, continuing our journey of record-breaking growth, operational excellence, and long-term value creation.

At Manaksia Coated Metals, we are one of the leading manufacturers and exporters of premium coated steel products, offering both pre-painted steel and galvanized steel in coil and sheet forms. An advanced manufacturing facility in Kachchh, Gujarat and a growing export footprint across 40 plus countries positions us as one of the trusted partners to industries ranging from building and construction, automotive, FMCG, and white goods.

Our Q1 FY26 results are as follows. The consolidated total income witnessed a robust year on year growth of 29.97%, reaching INR253.94 crores. Driven by a strong demand and higher sales volume, profit before tax recorded an impressive surge of 364.43% year on year. Amounting to INR18.70 crores. Reflecting enhanced operational efficiency and marginal expansion.

Net profit also saw a significant rise of 359.70% year on year standing at INR14.01 crores. Underscoring our continued focus on delivering profitable growth. EBITDA increased by 93.36% year on year, reaching an impressive INR28.62 crores. With an EBITDA margin expansion of 370 basis points, which is now standing at 11.27% of revenue.

Earnings per share improved by a drastic 253.86% year on year, reaching INR1.42 per share. In Q1 FY 26, the stand-alone financial performance demonstrated solid momentum across all key metrics. Total income increased to INR253.89 crores. Supported by sustained business momentum.

EBITDA improved to INR28.62 crores, with the EBITDA margin expanding to 11.27%, reflecting better cost efficiency and operating leverage. Net profit rose to INR14.10 crores.

Underscoring the strength of the company's core operations. Earnings per share or EPS also improved to INR1.43 per share, reaffirming the company's focus on driving consistent and sustainable stand-alone performance.

At the end of FY 25, our net debt to EBITDA ratio stood at 2.3x. And we are well on track to bring it down to 1.7x at the end of FY26. This target is backed by strong EBITDA performance, improved earnings visibility, and healthy cash flows. With continued focus on operational efficiency and prudent capital allocation, we remain confident in our ability to strengthen the balance sheet while driving sustainable growth.

During Q1 FY26, the company delivered robust operational performance, marked by a record capacity utilization and strong production growth. Galvanized steel coil production rose by 12.51% year on year, while pre-painted steel coil production surged 14.66% year on year, achieving full capacity utilization. Export momentum remained exceptional, with export volumes soaring 166.14% year on year. And export revenue climbing 182.28% year on year. Contributing a record 57% of the total revenue.

Overall sales volumes grew 18.69% year on year to 29,248 metric tons. This was supported by a peak utilization, capacity utilization level of 85% in the continuous galvanizing line and 100% in the color coating line. This performance underscores the company's operational efficiency, global competitiveness, and growing demand traction. We successfully raised a total equity of INR174.87 crores, out of which INR161.22 crores has been infused into the company.

This race was concluded in two strategic rounds of preferential warrants. This capital infusion marks a significant milestone in strengthening our financial foundation. The funds have been effectively deployed towards reducing existing debt and supporting our upcoming growth-oriented projects. This not only enhances our balance sheet but also positions us strongly for the next phase of expansion and value creation.

I would like to now invite Mr. Tushar Agrawal to speak about the industry scenario and our upcoming growth centric projects. Thank you and over to you, Tushar.

**Tushar Agrawal:**

Thank you. Good evening, everyone. The Indian coated steel industry is experiencing strong growth. Driven by rising consumption, infrastructure expansion, and government support through initiatives like the INR6,322 crores PLI scheme and the national steel policy.

With per capita steel use expected to nearly double by 2030, demand for value-added steel products like pre-painted and aluminum zinc coated steel is set to rise. These trends align with our product portfolio and ongoing capacity expansions. Positioning Manaksia Coated Metals & Industries Ltd to capitalize on both domestic and export opportunities.

Going ahead, we are actively advancing our strategic expansion and sustainability initiatives to strengthen our growth momentum. The upgradation of our existing galvanizing line to Alu-zinc technology with an enhanced capacity of 180,000 metric tons per annum is scheduled for completion by the end of Q2 FY26. While the line is fully ready, we have consciously deferred the upgrade to prioritize execution of our strong and high margin export order book.

Upon completion, we will be transitioning to a more premium product which has lesser competition. It's sold at a premium and is known in the market for its superior performance. We are also progressing with the setup of a 7-megawatt captive solar power plant within the state of Gujarat to meet the energy requirements of our Kachchh facility. The EPC contractor has been finalized and the order placement underway.

This will help us reduce grid dependency and enhance cost efficiency. While reducing our per metric ton carbon footprint. Further, we have awarded contracts to suppliers of our second color coating line. Which is expected to be commissioned in Q4 of FY 26.

This will significantly boost our color coating capacity to 235,000 metric tons. Which is an increase of over 170%. This will be significantly improving our value-added product mix. These projects are aligned with our vision for sustainable, scalable, and high margin growth.

Before we open the floor for questions, I would like to take this opportunity to express my sincere gratitude to our dedicated team, valued customers, and esteemed shareholders for their continued trust and support in Manaksia Coated Metals & Industries Ltd.

We remain firmly committed to driving operational excellence and delivering long-term value. With that, I would now be happy to take any questions you may have. Thank you once again for your time and continued confidence in our journey.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aman Soni from Invest Analytics Advisory LLP. Please go ahead.

**Aman Soni:** Firstly congrats for good set of numbers. My first question is regarding the guidance. What is the revenue guidance for FY26 and what do you think of OPM in upcoming quarters are this level of 10% sustainable?

**Karan Agrawal:** Thank you for your question. I think pertaining to the guidance of revenue and profitability, we can confidently tell you that the performance achieved in Q1 is definitely something as a benchmark that we have set which we expect to continue towards the remaining quarters of the financial year.

And we would also see a considerable amount of positive momentum in the revenue and profitability from Q4 onwards also when the new projects have their impact getting, captured in the financial performance of the quarters. So I think the run rate of revenue and profitability is definitely sustainable and growth can be expected even beyond this.

**Aman Soni:** Okay sir. And my second question regarding the capex. We are in, doing, including the second line of color coating. What is the peak revenue that we can achieve and how fast do you think we can achieve the optimum of utilization?

**Karan Agrawal:** The second color coating line is stated to come on stream live into production by the end of Q4 FY26. So I think FY27 will be the year where we will see the maximum revenue being incurred by the company by the upgrade of Alu-Zinc as well as the addition of the second color coating line.

On the basis of capacities being added by us in both these projects, we can see in an ideal scenario, best case scenario, the peak revenue of the company touching close to INR1,600 crores with this capacity expansion in FY27.

**Aman Soni:** And so what is the rational for amalgamation with JPA snack? Do we have any plans of expansion here?

**Karan Agrawal:** The rational for amalgamation with JPA snacks is very simple. This is a subsidiary which was created almost a decade back, more than a decade back for a pilot project that the company had undertaken in the FMCG business. However, this subsidiary has been non-operational without any revenue since more than almost now four to five years.

And hence in order to simplify our balance sheet, P&L reporting and all of the other activities that we as a company need to undertake as a listed entity, we felt it is beneficial to merge with the entities.

**Aman Soni:** Okay, sir. Thank you.

**Karan Agrawal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Prathamesh Dhiwar from Tiger Assets. Please go ahead.

**Prathamesh Dhiwar:** Congrats for the great set of numbers. So, sir, actually I'm new to the company. So as we are expanding our capacity in two segments, pre-painted steel and galvanized steel. So let's say on the second phase of pre-painted steel, I think we mentioned we could go around INR1,600 crores of top line and what kind of revenue peak revenue can we generate on galvanized steel? And how much time it will take to work on optimal utilization of 1, 80,000 MTB capacity?

**Karan Agrawal:** Prathamesh, thank you for your questions. I think the peak utilization with the color coating, second color coating line will happen only in FY 27 and INR1,500 to INR1,600 crore is the peak revenue in the ideal and the best-case scenario with maximum capacity utilization. For your second question is on the Alu-Zinc upgrade.

With a capacity of 1,80,000 tons, it would take us about at least, let's say one quarter to stabilize and ramp up capacity utilization. Therefore, the full output or the real enhancement and revenue from the Alu-Zinc client would be start to be visible from the end of Q3 or the early Q4 of the current financial year.

**Prathamesh Dhiwar:** Okay, got it. And on consolidated level how much EBITDA margin increase are we expecting. When this, both the plant gets both the capacity gets light?

**Karan Agrawal:** It's a good question. I think the major EBITDA expansion that we are going to witness will be on account of the Alu-Zinc project or the Alu-Zinc technology upgrade that we are going to implement by the end of Q2 and going by the industry norms currently with the price realizations that Alu-Zinc is commanding.

And the production costs being incurred for production of Alu-Zinc, we can safely say that an EBITDA expansion of 30% from the existing level is something that the company has the potential to realize.

**Prathamesh Dhiwar:** 30%. Okay, got it, sir. And so just a last question. So we also expanding in cold roll steel. So is this going to be like for the backward integration or like of 3 MTB?

**Karan Agrawal:** Yes, so, you are now talking about our phase three expansion plan which will be put in the execution stage only by the mid of FY 27, not right now. So currently our focus is only to complete our phase 1 and phase 2 expansion plan, which is the Alu-Zinc upgrade the solar captive power plant and the second color coating line.

The cold rolling backward integration investment will happen subsequently after completion of all these plans by the end of FY27. That is the target.

**Prathamesh Dhiwar:** Got it, sir. Thank you so much, sir and all the best for your future.

**Karan Agrawal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Meet Katrodiya from Niveshaay. Please go ahead.

**Meet Katrodiya:** Thank you so much for the opportunity. So the question was like the export market is gaining traction with the top panel contributing a healthy share in the export revenue. So how do you see the export market evolving going forward like do we have any existing tie up with customer like top panel or other customer will be there for the upcoming products and whatever we will generate.

So what steps are we taking on the export market side or what are we looking, with the export market?

**Karan Agrawal:** Thank you. I think it is very important to mention that we have witnessed a very big growth in our export performance which has contributed to a great extent on the upliftment of our financial performance. In Q1 of FY26, we delivered a record breaking 57% revenue from exports, which was an all-time high and which was 3x higher than the export performance of Q1 FY '25.

Now talking about the export market, I would like to tell you that this has not happened overnight or this has not happened due to any spot opportunity. This is a result of hard work and a continuous focus on developing a very critical and quality conscious export customers in the European continent which has taken place over the last 5 to 7 years.

All the efforts of developing these customers by doing repeated powers by gaining their confidence, and by delivering quality at a competitive price is now resulting in a growth of volumes for export market, and we see that this export revenue or this percentage of export revenue is sustainable for us because we are doing business with only OEMs and not with traders or stockist or service centers. So we have long-term customer and repeat customers every quarter and very few spot customers.

So I'm very confident that we can maintain consistency and this kind of performance in the export side is sustainable. On the future scenario, we feel that there is a lot of potential and scope to grow our exports in terms of quantitative performance and also maintaining the percentage of exports at a similar level even with a higher capacity because the market is very large and we are still, just scratching the surface in terms of the export potential.

And our positioning, which is port based, we are located in the western coast of the Indian subcontinent, and we have very good access and low-cost access to export movement of our finished product, which is a big advantage and a USP for us.

**Meet Katrodiya:**

Got it. So like, are we talking with more export customers for the upcoming water production. We will, generally like from the Q4 onwards or in between from the FY '27. So are we tying up, for these facilities also, or like, whenever these facilities will come online, then we have to do the trial production with the customer and it will take time to ramp up. So how this will happen, could you throw some light on this part?

**Karan Agrawal:**

So the good thing for us is that the existing customer base that we have in the export market and the domestic market are already users of this new product which we are launching, which is Alu-Zinc. Alu-Zinc is used by all our existing customers in their existing supply chain and it's a vital part of their raw material product mix to produce their finished products in the building and construction industry or HVAC industry, or the white goods industry, whatever it may be.

So, we do not have to reinvent the wheel and find new customers, but yes, we have to penetrate our existing customer base with the, new product that we are launching which we feel is not a very difficult task.

**Meet Katrodiya:**

Got it. Also -- thank you so much for the detailed answer. I like, what, I have a question on, what will -- what is our realization per ton in EBITDA, per ton of galvanized sheets, coils and pre-painted steel and coils?

**Karan Agrawal:**

For Q1 of FY '26, I can give you an, a ballpark number. I don't have the precise number available with me, but the realization per ton for galvanized steel could be roughly around INR75,000 per ton basic. You're excluding taxes for pre-painted steel the realization per ton should be close to between INR88,000 to INR90,000 per ton excluding taxes. And the EBITDA per -- the blended EBITDA per ton that the company has earned is INR9,786 per ton.

**Meet Katrodiya:**

Could you provide the breakup? Like, I just want to know what is the breakup between how much GI is making a EBITDA per ton and pre-painted. So I need -- I require the breakup. Could you please give me the EBITDA breakup of these two?

**Karan Agrawal:**

We will definitely reach out to you, Meetji, with this breakup, and I request Mr. Mahendra Bang, our CFO, to prepare a note on this request and give a message to Mr. Meet. And I would also request Kirin Advisors to share the contact details of Mr. Meet Katrodiya so that we can send him this information that he has requested.

**Meet Katrodiya:**

So is it fair to assume like pre-painted will generate higher margin rate, meaning high EBITDA per ton?



**Karan Agrawal:** Absolutely, absolutely. That is, a very, obvious conclusion and a very, good conclusion that you have made. Pre-painted steel generates the higher portion of the EBITDA earning as compared to the galvanized since it is higher value addition and it's the final leg of value addition in our process.

So that is why also you will see that in the investor presentation we have shown the product mix also constitutes of 75% of pre-painted steel sales, only 25% sales revenue generated from galvanized steel. So naturally the contribution with totally with the earnings from pre-painted steel is much higher than the contribution of galvanized steel.

**Moderator:** I think the question asked by the person from Meet has got disconnected from the line. So let me take the next question.

The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead, sir.

**Darshil Jhaveri:** So I just wanted to, ask a lot of my questions have already been answered. I just wanted to ask a bit about EBITDA margin, so we've seen a very significant jump. It's 7%, 8% now. Nearly 10%. So I just wanted to know what is attributable to, and I think, sir mentioned a 30% jump in it so that means our 10% margin can be sustainable at 13% or how do we see the margin, sir.

**Karan Agrawal:** Thank you for your questions. Firstly, the EBITDA margin that you have achieved in Q1 is now 11.27%, not 10%. So, and yes, you are right that we have seen an, quite an impressive increase which is of almost 94% year on year.

So to answer your question, I think yes, the EBITDA margin expansion will happen with Alu-Zinc and looking at the product price that Alu-Zinc commands and the lower cost of production that Alu-Zinc incurs, we can safely say that the EBITDA margins anywhere between 12% to 13% is possible and sustainable at a good capacity utilization. This is very much possible.

**Darshil Jhaveri:** Okay. The boot capacity maybe in Q4 11% to 13% will happen once that Alu-Zinc on all, so that's really helpful, sir. I just wanted to just clarify that other income is what we're including in our EBITDA margin. So what all does our other income include, sir? I assume there'll be some element of fundraise or something or how is -- how does our other income work, sir.

**Karan Agrawal:** So the other income component in the P&L is basically made up of two components. One is the forex gain loss that the company incurs on account of its foreign currency exposure hedging strategy, and the second is would be any interest earnings that the company would have incurred.

But I would like to point out that this forex gain is the major component of the other income part which is a direct result of operational strategy made by the management of the company to manage forex risk. It is not a result of luck or any unforeseen windfall gain, but it is a mere result of a strategic, hedging policy that we have which we are executing and monitoring on a day-to-day basis.

**Darshil Jhaveri:** That's really grateful, sir. Will we able to quantify how forex gains are there in this quarter, sir?

**Karan Agrawal:** I mean, the forex gain in this quarter is, I think, our CFO, Mahendra ji can clarify.

- Mahendra Bang:** The foreign exchange gain is INR3.55 crores, sir.
- Darshil Jhaveri:** INR3.55 crores that's really helpful, sir. And sir, I just wanted to know in terms of like because we are, will be, higher interest rate targeting. So will that impact the working capital cycle as you're also going more into export. So is that elongate our working capital cycle or how will that impact our working capital as well? And is there any subsequent impact on our debt?
- Karan Agrawal:** Darshil ji, your voice broke up completely. We could not understand.
- Darshil Jhaveri:** So I was just saying now as we are going more and more into export, does that stretch our working capital a bit?
- Moderator:** Sorry to interrupt. Darshil sir, your voice is breaking again.
- Darshil Jhaveri:** I'll join back in the queue. I'll try joining back in the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Hardik Chheda from Lark Consultancy. Please go ahead.
- Hardik Chheda:** Yes Hello. Sir, first of all, congratulations on the excellent quarter. I just wanted to ask you elaborated on the margins going ahead after the expansion. I just wanted to ask for the current year, the EBITDA margin will be around 11% for the next three quarters or for the full year? Safe to assume?
- Karan Agrawal:** Hello. Hardik ji, thank you for your question. I think it is safe to assume that we will be able to keep these EBITDA margins consistent in this year because the impact of the expansion projects and the technology upgrade will hit our P&L only from the later part of the financial year towards the end of Q3 or Q4. So, it is safe to assume that this level of EBITDA will be maintained and we could be lucky enough to have a impact of the higher EBITDA in Q4.
- Hardik Chheda:** So going ahead, so basically for current year 11% and for next year 13% roughly is what we can assume based on your assessment. For current year, we can assume 11% EBITDA and in Q4 and in Q1 of next year, it seems both of your expansions are coming on stream. So, we can assume 12% to 13% EBITDA margin for next year. Is my assessment correct, sir?
- Karan Agrawal:** This guidance would be absolutely correct.
- Hardik Chheda:** Okay. And sir, my second question is with regards to export right now. It is 57% of the total revenue for the current year and for the next year. Could you share in terms of percentage how much since our and most of the margin expansion has come from exports. So what will be the percentage of exports of our total revenue in terms of percentage for the current year and for the next year? What are you targeting?
- Karan Agrawal:** Okay. So, I think before answering that question I would like to give you some background that this level of 57% export is a new record for us. We have earlier been exporting our product, but the export revenue, let's say in Q4 of FY '25 was 40%. In the Q1 of FY '25 was only 26%.

So 57% is an all-time high, and yes, we see that we will be able to continue this kind of export performance. But on the conservative side, I would like to give you an answer by saying that we will be able to maintain 50% and above export of revenue for the year. This is the kind of projection we have.

**Hardik Chheda:** Great, sir. Great, thank you. And in terms of EBITDA per ton, can we see up, like right now we are doing 9,786 blended. Can we see, like for the quarter is already on, so I'm saying can we see it crossing 10,000 in the near term? Like, in Q2 it has just started so is very simple. If you don't want to say in absolute terms, are the margins increasing further or are they stable at the current level if you could just put it that way.

**Karan Agrawal:** I think the steel market currently is flattish in the, overall global context. It is neither increasing too sharply nor it is reducing too sharply. So we can expect a consistent level of performance in terms of EBITDA earnings per ton. As for the level witnessed in Q1. Now, when I say consistent, there is always a tolerance of, let's say, 4% or 5% plus minus. Meaning 9,700 can become, 10,000 or it can become 9,500. This much tolerance will be there. But definitely nothing, which is too sharp of a movement.

**Hardik Chheda:** Thank you, sir. Thank you. And once again, congratulations on the stellar performance. That's it from my side. Thank you, sir.

**Karan Agrawal:** Thank you very much, sir.

**Moderator:** Thank you. The next question is from the line of Sampath Nayak from Mavira. Please go ahead.

**Sampath Nayak:** Hi, sir. Congratulations on a great set of numbers. So my first question is on the demand and supply scenario with respect to Alu-Zinc coating. So in the previous call, you said there are only 4 players doing this currently. So can you name them? And also commentary on the demand and supply scenario, yes.

**Karan Agrawal:** Okay. Sampath ji, thank you for your question. The demand for Alu-Zinc in the domestic market remains very strong because this product is something that is a new technology and has been made popular in the Indian market less than 10 years back.

And the prominent players in this particular industry are JSW Steel, by their subsidiary which is producing called JSW Coated Steel products, and Tata Steel with their JV company called Tata BlueScope. These are the two large players in this industry, and along with that there are other secondary players such as APL Apollo and Jindal India.

So I think this is pretty much the market space when it comes to Alu-Zinc production. And I think I'm very confident that the demand of Alu-Zinc in the domestic market space will continue to see fantastic growth in double digits because the government and the private sector both are spending an immense amount of capital for building infrastructure, for building urban and rural infrastructure by way of airports, railways, metros, warehousing has been put in focus by the government. Cold storages have been put in focused by the government.

And there are many incentives and schemes by various states to attract investment which is going to basically fuel this growth of coated steel products and value-added steel products for making factories and warehouses and construction sheds and landmark projects such as airports and stations and other government infrastructure.

**Sampath Nayak:** Okay, thank you, sir. So my second question is on, recently the Central Electricity Authority prepared a draft list and Alu-Zinc coating is a part of that list. So is there any communication from the government with respect to the players who are doing Alu-Zinc coating?

**Karan Agrawal:** I would like to just ask you that there was some background noise you said the Central Electricity Authority has issued what?

**Sampath Nayak:** They have prepared a draft list obligating a components that are currently being imported and they want Indian companies to manufacture it and Alu-Zinc coating is also a part of it?

**Karan Agrawal:** Well, Sampath ji we may not have the right comment on this at the moment, but we will definitely check on this and get back to you.

**Sampath Nayak:** Sure sir. Thank you. And all the best.

**Karan Agrawal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Tej Patel from Niveshaay. Please go ahead.

**Tej Patel:** Thank you so much. Sir, I'm new to the company. I just wanted to understand how much funds are yet to be received from the conversion of the warrants which we issued two times, I think one in 24 and one in 25. And how much money are we yet to receive from that conversion?

**Karan Agrawal:** So the two rounds of preferential warrants that were issued have been largely converted into equity shares. Only an amount which is approximately INR13 crores is pending to be received against the warrant conversion. It should be received in the coming three quarters.

**Tej Patel:** Got it. And sir how much capex are we expecting, for this upcoming two phase of capex that is one is for the pre-coated and one is for the GI sheets. How much capex are we anticipating and how much of it as we have already incurred because ICCWIP standing on our books, right? I just wanted to know what was our total capex, how much has been spent and how much is yet to be spent?

**Karan Agrawal:** See, the total capex that we are doing in all three projects that are coming on stream in FY 26, which is the Alu-zinc Technology upgrade, the capex solar power plant and the second color coating line. The total capex would be roughly around, you can say close to about INR150 crores.

**Tej Patel:** Okay.

**Karan Agrawal:** Yes, out of this INR150 crores we would have already incurred capex of roughly around INR50 crores approx. And the remaining would be done as and when the project advances in the course of next three quarters.

- Tej Patel:** Okay and how are you expecting it to be funded up all through debt?
- Karan Agrawal:** No, not at all. I mean, we have raised an equity of about INR175 crores approx. in the last two rounds of preferential warrants issuance and this equity would help us have a very balanced view on the financing of these projects where there would be a healthy mix of the equity and debt both.
- Tej Patel:** Any number to it, sir. I mean, how much cash do we have right now? How much are we planning to spend it for capex. Out of INR100 crores, how much would be the debt portion approximately? I get it. I mean you can get an approximation if possible, please?
- Karan Agrawal:** I think you can assume an average of close to 70% financing by debt and the balance by equity.
- Tej Patel:** Got it. And sir if you could give more clarity on this phase 1, phase 2, I think more than 2 lakh tons of pre-color coated is what we are expecting, right? So if you could explain in that 2,36,000, how much are you expecting to come live in Q3, how much in Q4 and ramping up you said would take about one quarter each for, I mean the new lines to come up. So if you could help us break down how much is expected to come in Q3, how much in Q4?
- Karan Agrawal:** Okay, so we have two product lines. One is the galvanized steel and the second is the pre-painted steel. On the galvanized steel product line we are upgrading the technology to Alu-zinc and enhancing the capacity to 1,80,000 tons. This is phase 1. This will come on stream in three of the current fiscal. And like I said, the capacity ramp up and stabilization would take close to between 60 days to 90 days.
- On the second product line, which is the pre-painted steel, we have a current installed capacity of 86,000 tons and we're adding a brand-new line with the additional capacity of 1,50,000 tons, taking the total capacity to 2,36,000 tons, which will come on stream by the end of Q4 of FY 26. And we take maximum about 60 days to become stable and fully commercially viable. So I hope this answers your question or if you need any more details, you can let me know.
- Tej Patel:** Yes, sir, perfect. I one more follow up on this is I just wanted to know what's our client contribution? I mean, who is our top customer and what percentage of revenue is it contributing right now?
- Karan Agrawal:** So I think on this front I can say that we don't have a big concentration in terms of customer specific revenue. In terms of the revenue mix, you already have heard that 57% has come from export and the balance 43% from domestic. So it's like a 50-50 kind of a situation and in this 50-50 situation also the total exports are very well balanced amongst more than 35 to 40 customers in the European continent largely and a little bit in the Middle Eastern market.
- In the domestic market also, which has contributed 43% of the revenue, there is a very well balanced in the entire geography of the Indian market space where we are selling our product right from Jammu Kashmir to Gujarat. Kerala to Madhya Pradesh, Andhra, Telangana, everywhere. So it's a very well balanced and spread-out kind of customer revenue mix and there is no concentration with more than 5% from any customer.

- Tej Patel:** Got it. So sir is it right to assume that by next year on our new capacity as well, we would reach about 60% of the utilization for our new capacity. I just wanted to know, is there enough demand that we will be able to reach 60% by next year or do you anticipate more or less than the 60% is what I'm understanding?
- Karan Agrawal:** On the Alu-Zinc line, definitely more than 60% because we are already at a run rate of about 1,20,000 tons per annum before the capacity has been added. So I think on the Alu-zinc plan we can safely assume that within a period of 60 days to 90 days of commissioning we can easily touch 75% to 80% utilization.
- And on color coating -- on the second color coating line I would like to say that well I think close to 70% utilization is a safe number or a conservative number that I can tell you we can reach after one quarter of successful commissioning.
- Tej Patel:** Okay, so 70% is for the new capacity, right? You're not saying blended it's for just the new capacity?
- Karan Agrawal:** No, total capacity we can reach utilization of 70% of the total capacity I'm talking about.
- Tej Patel:** Got it. It's blended is what I understand. I got it.
- Karan Agrawal:** Correct.
- Tej Patel;** And sir when you move from an aluminum line to an aluminum zinc line, I'm just trying to understand. So it's just helps us in the ability to do galvanization of two types. It doesn't, I mean, it's not a completely new product. It's just a separate two coating which we will able to do. I mean, the salesperson would almost remain the same after this upgradation also?
- Karan Agrawal:** I think Tushar can explain you a little bit about the technology and what is the actual change in the technology, and he will also answer the question on the, revenue potential after that.
- Tej Patel:** Yes, yes, that, okay, that will be great.
- Tushar Agrawal:** Yes hello. So traditional galvanized steel, traditionally steel has been protected from corrosion via the process of galvanizing, which is the coating of zinc on top of steel surface, so that's what we're doing right now where we're coating 100% zinc on top of steel. And this has been the traditional method for over, I think probably over 4 to 5 decades or probably longer.
- Alu-Zinc coated steel is a new product, a new technology which was probably invented roughly 10 to 15 years ago only. And it comes into India barely 6 to 7 years ago. This product is different. How? Because the coating is now replaced. The zinc coating is now replaced via -- with an alloy which consists of zinc and aluminum where 55% of the coating alloy is composed of aluminum and the remaining is zinc. The process itself has various changes where; we needed to add a complete cleaning section. The annealing cycle needed to be enhanced for the metal.
- We had to add another pre-melt pot which is critical for the techno for the coating where the alloy is melt and the alloy is prepared. The cooling tower height needs to be increased. So,

various -- I'm just giving you a snapshot, but it was a large technical upgrade which had to be undertaken in our Kutch plant and to be completed.

**Tej Patel:** So, sir, does the application change and because of that, maybe our realization improved, is it something like that?

**Tushar Agrawal:** It is a superior product. There are fewer manufacturers in India offering this, and it provides over 3 times the corrosion resistance that a regular galvanized product would have. So, it commands a premium in the market, automatically, especially with India's large coastline. You see a large potential of the entire market adapting this product. For example, in Kerala they all want only Alu-Zinc because of the high saline atmosphere.

The market, demands the product which will last longer, so they pay a premium to invest in a product which lasts longer and help them have a warehouse or a building which lasts longer.

**Tej Patel:** Got it. Got it. Understood, sir. Thank you so much. Sir, one more question, like, why are we targeting export markets? I want to understand like, it's a more competition in the domestic market. Therefore we are evaluating export market, or it is a reason like we located on the western part of India, so it is easy for us to export, so what's your view on this?

**Karan Agrawal:** Well, I think, there are multiple reasons. One is definitely that export market fetches us a higher realization for our finished product. And we are able to make customized products for our various export customers sitting in the European market for which they are relying on our company to supply the raw material and they're paying a good premium for it. Number 1.

Number 2, I think sitting on the, port, we are literally 50 kilometers away from the largest ports in the western coast of India. And we want to have a very balanced situation of our sales where we must not rely on any particular market for a major quantity of our sales. That's why we want to keep it very balanced. So whenever there is any stress in the domestic market, we can always tilt towards export and vice versa. So this is the reason why we want to keep a very balanced equation of export versus domestic.

**Tej Patel:** Got it. Interesting. Sir, if you could just help us, I mean, I know you already answered this for one product. If you just help me understand what are peers in terms of capacities or if you could just help us name the peers in in the color coated segment, and of course the galvanized pipe one. And are those integrated players or are there players like smaller players like us also who are buying this CRC and then, doing this value addition.

**Karan Agrawal:** Absolutely. There are two categories of players producing the finished products, which is Alu-Zinc or pre-painted Alu-Zinc. One is the category of integrated players wherein you have two names, JSW Steel and Tata Steel. So they have their subsidiary companies that are producing Alu-Zinc and pre-painted Alu-Zinc. Tata Steel has a subsidiary called Tata BlueScope, and JSW has a subsidiary called JSW Coated Steel Products.

In the non-integrated space there are 2 more players which are buying raw material from integrated steel producers like JSW, Tata, ArcelorMittal, Steel Authority of India, or even Jindal Steel and Power, etcetera. And are then producing finished products by doing value addition.

These players are the likes of APL Apollo or Jindal India and obviously we are also in the same market, Manaksia Coated Metals & Industries. Yes.

**Tej Patel:** So interesting, so quite surprising, there are almost like 6, 7 players only in India, right? I'm just trying to understand, if possible for you -- is it possible for you to put a number to it. What's the demand in terms of tonnage for let's say a pre-painted coil or a galvanized coil? And is it -- are imports also major portion of the overall market in India currently?

**Karan Agrawal:** The demands of pre-painted steel, which consists of pre-painted galvanized and pre-painted Alu-Zinc, today in my view, I don't have the updated number, but definitely the -- in the entire country, demand should be close to about between 3 million to 3.5 million tons per annum, currently.

**Tej Patel:** Got it.

**Karan Agrawal:** And I think yes, imports were let's say it was a significant share of the contribution to the Indian demand being met, but now the government has taken very, very prudent policy measures where they have restricted the imports into India. And restricted cheap dumping from countries like China by putting measures like safeguard duty and hence the domestic market has become more accessible to domestic producers and the threat of cheap products entering the country has minimized to a great extent.

**Tej Patel:** Interesting. So what would be the duty percentage, 20% 25%?

**Karan Agrawal:** The customs duty which has been already in place before the safeguard duty itself was about 7.5%, and now the safeguard duty which has been recently announced in the month of, I think, April if I'm not wrong, April, May is another on top of that was 12%.

**Tej Patel:** Got it. And sir, what would be the install capacities of these 6, 7 players which you mentioned the integrated as well as the guys buying CRCs, including us. So what with the install capacity right now?

**Karan Agrawal:** I think in my view the installed capacity is at parity of the domestic demand number.

**Tej Patel:** Okay.

**Karan Agrawal:** But you must take into account that the demand is increasing in double digits in India due to the massive infrastructure creation and investment that is being done on the public side and the private side in the Indian market space. And we also have a very big export potential where, us and many other producers in the country are also exporting to various markets in Europe, Africa, and Middle East and Latin America. So, there is definitely a good opportunity to invest more and to create more capacities in the Indian market to cater to domestic demand as well as export opportunities.

**Tej Patel:** Got it. And I get the point that since our capacity is low, we might not face enough competition, but we just wanted to get your view on Chinese competition in the export. I mean, are we enough price competitive or what's the scenario on countries right now which we are exporting? You



said Europe, right? Correct me if I'm wrong. I just wanted to get your view on, in terms of competitiveness of our with China?

**Karan Agrawal:**

Yes, no I think it's a very important question. I think China is definitely the most vital and the largest producer of steel in the world, so it is always relevant in any context. But today you must have been reading and seeing that all the countries in the world are resisting and creating barriers for Chinese products to enter their economies or their markets.

That is being done by way of fiscal measures and non-fiscal measures, by way of tariffs or quality restrictions, etcetera. And this is what we are seeing even in our existing markets of European countries as well as a few Latin American countries where many countries and economies have restricted Chinese products by putting anti-dumping duties or quotas or quality standardization so on and so forth, which is helping Indian producers a great extent to penetrate.

And grab market share and really implement that China plus one kind of a policy in favor of Indian exporting community.

**Tej Patel:**

Makes sense, sir. Thank you so much for that answer. Just last question sir I will just submit it up. So sir, first, I mean two questions I'm really sorry. So what is our major end use sector today? Is it the cold chain sector? I mean, where our materials are currently going in, what is the end use sector?

And secondly for the third line what is the plan in terms of funding and how much funds are we planning for that third phase which we are planning to do in FY27 because more sort of we will be planning on that stage at least in this financial year, right? So just wanted to understanding on your end use segment sector and what is the planning for funds for your third capex?

**Karan Agrawal:**

I think on the third phase that you're talking about is a total capex of close to about INR220 crores to INR250 crores for which we still have some time to finalize the funding strategy and the funding mix of debt and equity. We wish to fund it as much as possible via internal accruals and the profits that the company is generating through the course of FY26 and partially FY27.

And we wish to use as little debt as possible to fund that capex since it's a large one. So clear and a crisp answer can be given to you in the later part of the year when we are more clear on the performance of the company and the stabilization of all the current projects in hand. I think, we would definitely like to answer this question a little later.

**Tej Patel:**

Got it. And sir, in terms of end use sector, I mean, who are your clients and what sector do they cater to?

**Karan Agrawal:**

End use sector I think building and construction is one of the major end users for our product where our product is used in industrial, commercial and residential construction. For the purpose of industrial sheds, warehouses mainly infra projects which consists of airport buildings, railway stations, metro stations, thermal power plants, etcetera.

Apart from this, our product is used in again producing insulated sandwich panels which in turn is used for the cold storage industry or the clean room industry, pharma clean rooms, cold

storages, refrigerated trucks, etcetera. This is a very large, let's say consumer in consumer base of our finished products.

Apart from these two then I would rank value added end users such as metal ceiling systems which are used for building interiors or major projects, interior ceiling systems, etcetera. And then I would rank metal sorry general engineering, which includes, things like your air handling units or solar equipment and many other engineering components like elevators and doors and windows, etcetera.

**Tej Patel:** Got it. And sir last question after the CRC, I mean, I know it's a far sighted question, but just wanted one understanding after the CRC expansion in 27, what margin expansion do we anticipate? I mean, a broad approximation or something like that because it's a raw material for us, right? So I anticipate gross margins to improve significantly. So if you could just help us understand how much margins do we anticipate to increase because of this expansion?

**Karan Agrawal:** I think the backward integration by way of producing our own cold rolled steel would definitely give us access to expand our margins by another 1.5% to 2% on the PBT level. This is possible and achievable once we achieve handsome capacity utilization.

**Tej Patel:** Got it. And sir in terms of RORACs, I'm just trying to understand with this two new capex which we are planning and considering the ramping up will take let's say 1 or 2 years. What payback are we looking on this new projects five, six years? What then what's the number shall we keep in mind?

**Karan Agrawal:** So I think on the projects that we have already in pipeline for FY26 we are looking at aggressive returns on the investments that we are doing and we're targeting something on the lines of 4 year payback for these projects.

**Tej Patel:** Okay.

**Karan Agrawal:** The solar project is going to be faster because the savings against the cost of electricity is very high. So the payback for the solar project can be as early as 2.5 years. On the Alu-Zinc line and the second color coating line we are definitely targeting aggressive and three to four years is the targeted payback.

**Tej Patel:** And sir for solar how much out of the 150, how much was solar? Sorry, I missed that part?

**Karan Agrawal:** I'm sorry?

**Tej Patel:** Out of the 150 capex overall capex which we planned, how much is for solar?

**Karan Agrawal:** Solar will be anywhere between INR30 crores to INR35 crores.

**Tej Patel:** Okay, so INR30 crores to INR35 crores was just solar and how much power savings? I mean, if you could say in terms of how much incremental EBITDA are we expecting from this power saving?

- Karan Agrawal:** At the existing level of our power consumption. We are quite sure of saving anywhere in the range of INR6 crores to INR7 crores per annum. If you go by the number of existing power consumption and power costs. As and when our capacities increase, we will have to add additional solar capacity to keep that saving percentage consistent.
- Tej Patel:** Got it. Sir, right now how much would be the power cost as a percentage of sales?
- Karan Agrawal:** Our cost as a percentage of sales, I think, Mahendra ji can you work this out and tell the precise number?
- Mahendra Bang:** It should be worked out. I'll give you separately.
- Tej Patel:** No problem. And sir, I mean, this is like really far sighted. I just wanted to get your views by the end of, let's say, I mean, what's an overall plan, are we planning to become a fully indicated player where we will be looking to add up HRC also maybe in the future. I'm just, I mean, just wanted to get a far-sighted view?
- Karan Agrawal:** No, I think our medium-term vision is quite clear. We wish to keep adding value in our current business, which is the downstream of the value addition business on top of the upstream products, which is by adding capacities of value-added steel. I think in the medium term we are not looking at backward integrating into steel production itself.
- But we definitely wish to become one of the leading and the top players in the downstream, product line of value added steel which is let's say not too capex heavy and the payback periods are quite – it's a very reasonable kind of payback period whereas integrated steel producer is definitely something which is going to invite a huge amount of capex in thousands of crores. And the payback periods are also longer.
- So currently given our size scale in the medium term, we are looking at becoming a player which is in the top three players in the country for producing value added downstream products with a targeted capacity of half a million tons.
- Tej Patel:** Got it. Thank you so much, sir, for patiently answering all the questions. Although I have a few more questions on payback. I will just work out my math and get back to you. I mean, thank you so much, sir, for patiently answering all the questions. Thank you.
- Karan Agrawal:** Most welcome.
- Moderator:** Thank you. Ladies and gentlemen, this was the last question for today and I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors for closing comments. Over to you, ma'am.
- Sakhi Panjiyara:** Thank you everyone for joining the conference call of Manaksia Coated Metals and Industries Limited. If you have any queries, you can write to us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again thank you for joining the conference call. Thank you, Karan, sir. Thank you, Tushar sir, and thank you Mahendra sir. Good day.
- Karan Agrawal:** Thank you very much. Good day.

**Tushar Agrawal:** Thank you everyone.

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