

Sec/Coat/081/FY 2025-26

Date: 05.11.2025

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"
5th 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 September 30, 2025

In continuation to our Letter dated October 30, 2025 and pursuant to Regulation 30(6) and Regulation 46(2)(oa) 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 September 30, 2025, is available on the website of the Company at <https://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 Q2 & H1 FY '26 Earnings Conference Call”

October 30, 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. SAMIKSHA RAMTEKE – KIRIN ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Q2 & H1 FY '26 Results Conference Call of Manaksia Coated Metals & Industries Limited, hosted by Kirin Advisors Private Limited.

As a reminder, all participant lines will be in the listen mode only 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 “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Samiksha from Kirin Advisors. Thank you and over to you ma'am.

Samiksha Ramteke: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Manaksia Coated Metals & Industries Limited. From management team, we have Mr. Karan Agrawal – Whole-Time Director, Mr. Mahendra Bang – Chief Financial Officer, and Mr. Tushar Agrawal – Senior Vice President.

Now, I hand over the call to Mr. Karan Agrawal. Over to you, sir.

Karan Agrawal: Good afternoon, ladies and gentlemen. It is a pleasure to connect with you and share the progress we have made at Manaksia Coated Metals & Industries Limited during the first half of Fiscal '26.

The period has been marked by strong momentum, disciplined execution and clear strategic focus. On behalf of the management, I extend a warm welcome to our Q2 FY '26 Earnings Conference Call.

I am joined by Mr. Mahendra Bang – our CFO and Mr. Tushar Agrawal – Senior Vice President. We sincerely appreciate your time, engagement and continued confidence in our journey of growth and value creation.

The first half of FY '26 has been an encouraging phase for us at Manaksia Coated Metals & Industries as we continue to strengthen our presence in the value-added coated steel segment with consistent performance and expanding capabilities. Our portfolio spans a wide range of pre-painted and galvanized steel products designed to meet evolving market needs.

Our advanced manufacturing facility in Kutch, Gujarat, serves as a strategic hub connecting us seamlessly to both domestic and international markets. With exports to over 40 countries and a growing diversified customer base, we are expanding our capacity and systems to better serve customers across core end-use sectors guided by our focus on quality, innovation and operational excellence.

Q2 of Fiscal '26 was another strong quarter for us. Our consolidated total income grew by 27% year-on-year to Rs. 224 crores, driven by strong demand and improved realizations. EBITDA more than doubled to Rs. 29 crores, reflecting a 113% growth, while EBITDA margin expanded by 534 basis points to 13%, highlighting improved operational efficiency and product mix. Net

profit surged by 491% to Rs. 14 crores, translating into a net margin of 6% which is up by 490 basis points year-on-year. Earnings per share also increased significantly by 347% year-on-year to Rs. 1.43.

For the H1 of FY '26, total income rose by 27% year-on-year to Rs. 478 crores, while EBITDA increased 103% to Rs. 58 crores, with a margin expansion of 446 basis points to 12%. Net profit grew by 423% year-on-year to Rs. 28 crores, translating into a net margin of 6%. And EPS stood at Rs. 2.81, which is up by 290% year-on-year. This underscores strong and broad-based financial performance across operations.

In addition to strong financial performance, our balance sheet has further strengthened during the first half of FY '26. The interest coverage ratio improved to 3.62 as compared to 1.89 as on 31st March, 2025, reflecting higher profitability and lower finance costs. The current ratio increased to 1.67 from 1.35, supported by efficient working management. The debt-equity ratio improved to 1.19 down from 1.81 at the end of FY '25, driven by repayment and strong cash generation. Total debt declined by 27% from Rs. 141.28 crores down to Rs. 103.22 crores as of 30th September, 2025.

Operationally, second quarter of FY '26 turned out to be an exceptional quarter driven by consistent execution, healthy demand and record contributions from exports. Galvanized steel production grew by 8% year-on-year to 26,572 metric tons while pre-painted steel output increased by 18% to 21,653 metric tons, supported by efficient plant utilization. The share of value-added product, which is pre-painted steel, touched 92% of total sales, reflecting our focus on high margin and quality-driven segments.

Exports remained a key growth driver, contributing 85% of total sales with export revenue up by 151% year-on-year and export tonnage at a record of 20,590 metric tons. This performance showcases our strong operational foundation, agile execution, and growing global acceptance of products made at Manaksia Coated Metals.

On the capital front, the company raised a total of Rs. 174.87 crores through two preferential allotments. The first one of Rs. 40.32 crores at Rs. 18 per share and the second one of Rs. 134.55 crores at Rs. 65 per share. During first half of FY '26, we collected Rs. 80.36 crores, including Rs. 74.60 crores in Q1 and Rs. 5.76 crores in Q2, with a balance of Rs. 13.65 crores pending for conversion. This equity infusion has further strengthened our balance sheet, reduced debt, and enhanced financial flexibility to support ongoing expansion of projects.

The Indian steel industry is entering a high growth phase supported by government initiatives such as the National Steel Policy, PM Gatishakti and the National Manufacturing Mission aimed at boosting capacity, efficiency and competitiveness. India targets producing 300 million tons of steel by the year 2030 and 500 million tons by the year 2047, alongside higher exports and per capita consumption. The focus on value-added and green steel manufacturing under the PLI and Make in India schemes is driving investment and long-term demand. These developments

create a strong tailwind for Manaksia Coated Metals, aligning perfectly with our expertise in value-added coated steel products and expanding export presence.

Looking ahead, we are entering an exciting phase of growth with multiple strategic projects progressing as planned. The aluminum zinc coating line conversion scheduled for current fiscal 2025, which we believe will enhance capacity by 36% up to 1,80,000 tons per annum, and positions us among the few players in India with 100% aluminum zinc capability.

The second color coating line expected to commission by early Financial Year 2027 will expand coating capacity by 174% to 2,36,000 tons per annum, strengthening our value-added portfolio and customer reach. The 7 megawatts peak captive solar power plant targeted for early FY '27 will offset 50% to 55% of grid power dependency and lead to significant energy cost savings while advancing our sustainability goals.

In parallel, the implementation of an MES system and CRM systems will drive digital transformation, enabling real-time production visibility, data-driven decisions and stronger customer engagement. Collectively, these initiatives will strengthen our scale, efficiency and customer-centric growth, positioning Manaksia Coated Metals & Industries for the next phase of sustainable value creation and growth.

Before I conclude, I would like to take this opportunity to thank our employees, customers, investors and partners for their continued trust and support. The first half of FY '26 has been a period of strong growth and meaningful progress for us, and we remain confident about sustaining this momentum through disciplined execution and strategic investments.

Thank you once again for joining us today and for your continued confidence in Manaksia Coated Metals & Industries Limited. We will now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sucrit Patil from Eyesight FinTrade Pvt. Ltd. Please go ahead.

Sucrit Patil: Good afternoon to the team. My question is, as metal prices and demand cycles keep changing, what long-term strategies do you see helping Manaksia build a strong identity beyond just being part of the commodity cycle?

Karan Agrawal: Thank you for your question. Is that all?

Sucrit Patil: No, I have a follow-up question, but once this gets completed I will ask my second question.

Karan Agrawal: Right. So, I think it is a very valid question, Sucrit. We are a player in the steel industry and we do have a direct correlation to metal prices and the volatility of the commodity. I would like to share that we are in potentially the highest value-added segment of flat steel products by having the ability to produce pre-painted steel which is the highest value creation that you can do on flat carbon steel.

Our business model is largely a back-to-back model where we are not having an exposure to the commodity price risk since more than 80% of our business is back-to-back, and spot changes in the market of commodity does not impact our inventory or our business model. So, our strong focus on exports and OEM business has led to this situation and we would like to continue this focus and strategy to be a dominant player and a strong player in the OEM segment and the export segment which really creates a strong identity and value for our company, for our product and for our customers.

Sucrit Patil: My second question is, looking ahead what internal steps or cost management plan do you think are most important to protect the margin, especially if input cost or demand patterns keeps on changing?

Karan Agrawal: Well, see, we have our own cost structure which we are trying to make it more and more efficient every quarter by enhancing our capacity utilization by improving focus of the company towards higher value-added products and improving the focus towards export. So, naturally with higher capacity utilization, the fixed cost per ton reduces and as I was saying, the capacity additions that we are doing on the alu-zinc front as well as the second pre-painted line will also lead to further reduction in the fixed cost per ton thereby ensuring that our EBITDA margins are protected and potentially enhanced. Moreover, I think as we are shifting from a product of galvanized steel towards a more value-added product of alu-zinc steel, the potential cost savings on raw material also come into play which have further potential to contribute towards cost efficiencies and enhancement in margins.

Sucrit Patil: Thank you for the guidance and I wish the team best of luck for Q3.

Karan Agrawal: Thank you.

Moderator: Thank you. The next question is from the line of Rehan Syed from Trinetra Asset Managers. Please go ahead.

Rehan Syed: Good afternoon to the team. Thank you for giving me the opportunity. So, I have only one question regarding your capacity utilization side. So, you have mentioned in the Q1 call that CAPEX of Rs. 150 crores is ongoing, with Rs. 50 crores already incurred. So, like, I want to understand, can you share the timeline for commissioning of the new expanded expected increase in tonnage? And when we might see them contributing meaningfully to the volumes?

And continuing with that question, my second question is regarding the product side. So, on product diversification, could you elaborate on any higher margin value-added quoted products you are targeting, for instance specialty coating or niche domestic segment? So, this is my question. Could you please explain regarding this thing?

Karan Agrawal: Sure. Thank you, Rehan. Your first question regarding our CAPEX projects and the resultant revenue increases. Well, as I mentioned on my opening remarks, the three critical projects that we have embarked upon where the CAPEX has been done is basically the first one is the alu-

zinc project which is scheduled to start revenue generation within the current fiscal of FY '26, followed by the other two projects which are the second pre-painted line, the second color coating line which is expected to start generating revenue in early Fiscal '27. And the third is the captive solar power plant which will start giving its output in terms of energy cost savings which is also expected from early Fiscal '27. So, this timeline is something that we had shared even previously and I do not have any reasons to believe that there is any shift in such timelines.

The second question pertaining to value-added products for different value-added end-users and higher margins. I think this is exactly the direction that the company is thinking. And the transition from galvanized steel towards alu-zinc steel is exactly the step for us to move in that direction where the coating of an alloy of 55% aluminum, 43.5% zinc and 1.5% silicon will replace the traditional galvanizing process and lead to a much higher value-added product catering to a niche and demanding customers who need a much higher performance, corrosion resistance from the product to meet their end-uses.

This will also lead to potentially cost savings and better price realizations by the company which should result in better performance and higher margins for the company going forward. This is the exact direction that we are thinking in. And I think the enhancement in margins also can be driven by our continued focus to cater to the export market, which we have been doing, and the numbers that I shared with you on the export front which is also visible in our presentation speaks for itself in terms of our higher performance in the export market.

Rehan Syed: Got it. Thank you for explanation. All the best for the upcoming quarter. Thank you.

Moderator: Thank you. The next question is from the line of Prateek Choudhary from Saamarthya Capital. Please go ahead.

Prateek Choudhary: So, I have a couple of questions. One is that why have our galvanized steel coil sales been very low this quarter and even in the previous quarter?

Karan Agrawal: Sure. Well, this is an intentional, let's say, end result because we are producing two finished products. One is a first stage product which is galvanized steel and the other is a second stage of value addition with the final product being pre-painted steel. Actually, the value addition of pre-painted steel is the higher category of value addition which also contributes to a higher EBITDA margin contribution per ton. And hence, in fact, it is a statistic that we are quite proud of that we have been able to reduce the contribution of revenue via galvanized steel and enhance the contribution of revenue via the sale of a bigger volume of pre-painted steel which talks about our ability to sell more and more value-added product and focus more on higher value-added product. So, this is an absolutely intentional end result.

Prateek Choudhary: Understood, sir. And earlier in your presentation you had written that once we completely move to an aluminum-zinc coating, then for the same capacity we could see EBITDA increasing by 40%. But this time around in the presentation, that number is not mentioned. So, has there been any change on that number due to market conditions or any other reason?

- Karan Agrawal:** One second. Firstly, the statistic given in the presentation of the higher EBITDA margins, that is something that we are basically demonstrating in the sense of a market potential of what an aluminum-zinc coating can potentially do to company's product profile and margin profile. We do not see any reason for this to change. And the technical aspect of aluminum being cheaper than zinc still remains as it is, where aluminum as a metal has always been cheaper than zinc and continues to be so, which would definitely technically and theoretically result in a lower raw material cost as compared to a production cost of galvanized steel.
- Prateek Choudhary:** Okay. And sir, with regards to your fundraising plan, what could roughly be the quantum of fundraise and utilization of the same into different areas, if you can spell out the same? Because I think in the first half itself we had received the money for the warrants issued earlier. So, in that respect, what is the quantum and what are the utilization areas where we are spending on?
- Karan Agrawal:** I think the most recent fundraise that was completed by the company was a total of Rs. 134.55 crores, it was a preferential allotment of warrants. Out of which roughly Rs. 120 crores has been realized by the company. And the end uses for this previous fundraise was basically on the aspects of debt reduction, higher working capital requirement and for CAPEX projects of alu-zinc and the second color coating line. And this has been the deployment of these proceeds.
- Prateek Choudhary:** And for the upcoming fundraise?
- Karan Agrawal:** See, the company is continuously evaluating ways and means of raising funds for the expansion plans. And it continues to keep a pulse of the capital markets and to evaluate the available options for future fundraisers to meet its needs for growth ambitions.
- Prateek Choudhary:** So, that has not been finalized, the quantum?
- Karan Agrawal:** No, not yet.
- Prateek Choudhary:** And what probable area we could utilize this for, whenever it happens in the next few months?
- Karan Agrawal:** So, as per the company's growth blueprint that we have already shared in our presentation, we definitely wish to grow horizontally in terms of our capacity expansion in the alu-zinc capacity from 1,80,000 tons towards 3,60,000 tons. And also, we wish to work on backward integrating our business by setting up a cold rolling complex to make it a more integrated value chain. And I think these will be the projects that the company would work towards. And the large end-use of the fund raise would be directed towards.
- Prateek Choudhary:** And sir, final question on your major geographies for exports, which would be those?
- Karan Agrawal:** I would like to say that, see, we have a customer base spread across 43 countries, which are ranging from the European continent, consisting of the Southern European belt like Portugal, Spain, Italy, Greece, and the Eastern European belt consisting of Poland, Romania, Bulgaria, Czech Republic, and the Central European belt consisting of Germany, Netherlands. Apart from this, we also have active customers in Latin America and the countries of Colombia, Ecuador,

Brazil, and some customers in the Middle East. Having said this, we do have a dominant share of export moving towards the European continent.

Prateek Choudhary: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Ankur from Bajaj Finance. Please go ahead.

Ankur: Sir, in the previous call also you had mentioned that by 2027, your total capacity expansion will be at a full-fledge, and the entire capacity utilization also will be done by that time. So, what's the new plan, again, I mean, to fundraise in such a big way? And what are the blueprints? You mentioned earlier also, but we need some kind of in-depth understanding of that. Thank you.

Karan Agrawal: Well, Ankur ji, thank you for your question. As far as the current plans of expansion are concerned, which are basically divided into three phases, Phase-1, 2, and 3, is 1 and 2, which consist of the alu-zinc line upgrade, the second pre-painted line, and the captive solar power plant. All these projects are in line with our estimates of commissioning and the capacity ramp-up, where I just mentioned earlier that the alu-zinc project will be commissioned within the existing Fiscal '26, and the second pre-painted steel line and the solar power plant will be commissioned in early Fiscal '27. We do not see any deviation in these timelines that we are stating.

We are also fairly confident that with the strong order books from the export market and the domestic market and the customer base that we have in the OEM segment, the capacity utilization also should be very healthy and should be ramped up fairly quickly. Beyond this, there is a Phase 3 expansion, which is in blueprint stage for further addition of a second alu-zinc line and a backward integration project of a cold rolling steel complex, which we foresee happening in FY '28, for which I do not have any firm timelines to share with you, but this is what we are working on currently.

Ankur: Okay. So, for 2028 you are right now planning to raise the funds, is that right?

Karan Agrawal: We are evaluating all possible opportunities.

Ankur: Okay, sir. Okay. Thank you. That's it from my end.

Moderator: Thank you. The next question is from the line of Sunil Jain from Nirmal Bang Securities. Please go ahead.

Sunil Jain: Thanks for taking my question. Sir, my two questions are there. One on the capacity expansion, which you said, there will be conversion of the existing capacity to alu-zinc and that will increase your capacity as well. So, the whole capacity will get converted or part of the capacity will get converted? And in that case, whether the alu-zinc standalone will be sold in the market in meantime when the other capacity of coated comes. So, how that will work? And how is the realization for alu-zinc as compared to the normal galvanized steel?

Karan Agrawal: Thank you, Sunil ji, for your question. And I think you have gone through our presentation quite well to be asking intricate questions, which I appreciate. So, yes, you are right, the capacity expansion and the upgrade to alu-zinc is happening for the entire capacity. So, 1,32,000 tons is being upgraded to 1,80,000 tons and the entire 1,80,000 tons will become alu-zinc. So, basically, we will be shifting from galvanized steel maker to a alu-zinc steel maker.

And your second question was, will we be selling standalone product of unpainted alu-zinc before our second pre-painted or color coating line starts? The answer is, yes, we will be having a surplus alu-zinc capacity before our second color coating line starts, which would be for a period of potentially four to six months. And in this period, we will definitely be selling standalone alu-zinc product for which, by the way, there is a very large market in the domestic and export ecosystem where unpainted alu-zinc is sold to the infrastructure projects like factory buildings, sheds, warehouses, cold storages, airport buildings, hangars, railway stations, metro stations, etc. And it forms a large percentage of the roofing and cladding end-uses which are done by projects. We intend to tap this sector and sell in the market for similar kind of end-uses.

Sunil Jain: Is there any difference in the realization of galvanized and alu-zinc?

Karan Agrawal: Yes, absolutely. Alu-zinc sells at a premium to galvanized steel in the market. And the reasons are because it is a superior product in terms of corrosion resistance, performance in terms of life, as well as aesthetically it's a superior product as compared to galvanized, and hence it does sell at a premium.

Sunil Jain: And second question related to financial performance. If I see your gross margin, in the last one year has moved up from 20% to almost around 31%. Any specific reason we do not see any great change in the product mix. So, what was the reason for this improvement in the margin?

Karan Agrawal: Well, there are multiple reasons which have contributed to enhancement of our overall margins, I can name a few of them. One of them is obviously higher capacity utilization. We have been ramping up capacity utilization which has led to a lower fixed cost per ton and better ability to amortize all our costs over a larger tonnage, number one.

Number two, we have gradually shifted our focus from more commoditized segment end-uses to more niche and customized end-uses and customer segments such as HVAC, refrigeration, home appliances, clean rooms, bus bodies and so on and so forth which are having a better realization in terms of price and better margin profile.

Thirdly, our focus and growth in exports are also one of the key contributors to this margin growth. And if you go through our presentation, you will realize that our percentage of exports has drastically gotten enhanced as compared to what we did in FY '24 and what we did in FY '25, which is also one of the key reasons for this growth.

Sunil Jain: And sir, last question about the export market. So, how you sell, means you sell it through distributors or to the end consumer, how you sell in the export market?

- Karan Agrawal:** We are largely selling our product to end-users in the export markets who are OEMs. And the percentage of sale to traders or distributors is very, very negligible.
- Sunil Jain:** So, in that case, the number of customers in the export market, if you can say how many customers are there? And what is the product sale, means each billing size like it's a large billing size to few customers or there is a large distribution of the end customers?
- Karan Agrawal:** We have a good fair bit of diversity in terms of our customer base spread across number of customers and number of countries and number of regions. So, to give you an indicative number, I can say that we would have roughly anywhere between 40 to 50 active export customers throughout the year to which we would have sold our entire export tonnage in the last fiscal, and a similar picture would be also drawn for the current fiscal as well. And in terms of concentration, I do not think more than 10% of our export sales are to more than a single, I mean, restricted to a single customer.
- Sunil Jain:** Great, sir. Thank you very much.
- Karan Agrawal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dhawal Jain from Sequent Investments. Please go ahead.
- Dhawal Jain:** Sir, I want you to understand the blended realizations for galvanized and pre-painted this year compared to what we had in FY '25. So, can you just give some understanding on this?
- Karan Agrawal:** The realization of our galvanized and the realization of pre-painted per ton, I think, I would have this number handy, give me a moment, please. The sale price realization for galvanized steel in Q2, you are asking for the quarter or what is your question, please?
- Dhawal Jain:** Yes. So, you can give about the quarter as well and you can give about the H1, what it has been versus what it has been by '25.
- Karan Agrawal:** So, for the Q2, our sales price realization per ton for galvanized steel was Rs. 71,671 per ton. And the sales price realization per ton for pre-painted steel for Q2 was Rs. 89,495 ton. And for H1, this number was Rs. 71,572 per ton for galvanized and Rs. 88,539 per ton for pre-painted steel. And this compared to H1 of last fiscal was considerably higher where I think, let us say, on a percentage basis this is higher by about 7% year-on-year. And for pre-painted steel, on percentage basis, it would be higher by about 12% year-on-year.
- Dhawal Jain:** Okay, sir. And my another question is, when we have our capacity increase of galvanized steel alu-zinc from 132,000 to 180,000 and pre-painted when we have it the next year from 86,000 to 236,000. So, what is the potential maximum revenue possible from these entire capacities that we have considering our capacity utilization at 75% or 80% if we are closer to that?

- Karan Agrawal:** Well, I think the sales price realization numbers that you have with you, which has been shared, can be considered as consistent sale price realization that we are achieving in the market. And if you were to extrapolate that with the capacity increase and the utilization levels, you will be easily be able to get the answer to your question.
- Dhawal Jain:** Right. And do we see these realizations increasing going forward or is it going to be stable right now?
- Karan Agrawal:** Let us say that the market for steel prices do keep moving, and I cannot predict whether it will move higher or lower. But I definitely feel that I do not foresee much of a sharp increase or decrease in the prices going forward. In my view, it could be consistent as what we have seen in Q2.
- Dhawal Jain:** Right. And my last question is, sir, this exports that we have, 85% of sales right now, is this the same thing that is going to be continued going forward?
- Karan Agrawal:** The export revenue that we achieved in Q2 is definitely at an all-time high. However, if you see the graph of the export contribution to our total revenue over the years has been consistently increasing from levels of 25%, then 35%, then I think in Q1 it was 57% and Q2 it was 85%. So, it is safe to assume that, yes, we will keep continuing to grow the overall export revenue percentage to the total revenue consistently. However, 85% is definitely something which is, let us say, a unique situation where we had a very, very strong export order book. It is safe to assume that exports would be definitely upwards of 50% for the current fiscal.
- Dhawal Jain:** Right. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Mayank Agrawal from Scientific Investing. Please go ahead.
- Mayank Agrawal:** Thank you for the opportunity. So, to my understanding, the percentage of like galvanized steel which is used internally is around 75% to 80% to make PPGI, correct?
- Karan Agrawal:** It depends on what is the total production of galvanized steel and the order book that we have for the pre-painted steel. But to answer your question, in Q1 and Q2, roughly about anywhere between 80% to 90%, in that range, was used for making pre-painted steel.
- Mayank Agrawal:** Okay. So, my second question is a follow-up question. So, basically, in galvanized steel, like we are expanding our capacity from 132,000 to 180,000. And in the pre-painted, we are increasing from 86,000 to 36,000, and eventually to 360,000. So, my question is like, since galvanized steel, like the fissure capacity, we have capped it around 180,000. So, like, how will the gap between this and the pre-painted will be met?
- Karan Agrawal:** So, yes, there will come a time where we will have our alu-zinc capacity of 1,80,000 tons and pre-painted capacity of 2,36,000 tons. And there will be a gap of roughly, say, 50,000 tons approximate between the two. But one has to assume that there would be a percentage of capacity

utilization that we will be running at for the pre-painted steel. And the surplus capacity that we have for color coating can be potentially utilized by buying galvanized substrates from the market and performing color coating to produce pre-painted steel. However, we would indulge in any such kind of utilization only if we find it profitable enough to maintain our EBITDA per ton numbers.

Mayank Agrawal: Okay. And my next question is an order book. So, last quarter, the order book was Rs. 450 crores and which now stands around Rs. 600 crores now. So, like, how much did we execute this quarter and how much was the new order addition in the Q2?

Karan Agrawal: See, the execution of order book in the quarter is reflected by the revenue that we have generated, right. So, I mean, we generated Rs. 220 crores of revenue, which was against the order book in hand. So, I think that answers your question on what is the percentage of order book execution. And the incremental order book that you are seeing is a result of the new export orders and the new MOUs that we have signed with customers overseas, as well as new orders from domestic markets, which is now standing at roughly Rs. 600 crores.

Mayank Agrawal: Okay. And like, what is the average expected timeline to execute the order?

Karan Agrawal: The existing order book currently is having a timeline of 12 months for execution.

Mayank Agrawal: Okay. And the last question is on my aluminum zinc raw material procurement. So, basically, 70% is backed by the confirmed order and 30% is like on the basis of spot and like fortnightly price revision. So, how does the aluminum price movement translate into margin impact for us?

Karan Agrawal: Well, the business model is back-to-back anywhere ranging from 75% to 80% of the total volumes that we produce. And the remaining 20%, 25% is definitely earmarked for the spot orders that we execute for the domestic customers. The changes in the price of raw material, including steel or zinc or aluminum would be reflected in the market almost immediately from, let's say, every 15 days, every fortnight, like you said. So, we are able to either pass on the price increase or decrease to the customers for the spot market quantum that we are executing almost every 15 days. So, that is the frequency that we are able to pass on.

Mayank Agrawal: Okay. Great. The answers all my questions. Thank you for the opportunity. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Ms. Samiksha. Thank you for the closing comments.

Samiksha Ramteke: Thank you, everyone, for joining the conference call of Manaksia Coated Metals & Industries Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference call. Thank you, Karan Singh, Tushar sir and Mahendra Sir. Thank you.

Karan Agrawal: Thank you very much. Have a good day.

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