

November 13, 2025

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

Symbol: SAMBHV

To,
Listing Compliance Department
BSE Limited
P J Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: 544430

Dear Sir / Madam,

Sub: Transcript of the Conference Call held on November 10, 2025

This is with reference to our intimation dated **November 4, 2025** regarding Conference Call with investors and analysts on **November 10, 2025 (Monday) 05:00 PM IST** to discuss the Unaudited Financial Results of the Company for the quarter and half year ended **September 30, 2025**.

In terms of the provisions of **Regulations 30** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached the transcript of the aforesaid conference call.

This above information is also available on the website of the Company.

Thanking you,

For, Sambhv Steel Tubes Limited

Niraj Shrivastava
(Company Secretary and Compliance Officer)
Membership No. F8459



“Sambhv Steel Tubes Limited Q2FY’26 Earnings Conference Call”

November 10, 2025



MANAGEMENT: **MR. VIKAS KUMAR GOYAL - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, SAMBHV STEEL TUBES LIMITED**
MS. ANU GARG - CHIEF FINANCIAL OFFICER, SAMBHV STEEL TUBES LIMITED
MR. BIKASH AGRAWAL - CHIEF STRATEGY OFFICER, SAMBHV STEEL TUBES LIMITED
MR. MAYANK AGRAWAL - AVP CEO’S OFFICE AND INVESTOR RELATIONS, SAMBHV STEEL TUBES LIMITED

MODERATOR: **MS. SANA KAPOOR - GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Sambhv Steel Tubes Limited Q2FY'26 Earnings Conference Call hosted by Go India Advisors.

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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sana Kapoor from Go India Advisors for her opening remarks. Thank you and over to you, ma'am.

Sana Kapoor: Thank you Shruti. Good evening, everyone and welcome to Sambhv Steel Tubes Limited Earnings Call to discuss Q2 and H1 FY'26 performance. The Financial Results and Investor Presentation have been uploaded on the Exchanges. Hope you have had the opportunity to review the same.

We have on the call Mr. Vikas Kumar Goyal – MD and CEO; Ms. Anu Garg – CFO; Mr. Bikash Agrawal – Chief Strategy Officer and Mr. Mayank Agrawal – AVP CEO's Office and Investor Relations.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the Company faces.

May I now request Mr. Vikas Kumar Goyal to take us through the Company's "Business Outlook" and "Financial Highlights", subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Vikas Kumar Goyal: Thank you, Sana. Good evening, everyone and thank you for joining us for Sambhv's Q2 and H1 FY'26 Earnings Call. I hope you have had the opportunity to go through our financial disclosures available on the exchanges.

I will walk you through the key strategic updates, operational progress and financial performance followed by Q&A session.

I am pleased to share that Sambhv has delivered its strongest ever half-yearly performance with total sales volume, revenue, EBITDA and PAT growing by 51%, 76%, 94% and 109% respectively reflecting robust operational and financial progress.

Before discussing the performance details, I would like to highlight some key strategic updates. On the production capacity expansion front, we are establishing a greenfield project at Kesda and a brownfield project at Kuthrel. Over the next 4-5 years, a fully integrated facility with a total finished product capacity of 1.2 million tons per annum will be developed in

phases, with Phase-1 targeted to be commissioned by Q4'27. Key approvals are already in place such as the recommendation to grant environment clearance by expert appraisal committee has been received on 24th October 2025, land acquisition is completed and the HR coil mill has been procured, creating a pathway for rapid project execution.

In Phase-1, we are planning for 3,60,000 tons per annum of stainless-steel coil with backward integration for which around Rs. 810 crores will be invested, around Rs. 125 crores will be invested for additional 25 MW power plant for cost efficiency. Both will be funded through a mix of debt and internal accruals. I am happy to share that Sambhv has received product approvals from 11 government departments in last 6 months including BMC, MHADA, SIDCO, MP Jal Nigam, Delhi CPWD and BHEL among others. These approvals reflect growing trust in our quality standards and further strengthen our market presence.

Coming to the operational performance of H1'26:

The Management is delivering on its commitment by successfully moving towards high margin, value-added products such as CRFH pipes, stainless steel CR coils, galvanized coils and pipes. Sambhav delivered record volume with value-added product, production reaching 2.5 lakh tons per annum and value-added sales volume at 1.7 lakh tons per annum higher by 59%. Capacity utilization in the Pre-Galvanized Division and Stainless Steel Division has improved to 89% and 86% respectively. EBITDA burden stood at around 7,000 per ton including sponge iron sale and around 7,500 ton excluding sponge iron sale.

Moving to financial performance of H1'26 on year-on-year basis:

I would like to highlight that Sambhv recorded its higher ever revenue EBITDA and PAT. Revenue rose to Rs. 1,139 crores, marking a growth of 76% driven by higher production and sales volume. EBITDA increased by 94% to Rs. 133 crores and EBITDA margin stood at 11.7%. PAT increased by 109% to Rs. 63 crores and PAT margin stood at 5.6%.

Throwing some light on Q2 results:

Revenue EBITDA and PAT increased to Rs. 580 crores, Rs. 60 crores and Rs. 30 crores, up by 83%, 168% and 446% year-on-year respectively. EBITDA and PAT margin stood at more than 10% and 5% respectively. I would also want to highlight that the financial cost dropped significantly by 46% on quarter-on-quarter basis, owing the progress towards repayment of long-term borrowing. In conclusion, Sambhv stands firmly on the path of sustainable and value-driven growth driven by strategic capacity expansion, deeper market penetration and robust distributor network, ensuring wider range of product availability. With strong emphasis on value-added products, process efficiency and brand building, we continue to enhance our strength and operational excellence, supported by our strategically located integrated plant, captive power system, growing OEM and dealer-distributor relationship. We are well equipped

to capture the arising demands in India's rapidly expanding steel pipes and tube market, backed by sound financial visionary leadership and the trust of stakeholders, Sambhv is steadily advancing towards becoming a leading force in the industry. As we always say, "Sambhv Hai Toh Sab Sambhav Hai".

That's all from me. I would now request to open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Hardik Gandhi from HPMG Shares and Securities Limited. Please proceed.

Hardik Gandhi: Congratulations on a good set of numbers. Two questions from my side. Given that we had a quarter-on-quarter increase in the sale volume as well as the value-added products, why were our EBITDA margins lower by approximately 2.5%?

Management: Quarter 2 is a rainy season. The raw material that we use, which is iron ore and coal, reduces the production capacity of mines and increases the moisture content. 2%-3% moisture content reduces our recovery margins. That's why EBITDA was low. Like you said, our sales have improved and our value-added products have also improved.

Hardik Gandhi: Understood, sir. So, going forward, would you say a 13% EBITDA margin is a sustainable number going forward for the next quarters or even the upcoming years?

Management: Bikash Agarwal this side. We believe 13% is the range upon which we will be operating in terms of EBITDA margin for the coming quarter.

Hardik Gandhi: Understood. And another question for the CAPEX side. How will that be funded? Because I saw that we recently reduced our debt with the IPO funds. But considering we are doing approximately Rs. 1,000 crore CAPEX in the next year, so I wanted to know the Company's angle on the funding side of it?

Vikas Kumar Goyal: To be precise, CAPEX is estimated to be around Rs. 935 crore. We believe we require a debt of around Rs. 600 crore. Balance will be done through internal accruals. Out of the internal accruals also, and out of Rs. 935 crore, we have already spent Rs. 200 crore as on 30th September. So the balance cost incurred is Rs. 735 crore for which we will be taking a mix of debt and internal accruals. So debt will be at max Rs. 600 crore.

Hardik Gandhi: Understood. And just a last question from my end. On the revenue potential from the new CAPEX, how would you portray that, asset turnover number that would also work?

Vikas Kumar Goyal: You see, our first phase of the current CAPEX which we are planning is completely stainless steel. So 3,60,000 tons of stainless steel production capacity will be installed in the first phase. Production will be roughly around 65%. So roughly it will be around 2,40,000 to 2,45,000 tons

of stainless steel coil. So we believe the revenue potential out of this will be around Rs. 2,400 crore to Rs. 2,800 crore depending on the market price at that point of time.

Hardik Gandhi: Understood. Thank you so much, sir. I will join back and take your further additional questions.

Vikas Kumar Goyal: Thank you, Hardik.

Moderator: Thank you. The next question is from the line of Abhinav Shetty. Please proceed.

Abhinav Shetty: Congratulations on a good set of numbers. Sir, I wanted to know if there is any difference between the guidance given for the CAPEX plan in the first earnings call and the update which was released on Saturday. And also my second question is the EBITDA guidance you had given in the first earnings call of 8,000 tons for the financial year '26. So right now, for the first half of the financial year, the EBITDA per ton is 6,950. So do you reiterate the earlier guidance or are there any additions to it?

Management: CAPEX guidance. Actually, in the last earnings call also we had said that we will tell you that the total that we worked out we will tell in this call. So we are very happy that we have finalized everything. We have completed the final order of our long-lasting delivery items. And the MS and SS mix that we were going to do earlier, we have converted it into SS for 3,60,000 tons. In the first phase, we will only do the production of stainless steel coils with full integration. So this is the cost that we have told you, 935. Out of 935, 810 is our process cost, which will be used to make stainless steel. And 135 is the power plant execution, which will improve our cost efficiency and boost up our EBITDA. The second question was about EBITDA margin, Mr. Abhinav, can you repeat the second question, please?

Abhinav Shetty: Yes, sir. EBITDA per ton guidance you had given in the first quarter of 8,000 per ton for the complete financial year. Right now, out of the first half, the EBITDA per ton is 6,950. So are we still going to meet that earlier EBITDA per ton guidance for the entire financial year or are there any changes to it?

Vikas Kumar Goyal: So if you see, our EBITDA per ton quoted is approximately 10%-15% down from the forward looking statement we have given earlier. But if you see, from last quarter to the second quarter, the price of MS coil itself has been corrected by Rs. 3-Rs. 4. So we believe our margin going forward will be in the range of Rs. 6,000-Rs. 8,000. Currently, Rs. 7,000 is the maintainable EBITDA margin on a yearly basis. That's what we believe.

Abhinav Shetty: Alright, sir.

Moderator: Thank you. The next question is from the line of Devesh from Ikigai Asset Managers. Please go ahead.

- Devesh:** Thanks for the opportunity and congrats on the good set. Just one question. What was the thought process behind, because earlier we were talking about this 180 plus 180 kind of a setup on the greenfield project. So just wanted to understand the thought process. Are we seeing more competition on the ERW side, which is why we are converting it? Or is it more to do with the margin profile on the asset side that we are looking at?
- Management:** Thank you, Devesh. Actually, if you see in stainless steel, demand is growing very fast in India. And what India has done now is that they have implemented BIA standards on imports. So since the imports have also decreased somewhere, we have a lot of demand. And today there is not much production in the market in India. So our margins are also good in this. And if we make the same product at a high volume, then our operational efficiency is also better. That's why we thought that we do stainless steel in the first phase. In the second phase, we will decide whether we want to increase stainless steel or increase MS by mixing MS.
- Devesh:** Got it, sir. And just a follow-up on that. So current margins, if you could just guide us, what kind of margins we are seeing on the asset side separately?
- Management:** When we come to full utilization, it will be around 15,000-16,000. And when our utilization will be less, it will be around 12,000-13,000. As we have seen before, when we started production, we increased it gradually in the first quarter and second quarter. And today we are able to do it very easily around 15,000.
- Devesh:** Got it, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Rakesh from Star Fund. Please proceed.
- Rakesh:** Good evening. Thank you for giving me this opportunity. First of all, congratulations for the great set of numbers. I just had a couple of questions. As HR coil price has been dropped to 45-46 and our Patra price is dropped 38-39, and this gap is expected to narrow down due to incremental capacity. So how the company is looking? What are their strategies to protect their market share and their margins in the near term and long term?
- Management:** Okay. The HR Coils and patra gap that you are showing, it is about Rs. 5-Rs. 6. This is also the same as yearly basis. And if the gap increases then the HR coil pipe sale will also reduce and patra will increase. So the price which we are getting because HR coil we are producing through secondary route. Our costing is similar to patra pipe, but the price that we get, that is why our margin is also good. So we are selling at market at equivalent price. I think the price difference is reasonable and if it remains so there is no issues.
- Rakesh:** Sir, as new players are coming in the market, A1, Madhav and we are basically central based, so in this case, what are our strategies to keep our market share intact?

- Management:** As I said earlier, players like us who will come in the market, this will be a market that will make its own HR coil and make pipes in a big way. If you look down the line, in 3-4 years, this quantity will be around 25%-30%. In this quantity, we will also increase our capacity and other plants will also come. So the problem is that if there is an expensive HR coil, then there is a problem. Otherwise, we will all work together and the demand is growing very fast. You will see that the demand is growing at an average of 9% in pipes. So the production will increase and everything will be settled by demand.
- Rakesh:** Sir, this stainless steel product, are we using it for industrial use or are we planning forward integration? I mean, in what range are we looking at its customers? Are we looking at B2B or B2C?
- Management:** Now our product is being used in stainless steel pipe manufacturing and utensils manufacturing. Till now, we were concentrating on 202 and 204. Now we have started making 304 and 316. So this is an industrial product that is also being used in food grade. So this is almost our B2B. And further, we are thinking of making a consumer product. But now we are doing B2B.
- Rakesh:** Sir, if we get this Q2 number with net realization and EBITDA margin, then it will be easy for us to make a projection. Can you tell me the Q2 projection?
- Management:** Net realization?
- Rakesh:** Yes, net realization and EBITDA margin.
- Management:** So, if you see, we have four different products. Composite net realization can be told by dividing the volume. But each category's net realization will take time. So we request you to drop an email so that we can give you the precise detail whatever you are required for. And EBITDA margin for Q2 itself is 10.4%.
- Rakesh:** Product-wise?
- Management:** Our accounting system doesn't allow us to give you product-wise bifurcation of neither sales nor EBITDA. But just drop us an email. We will have our 100% effort to provide you the detail.
- Rakesh:** Understood, sir. And sir, last thing. Are we thinking of appointing a Big 4 auditor in the future? Because the credibility of our accounts increases if we appoint a Big 4 auditor. Do you have any such plan in the future?

- Management:** Your point is taken. Definitely, we will consider that. We believe that S.S. Kothari itself is a top-known auditor in India. Since you are talking about Big 4, once our profitability increases, we will definitely deploy that kind of auditor who costs us a little bit more.
- Rakesh:** Okay, got it, sir. Thank you.
- Management:** We believe that S.S. Kothari is a renowned name in the financial world and in the financial circle. And their credibility itself speaks for themselves.
- Rakesh:** Thank you, sir. I will just join in the queue. Thank you for giving me the opportunity. Thank you, Rakesh.
- Moderator:** Thank you. The next question is from the line of Yatharth Saxena from Sunrise Fund. Please proceed.
- Yatharth Saxena:** Thanks for giving me the opportunity and congrats on this set of numbers. So, I have a couple of questions to ask. First, like as Rakesh already mentioned. So, my question is like HRC prices in the range of 45-46 and Patra is in the range of 38-37-39. And in the coming few quarters, next few quarters, this HRC prices will go down like with the new capacity coming in and billet prices will shoot up. So, what is your strategy behind this narrowing down of gap between the HRC and Patra? And don't you feel the pressure with HRC as this market is very strong with good quality product?
- Management:** Actually, in the steel market, the new vision of the government is that India will be the next exporter of approximately 50 million tons per year. So, for that, the more our production capacity increases, the more our steel prices will be corrected. As you can see, HRC is the biggest steel manufacturing compound. So, there is a correction on its prices. Along with that, there is a correction on the raw material price as well. As you can see, one month ago, the government has removed the Rs. 400 rupees per ton cess on coal. Coal mines are being auctioned continuously. In the fourth tranche, 18 new mines are being auctioned. And the old mines that were auctioned, their coals are available now. So, the coal cost is almost at the bottom out. The basic price is being available to us without premium coal. Secondly, in iron ore, iron ore mines are also being auctioned continuously. In Chhattisgarh, for the first time, private mines were auctioned. In this, MNS and Rungta have bought the mines here. And the mines are of a very large quantity. So, the production of iron ore is also increasing. Along with that, the palletization facility is also in our area. In Gadchiroli, a new production of 4.5 million tons will come by March. In Raipur, a new production of 3 million tons has started. And a new production of 2 million tons will start in this month. So, when we get the benefit of raw material, the margins of the finished price will increase, not decrease. So, as soon as there is a correction in the finished price, there will be a correction in the raw material as well.

- Yatharth Saxena:** But sir, in the longer run, because of the good quality product of HRC, don't you feel the pressure like when the Patra and HRC reflect the same prices, so the customer will switch to HRC compared to Patra when the both have the same price? In the longer run, don't you feel the pressure.
- Vikas Kumar Goyal:** It will be beneficial for us. We are the HR Coil manufacturer. So, this is a very good opportunity we have. The people convert to the HR Coil pipes.
- Yatharth Saxena:** And my second question is, I want to understand more on the stainless steel application, like in HR realization is Rs. 125. So, are you planning for any forward integration? Or is it just an industrial product, like, the volume is less? And what is the focus on this value-added product? Like, the margins are more. So, what is our focus in the next couple of quarters or two years for sake? In the near term or the longer term? Specifically for this SS or value-added products?
- Management:** Yes, we have much planning of the finished product also. But now, it's clear in my hands. We are in the R&D process of the finished product of stainless steel. But we are now focused in the multiple grades. Like, we are now manufacturing 304 grade successfully from last month, from September month onwards. And 316, 316L, thermos steel N grade, SN grade, that is also our target for this quarter. So, when we complete all these grades, after that value-added products, like pipe manufacturing, whatever R&D is going on in stainless steel, and what product we can make. When we have the basics, when we can do manufacturing with full integration, then value-added, it's our job to do a very small value-addition. It can be done very easily. So, we are in the same line, that first we increase our production capacity, then we move towards value-added.
- Yatharth Saxena:** Okay. And my last question is on the margins. So, like one of my friend asked me this, that the margin in SS on full utilization will be 15,000-16,000. So, coming to this GP or the structural, so in ERW or GP, what would be our margins, like if running at full utilization, like structural and GP?
- Management:** If we talk about pipe, if we talk about pipe, then we have a margin of Rs. 6,000-Rs. 7,000 rupees per ton. And in GP, we get an additional Rs. 1,500. And if we talk about stainless steel, then we have a margin of Rs. 14,000-Rs. 15,000 in stainless steel.
- Yatharth Saxena:** Okay, and this is all at full utilization?
- Management:** Yes, now we are at full utilization. If you see our pipe, our galvanizing capacity is increasing. Now we have reached 85%. So, our target is that when we sit with you in the next quarter, we will be at 95%. And we have achieved about 85% in stainless steel. So, we have a chance of 10% that we will increase its utilization. So, our production capacity will improve in this quarter. This is our entire effort.

- Yatharth Saxena:** Okay, sir. Thank you, sir. And all the best for the coming quarters. Thank you.
- Moderator:** Thank you. The next question is from the line of Kishan from Polar Ventures LLP. Please proceed.
- Kishan:** Good evening. I wanted to know one thing. We are making stainless steel products, so who are our competitors related to this? For example, Jindal stainless steel is in a different category, right? And the stainless steel that we are making, which category is it used in? And who are our competitors in this?
- Management:** The main production line of JSL, we are making the same product. Same like as JSL. Our line is not different from that. Our product is not different from that. We are doing the same as they are doing the full integration. Their finished product is also a coil sale. Our product is also a coil sale. Yes, they make a different range of products. Like from 200 series to 700 series. Some export series are also made. So, we are also in the same line. We have full command on 202 and 204. We have been selling for 4 months. We are selling 304. So, 316 series. Grades are a task that we have to complete. And there is no difference in the quality of their product or there is a difference in our quality. The third main one that is going to be made in this is Rimjhim in UP. They have a production of our size. Their production is the same as what we are going to do today. These players are majorly working in this market products.
- Kishan:** My second question is related to this. I just heard the past participant. He asked you and you also told that in the normal steel pipes that you make 6,000 to 7,000 per ton of EBITDA is made. And in stainless steel Rs. 15,000 per ton is made at full capacity utilization. So, I want to know why do we need that other category? We should only focus on stainless steel in the future because we have more margin on stainless steel and our return of equity will be more?
- Management:** Yes, of course. That is why our first expansion is coming on stainless steel. We are doing the expansion of 3,60,000 tons on stainless steel. But if you see, the percent of EBITDA is the same in both. Our product realization is Rs. 50,000 per ton. If I do Rs. 6,000 in that, it is around 12%-13%. And the realization of my stainless steel product is Rs. 1,30,000 per ton. So, if I see that realization, I get 12%-13%. Percentage-wise, it is the same.
- Kishan:** Okay. I thought there is a difference in percentage-wise. That is why I asked you to make another product.
- Management:** Yes, there is a difference per ton, but stainless steel per ton, that is, it is a difficult task on tonnage. MS is an easy task.
- Management:** Sir, resource-wise also, if you do a lot of stainless steel expansion, it will be difficult to do scrap sourcing. So, production can only be increased gradually for stainless steel. But for the MS, backward resource sourcing can be done very quickly. It can also be scaled very quickly.

But if we look at economics, it takes a little more time in CAPEX for SS, but yes, the margin is good in terms of monetary terms, not in the percentage. Secondly, its value chain has to be properly mastered in terms of raw material procurement, and placement of that quantity is also a challenge. It cannot be just manufacturing and entering the market. So, it takes time to accept the product in the market. And as you said, there is a bigger player who is sitting in the market currently. So, you cannot just install capacity of that kind and just challenge anybody else.

Kishan: I got it. I understood what you are trying to say. Okay, I have one more question. I also want to know, do we have any iron ore mines? Do we have any iron ore mines in the future? Are we looking for anything related to iron ore mines because it can be useful in our backward integration?

Management: No, sir. Right now, we don't have any iron ore mines or coal mines. And we don't even have any plan right now because the government's attempt is to bring iron ore at a very low rate. If you see, coal is available at digging cost. Today, coal is available at the cost of Rs. 1,200 per ton. If I take coal mines, I will not be able to bring coal at that rate if I take iron ore mines. You will see the same situation in the next 5 years of iron ore. Because we have 18 tons of iron ore.

Kishan: Yes, in Chhattisgarh, there is a lot of iron ore. There is no issue with iron ore. GPIL is there only.

Management: It is a matter of increasing production capacity. If you see NMDC's commitment, they are doing it for Rs. 35 million. They will increase their production capacity by 2030. If the production of iron ore increases, then we don't need mines. And the way the government is auctioning mines at IBM prices, it is not even workable today. If you see, has a loss in the mine sector. I don't think it is workable going forward.

Kishan: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Miraj from CJ Shah. Please proceed.

Miraj: Thank you for the opportunity. Congratulations on a great set of numbers, sir. My question is regarding the CAPEX. CAPEX has been mentioned in the presentation that we have to add 3,60,000 tons of stainless-steel capacity. And you have given the cost of Rs. 810 crores. But in the other document, it is mentioned that currently we are adding 1,20,000 tons additionally only at Rs. 180 crores. Can you just clear up this confusion, sir? And it is given separately at 755 crores.

Management: Of course, sir. This Rs. 3,60,000 tons is up to stainless steel HRAP coils. In this, we will do SS stainless steel HRAP coils with full integration. In this, we will do cold rolling CRAP at Rs. 1,20,000 tons. And Rs. 2,40,000 tons we will sell HRAP only.

- Miraj:** Okay. Understood.
- Management:** Our value added is CR coils, 1,20,000 tons. And our HR coils, HR stainless steel is at Rs. 2,40,000 tons. So, Rs. 3,60,000 will be made but CR will be at Rs. 1,20,000.
- Miraj:** Understood, okay. But, sir, in the current line, the whole CR is made, right? The current existing line?
- Management:** Yes.
- Miraj:** So, why have you decided that you don't want to do the whole CR line now?
- Management:** Yes, now the width we have is 330 mm width capacity. In the next expansion, we will be able to make goods up to 650 mm width. Which our HR consumers will be able to do cold rolling from us. So, in today's HRAP, we don't even have the width of the saleable. And we had to set the market for CR earlier. So, by doing CR, we get a lot of CAPEX. So, we are increasing it to Rs. 1,20,000. Now we are increasing it to Rs. 60,000. We are increasing it to Rs. 1,20,000. And HR will be our raw material for CR. So, we are mixing it and selling it. As and when we achieve the quantity of CR, we will increase the quantity of CR.
- Miraj:** So, now we will pass on the HR. And the one who procures from us will do the cold roll on it.
- Management:** Yes. So, partly HR will be sold in the market. And partly, internally, we will do CRAP and put it in the market, finished product. That's what the plan is.
- Miraj:** Understood. And sir, will this whole Rs. 360,000 come together? Or it will come in parts, bits and pieces?
- Management:** No, sir. It will come together.
- Miraj:** Okay. And sir, is there any differentiation in this? For 200 series, how much capacity is there? And for 300 series, how much capacity is there?
- Management:** Capacity is the same for everyone. For that, raw material is different.
- Miraj:** Okay. Only input will be different. Okay, understood. And sir, what we have mentioned in the presentation that we have successfully started to manufacture 304 series also. So, in that, sir, which product are we making at present and what volume have we done so far? Even if it is a test batch? If it is a test batch or if the production has started at full scale?
- Management:** Now, we have done 300 tons of 304 till October 31st. And its uses, you can say that 304 is more than industrial use. It is also used in pipe manufacturing. But industrial use is more.

- Miraj:** Understood.
- Management:** Industrial use is more. In this, its realization is also more. For example, if we see the price of 304 today, then today it is Rs. 1,85,000 per ton. And the realization of 202 is Rs. 1,25,000 per ton.
- Miraj:** Understood. Sir, we have done 1,100 tons of manufacturing?
- Management:** It started on September '25. So, it is only 2 months in which we have produced 1100.
- Miraj:** Understood. That is great to hear, sir, that we have at least been able to crack that. And just one last question before I get back in the queue. Sir, can you give a brief background of EBITDA in this quarter? How much was EBITDA per ton in SS? How much was it in GP?
- Management:** Sir, we can only give the approximate because it cannot be workable separately from our system.
- Miraj:** Approximate is fine, sir.
- Management:** Approximately Rs. 15,000 per ton.
- Miraj:** For SS. And in GP?
- Management:** Rs. 6,000 in pipes. And Rs. 7,000 in galvanized products.
- Miraj:** Okay. So, basically our aim in SS, we have achieved that. We had to do Rs. 15,000. We have finally achieved that.
- Management:** Yes.
- Miraj:** Perfect. Great. That is great news, sir. Congratulations and all the best for the future. I will just get back in the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Alisha Mahawla from Trust Mutual Fund. Please proceed.
- Alisha Mahawla:** Hello. So, good evening. So, please clarify what you just said that in each quarter Q2, we have done Rs. 6,000 per ton in ERW.
- Vikas Kumar Goyal:** I can tell you approximately because it cannot be workable separately from our system. For example, the total quantum that I have done and the total EBITDA that I have done is our fixed. That we have done this. You can assume approximately that if I do bifurcation in this

that how much I have done in MS or how much I have done in stainless steel, then it can be different from what we do.

Alisha Mahawla: No, because if the total reported EBITDA is Rs. 6,100 and we are sharing in ERW and the value added share has gone up, then the blended number should have been higher. That is why I am trying to understand that there has been Rs. 6,000 in ERW?

Management: So, there is a correction into that Alisha. So, Rs. 6,000 that is from our in-house coils. So, basically there are two segments in the pipes where we take some external HR coil and convert it in the pipe. So, there the margin is less. If I blend both of them, then it will be around Rs. 5,000.

Alisha Mahawla: Understood. And the second question was that ERW has its volume growth from two quarters to single digit. So, is there any capacity constraint because some other players are managing to do double digit? So, is there any challenge in growth there?

Vikas Kumar Goyal: No, so if you look at our galvanized division number, so the production of GP coil has increased quarter-on-quarter. So, basically our in-house coil that we are diverting for value addition to galvanizing coils and pipes. And that is the reason because there is a little margin on galvanized products. So, our focus is that if there is a demand there, then we should divert our production into that.

Alisha Mahawla: So, we are diverting the production of ERW on GP?

Vikas Kumar Goyal: Yes, essentially.

Alisha Mahawla: Understood. And for full year, you are saying that now consolidated EBITDA, we will do Rs. 7,000 EBITDA per ton.

Management: On a yearly basis, that is what the number we are targeting currently.

Alisha Mahawla: And sir, last clarification. The capacity of SS, when will it come next year?

Management: So, we have intimated the stock exchange by Q4'27 we are hoping that it will come. But as a management, we are trying to achieve before that.

Vikas Kumar Goyal: But the end timeline which we have intimated is Q4'27.

Alisha Mahawla: Sir, just wanted to check till the stainless steel capacity comes in Q4, are we doing any brownfield expansion?

- Management:** Currently, under planning. But currently, we are not in a position to disclose it. Because the final planning is not being finalized yet. So, we will be maybe giving you insight about that in the next call.
- Alisha Mahawla:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is on the line of Deepak Pandey from Sagun Capital. Please proceed.
- Deepak Pandey:** Hi, sir. Thanks for the opportunity. Sir, my question is on the inventory side. Was there any inventory loss this quarter? And if you can quantify how much was it?
- Vikas Kumar Goyal:** No, inventory loss in this quarter, last quarter.
- Deepak Pandey:** Okay. Actually, that doesn't resonate with the EBITDA per ton fall from Q1 to Q2. So, if you can give me some reasons as to why that fall was there?
- Management:** Actually, the rain is the reason because the rainy season, we have the moisturized iron ore and coal. So, that 3%-4% is moisture content in the both raw material. So, that the margins are low. And the production is also low down for iron ore and the coal. So, the price correction that should have been done, that could not be done. Now, you will see that the price correction of coal has also been done. And the price correction of iron ore has also been done in October. But due to the reduction of production in the rainy season, the price of the mines cannot be reduced. That's why the margins are low and EBITDA is little lower from the Q1.
- Deepak Pandey:** Okay, got it. And how does this cycle work, sir? Because last quarter, the iron prices were down Rs. 3 per kg. So, at what number do you see inventory losses?
- Vikas Kumar Goyal:** So, if you see, our major inventory is raw material, that is coal, pellets and iron ore. Our intermediate products which is billet, coil, and pipes are actually, we maintain in a very tight or very minimum quantity. And most of the intermediate products are consumed very consecutively in the next processes. So, the inventory loss we are talking about is basically of finished product, which is next to negligible amount because raw material itself the price has been corrected in post-September for the iron ore, for pellets, and for the coal. So, the effect of the loss of inventory, which you are talking about, is not there in our balance sheet currently.
- Deepak Pandey:** Sir, the SS capacity that is going to go to 1,78,000 tons in FY'28. So, what will be the split between Rs. 200 series and Rs. 300 series?
- Management:** Sir, there is no split working right now. So, if you see, we have hired a technical team and some sales people to connect with the larger market, which we are currently not serving. Our internal thinking is 60-40 ratio for Rs. 200 series and Rs. 300 series will give us optimum

return in terms of EBITDA number and market acceptability. But actual number, we can just tell you once the production starts and how the market behaves in terms of our end product acceptance.

Management: Actually, Rs. 1,78,000 is a CR coil enhancement and we are also enhancing the saleable quality of the stainless-steel HR coils also of Rs. 2,40,000 tons additionally. So, we are making stainless steel HR coil Rs. 3,60,000 tons out of which 1,20,000 tons of CR we are making.

Deepak Pandey: Alright, sir. I will join back the queue. Thanks.

Moderator: Thank you. The next question is from the line of Shivam Singh, an investor. Please proceed.

Shivam Singh: Namaste, sir. Sir, the capacity utilization of both CR rolling mill and hot roll is so low, why are you procuring coils from outside?

Vikas Kumar Goyal: Actually, the size range that we need in our pipes, we can make a width of up to 470 mm. In addition to that, we have to procure HR coils for the sizes that we have to make to fulfill our size range. But after our Kesda project comes, some of our coils will also be made in-house. So, we may have to procure less.

Shivam Singh: And sir, the second thing is that companies like APL Apollo are not backward integrated. Even after backward integration for us, why are we not expanding their margins?

Vikas Kumar Goyal: Sir, we are doing our best.

Shivam Singh: Sir, they are also situated in Tilda. So, it is not that they will procure cheaper than you. You are making it yourself. So, your margin should be more than theirs?

Management: It is more, if you look at it, percent-wise and actual pattern-wise. But they also have a lot of product range. They are also working on roofing sheets. They have made big pipes, 1,000 mm pipes. So, their margins are more than big section pipes. And they are also old. They have been in the pipe manufacturing industry for 20-30 years. Today, they have a brand in the market. It is a very big name. So, we are also slowly following them.

Moderator: Thank you. The next question is from the line of Karishma, an investor. Please proceed.

Karishma: I wanted to know what is the revenue guidance that you are giving down the line for 2 years?

Vikas Kumar Goyal: Once our additional CAPEX which we have intimated comes into existence, in FY28, we believe our revenue will be around Rs. 4,500 crore. And the margin will be in the range of 10%-13% depending on the market condition.

Karishma: Okay. Thank you. That's it from my side.

- Moderator:** Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Security Limited. Please proceed.
- Hardik Gandhi:** Hello, sir. Thank you for the opportunity again. I just wanted to know one thing that given that you expect your raw material prices to go down, so do you expect the topline as well as the margins to contract not in the terms of percentage but as a realization per ton?
- Vikas Kumar Goyal:** Yes, definitely. I will just be precise. In the MS segment, we believe the current price is actually the landed cost of China and our Indian price is higher currently. So, maybe this price will persist for near foreseeable period of time. So, from here, going down in terms of MS coil price looks very difficult since the import price and our price is at equilibrium level. So, had it been going down or in future, we will also go down.
- Hardik Gandhi:** Understood. So, when will we start manufacturing export grade, any idea on improving our export numbers?
- Management:** Currently in MS and SS segment, we do not have any target for export but in GP, it is an exportable product and we are exploring Middle East market. We would be happy to export the product as and when we will get the query or the sales requirement from Middle East market.
- Hardik Gandhi:** Understood, sir. Thank you. All the best.
- Vikas Kumar Goyal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pushpender Jindal, an Investor. Please proceed.
- Pushpender Jindal:** Hi, sir. Thanks for the opportunity and congratulations for the good numbers. I was just trying to model the capacity. I am not sure if this question was asked earlier. For FY'26, the value-added product will have an installed capacity of 3.5 million tons for ERW pipe, 1 lakh for GI and GP and SS will have around 58,000. Is that right, sir?
- Management:** Yes, sir.
- Pushpender Jindal:** And for FY'27, the ERW will be approximately 6.5 and 1.5 for GI and GP. What will be the capacity installed for FY'27? Is the total capacity going to be 2 million or is it less?
- Management:** Sir, the 1.2 million ton product capacity will come in phases. Right now, we are implementing the first phase with 3,60,000 tons of stainless steel coil manufacturing capacity. So, if I add that with the existing capacity, our capacity will look like this. 3,50,000 tons of MS pipe, that is ERW pipe, 1 lakh tons of GP coil and pipe, 58,000 plus 120,000, that is 1,78,000 of cold rolled bright annealed coil of stainless steel and 2,40,000 tons of HRAP stainless steel coil. That will be for the FY'27 year-end. The last capacity will look like this.

- Pushpender Jindal:** Sir, the feeder for this, I am seeing that the feeder capacity for that is 16,98,000 is the current capacity that we have. The MS billets, the sponge iron and others. So that 1.7 million, so is it going to increase and keep up the pace or for value added product you have to procure from outside because the integrated nature of this business, we have **(Inaudible) 54:05** in the sponge iron and MS billets and these kind of plants, right, the feeder plants?
- Vikas Kumar Goyal:** if you see, the first phase itself is 3,60,000 tons of stainless-steel coil which is fully backward integrated. So, we will have from making the billet to making HR coil to our HRAP to CR coil, it will be all synced. So, the 1.7 million that you told us, the capacity of MS, SS and GP intermediate product has been added for each stage. If we add SS also for 3,60,000 tons, the backward intermediate product will be approximately additional 1.1 million over and above 1.7 million that we have existing in our plan that we have shown to you, we are picturing.
- Pushpender Jindal:** Last question, sir. Last con-call when we had this, so we had given a guidance about 8,000 EBITDA per ton for the whole year. I think it is getting revised to 7,000 EBITDA per ton blended for the year, for FY'26.
- Management:** Sir, our target itself currently is, we are hoping that we will be near 8,000 EBITDA per ton. But on a conservative basis, we believe 7,000 is what is very much achievable looking at the current set up for MS coil market.
- Pushpender Jindal:** Okay, thank you. All the very best.
- Moderator:** Thank you. The next question is from the line of Sanket Gupta, an Investor. Please proceed.
- Sanket Gupta:** Thank you for the opportunity. I want to understand that what is the capacity utilization for FY'26?
- Management:** In the MS section approximately 60% to 70% and stainless steel and galvanized above 90%.
- Sanket Gupta:** And sir, in Q4FY'27 how much time will it take to reach a utilization level of 80%-85%? How does it work with the customer? Approval and all?
- Vikas Kumar Goyal:** Yes, sir. We have achieved a capacity utilization of approximately 80% in 6 months. We believe that we will reach a capacity utilization of 80% in 6 months. We will definitely achieve 70% at least after commissioning. We have already started the process of connecting the sales team to the industry people. We still have 15 months to connect to the market, pitch our product and prepare the market. In 6 to 9 months after commissioning, we will definitely achieve 70% utilization. And that is how we have traditionally seen the stainless steel market ramp up and production ramp up.

- Sanket Gupta:** And sir, one advice is that you should always give conservative guidance, because the market will react if guidance misses. So I think always conservative guidance will work for our Company. Thank you, sir.
- Vikas Kumar Goyal:** Yes, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Miraj from CJ Shah. Please proceed.
- Miraj:** Thank you for the opportunity, sir. Just a clarification. The current capacity will be 3,50,000 in MS and 1,16,000 tons in GP. And in SS, if I am not wrong, 58,000 plus. In earlier calls, we had mentioned that we will be unlocking another 58,000 as well.
- Management:** Sir, I will give you the full clarity in the next call. We have not yet received the approval for that. We have received the approval for CTE, consent to establishment. On that basis, I will give you the clarity on the implementation schedule in the next call, sir.
- Miraj:** Understood. And sir, the 25 megawatt capacity that we are putting in for captive power, how much savings will we get from that?
- Management:** Approximately, thumb rule wise, Rs. 2 crore per megawatt per year.
- Miraj:** Sorry, how much? Can you come again?
- Management:** Rs. 2 crore per megawatt per year is the saving that we are contemplating.
- Miraj:** Okay, Rs. 2 per megawatt per year. Okay. And sir, any particular reason our employee cost quarter-on-quarter has increased so much?
- Management:** So, in Q2, the employee cost has been a little bit increased. Due to we have employed some sales team member and some marketing and technical member for stainless steel section. As we are increasing our capacity in the Kesda plants, so we are developing the people for a good market reach. And one more additional reason, there is a one-time bonus which has been paid in September '25. This is a one-time cost of around 1.5 Cr.
- Management:** Understood. 1.5 Cr. total, one-time cost bonus. Okay, got it.
- Moderator:** Thank you. The next question is from the line of Deepak Pandey from Sagun Capital. Please proceed.
- Deepak Pandey:** Sir, a few small questions. Firstly, on the EBITDA per ton difference between 200 and 300? And then, revenue split between SS and carbon steel, say once its capacity goes live in FY'28?

- Vikas Kumar Goyal:** So, if you see for 200 series and 300 series, the margin in terms of percent is almost nearby. Let's say for 300 series, we are just making 16,000, not more than that. And for SS, 200 series, we are making Rs. 14,000 to Rs. 15,000 EBITDA per ton. Since we have to cater to the wider market, we have to make 300 series of product. So that, the same buyer who purchased 200 series will also purchase 300 series from us.
- Deepak Pandey:** And sir, on the revenue split part between SS and carbon steel, once its capacity goes live?
- Management:** For Kesda project capacity you are talking about?
- Deepak Pandey:** On a company level, what would be the revenue split in FY'28?
- Management:** Approximately 60% to 65% will be from the stainless steel division. And from GP and ERW pipe division, it will be 35% to 40%.
- Deepak Pandey:** And the SS coil, we are selling in export markets only or contracts are also there?
- Management:** Currently, our quantity is very less. That is install capacity of around 5000 ton per annum. So we don't require or we are not selling in a contract basis. But going forward, since we will be selling HRAP, we may enter into MOU with certain large coal rolling mill and we will be selling in a contractual basis. And contract will be for the quantity, it will not be for the price.
- Deepak Pandey:** Right. That's it from my side. Congrats on the future. Thank you.
- Moderator:** Thank you. That was the last question for the day. I would now like to hand the conference over to the management for the closing comments. Over to you, sir.
- Vikas Kumar Goyal:** Thank you everyone for participation in this call. We trust that we have addressed your queries during this session. However, if there is any remaining questions, please feel free to reach out to our investor relations team at Go India Advisors. Once again, we extend our gratitude to all the participants for joining us today. Thank you and have a great day.
- Moderator:** Thank you. On behalf of Go India Advisor, that concludes this conference. Thank you for joining us and you may now disconnect your line.