

**July 23, 2025**

The Manager, Corporate Relationship Department, <b>BSE Limited.</b> 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai - 400001	The Manager, Listing Department, <b>National Stock Exchange of India Ltd.</b> 'Exchange Plaza', C- 1 Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051
<b>Scrip Code: 534600</b>	<b>NSE Symbol: JTLIND</b>

**REG: TRANSCRIPT OF EARNINGS CONFERENCE CALL FOR UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2025**

Dear Sir/Ma'am,

This is further to our intimation regarding Conference Call for Analysts/Investors with respect to the Un-audited Financial Results of the Company for the Quarter ended June 30, 2025.

The transcript of the conference call held on Thursday, July 17, 2025 with investors/analysts to discuss the Company's Q1FY26 financial results is enclosed herewith.

Kindly take note of the same.

Thanking you,

Yours Sincerely,

**For JTL Industries Limited**

**Amrender Kumar Yadav**  
**Company Secretary and Compliance Officer**  
**(M. No. A41946)**



**“JTL Industries Limited  
Q1 FY '26 Earnings Conference Call”  
July 17, 2025**



**MANAGEMENT: MR. PRANAV SINGLA – WHOLE-TIME DIRECTOR – JTL INDUSTRIES LIMITED  
MR. DHRUV SINGLA – WHOLE-TIME DIRECTOR – JTL INDUSTRIES LIMITED  
MR. ATUL GARG – CHIEF FINANCIAL OFFICER – JTL INDUSTRIES LIMITED**

**MODERATOR: MS. SNEHA TALREJA – NUVAMA WEALTH MANAGEMENT LIMITED**

**Moderator:** Ladies and gentlemen, good morning, and welcome to the JTL Industries' Q1 FY '26 Earnings Conference Call hosted by Nuvama Wealth Management 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 the conference call, please signal an operator by pressing star then zero on a touchtone phone. Please note that this conference is being recorded.

I will now hand the conference to Ms. Sneha Talreja from Nuvama Wealth Management Limited for opening remarks. Thank you, and over to you.

**Sneha Talreja:** Thank you, Ryan. Good morning all. We welcome you to JTL Q1 FY '26 Conference Call. We are today joined by the senior management of JTL Industries represented by Mr. Pranav Singla, Whole-Time Director; Mr. Dhruv Singla, Whole-Time Director; and Mr. Atul Garg, CFO. We will now start with the opening remarks with the management, followed by the Q&A. I will now hand over the call to Mr. Dhruv Singla for his opening remarks. Over to you, Dhruv.

**Dhruv Singla:** Good morning, all. I hope you and your families are doing well. I'm Dhruv Singla, Executive Director at JTL Industries, and I'd like to welcome you all to our Q1 financial year '26 earnings call. Joining me today are Pranav Singla, Executive Director; and Mr. Atul Garg, our Chief Financial Officer. We're delighted to have you with us today as we share our recent performance, highlights and strategic developments. For those less familiar with JTL Industries

**Moderator:** Ladies and gentlemen, we have lost the line of the management. Please stay connected while I rejoin the management. Ladies and gentlemen, thank you for your patience. We have the management reconnected. Dhruv, sir, you can proceed.

**Dhruv Singla:** Yes. I'm sorry, the line got disconnected. Let me start again. Very good morning to all of you. I hope you and your families are doing well. I'm Dhruv Singla, Executive Director, JTL Industries, and I'd like to welcome you all to our Q1 financial year '26 earnings call. Joining me today are Mr. Pranav Singla, Executive Director; Mr. Atul Garg, our Chief Financial Officer.

We are delighted to have you with us today as we share our recent performance, highlights and strategic developments. For those less familiar with JTL Industries, here's a brief introduction. With the legacy spanning over 3 decades, JTL has emerged as one of India's leading manufacturers of steel tubes, serving vital sectors such as infrastructure, oil and gas, water transmission and construction.

Our diverse product portfolio includes ERW black steel pipes, galvanized tubes, large diameter sections, solar module mounting structures and hollow steel profiles. We operate 5 state-of-the-art manufacturing facilities strategically located across India, enabling us to deliver high-quality value-added solutions with speed, scale and precision.

Our focus on higher margin specification-driven segments, supported by continuous investments in automation, digitization and quality systems continues to reinforce our

competitive edge. Equally important, we are advancing our commitment to sustainability through initiatives aimed at improving energy efficiency and reducing our carbon footprint.

Moving on to the performance highlights. This quarter, we achieved a total income of INR 5,496 million. Our EBITDA stood at INR 233 million, translating to an EBITDA margin of 4.3%. We also reported a profit after tax of INR 165.5 million with a PAT margin of 3%. Sales volume of the quarter were at 1,08,406 metric tons. Value-added products accounted for 20% of the sales mix, aligning with our focus on higher-margin offerings. Export volume stood at 6,404 metric tons for the quarter, which constitutes 6% of our total sales.

During the quarter, we initiated plans for the commissioning of a new ASTM/API-grade pipe market. Through these products, JTL will become one of the very few manufacturers in India with the capability to produce larger diameter, higher thickness API-grade ERW pipes, thus placing us in the exclusive list of technically advanced players.

This investment will aid in expanding our footprint in higher-grade segments such as oil and gas, water transmission and city gas distribution. These markets typically yield EBITDA margins of INR7,000 to INR8,000 per metric ton, making this development significantly value accretive.

I would also like to highlight that JTL Industries has commissioned production of ultra-thin 0.04 mm brass foil through a strategic job-work arrangement, making its entry into a higher-value niche segment. Known for its low friction and corrosion resistance, this product caters to sectors like defense, aerospace, industry, electronics and EMI/RFI shielding. The job-work model allows cost effective scalability and quality control by leveraging external expertise.

This initiative aligns with JTL's strategy to increase value-added products from 24% to 50% of sales, complementing its investment in DFT technology. Backed by 1,000-plus dealers and exports to 20-plus countries and SKUs of, 1,500-plus SKUs, JTL is well positioned to grow in specialized high-margin markets.

I would like to reiterate that the aim behind this diversification is threefold. Firstly, to enter a high-demand niche market with limited competition; secondly, to expand the value-added portfolio, which will subsequently secure our margins; and lastly, to diversify across alloys so as to reduce dependence and avoid slowdown during an industry downturn. Not only are we focusing on returns, but also making ourselves as irreplaceable and exclusive as possible.

As we are undergoing a heavy capex cycle in the new SKUs, the current margins don't reflect the actual margins the company shall be achieving in future. Going forward, our outlook remains optimistic, considering sustained demand across the sectors, our superior quality and due to the key shifts in investments made by JTL. I want to reaffirm our commitment to delivering value through operational excellence and strategic expansion.

Thank you for joining us today. I now open the floor for your questions.

**Moderator:**

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone phone. If you

wish to remove yourself from the question queue you may press star and 2. Participants are requested to use their headsets while asking a question. Ladies and Gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Aditya Welekar from Axis Securities.

**Aditya Welekar:**

Thank you for the opportunity. So, my question is with regard to our EBITDA per ton. So, we have seen some underperformance since last quarter. So, what is driving this despite our sales volume increasing and VAP share almost at 20%? So if you can throw some light on that?

**Dhruv Singla:**

Hi, Mr. Aditya, thank you for your question. There are two, three factors to the -- a little slowdown or, say, a little less EBITDA per ton as compared to the last time that we have encountered. Firstly, we are all aware that the duty was implemented in April '21 and -- on April 21, 2025, after which there was a considerable jump in HR coil prices for the month of April and May, which then again corrected in the month of June.

So, we did encounter a good run rate in the month of April and May, but then again, due to correction in prices, there was a downturn. So, some aspects are related to that. Secondly, we had commissioned our DFT in the month of March.

In the first quarter, we had pushed our product across segments of dealer network, OEMs to the tune of sending material to -- across borders to Gujarat, North, Middle, South. So to get our products out and about for DFT, so we had to take certain pricing dips in that segment and take a hit so that our product is known in the market due to that.

We were waiting for a certain -- since it was the first quarter that the machine was up and running, we had taken some hit because of -- we had to get the BIS certification, the CE certification done. And so there was a little hit in that segment. So all-in-all, these were the few factors, which had brought down the EBITDA per ton.

But this is not a continuous factor. We have seen a good demand going forward in DFT sales for value-added higher thickness as well since now we have the certifications required for the same. So yes, going forward in the next quarters, we'll see a better realization in those terms as well.

**Pranav Singla:**

And about the sales mix that currently, whatever DFT pipes we sourced, they are technically smaller than size ranges, which will then include in VAP category. Once those products are in the size ranges, which get VAP margins, they will be included in that category and the VAP share will go up accordingly as well. So, we'll get the VAP margin accordingly, and we'll include the products in that category itself that time itself.

**Aditya Welekar:**

Understood. And so going ahead from Q2, can we expect that our EBITDA per ton -- means we have a full-year guidance of INR4,000 per ton and then our full-year VAP share guidance is 40%. So, are we on track to hold this guidance going forward?

**Pranav Singla:**

Yes, we are -- just to focus on guidance, still intact as well. If I just mentioned that if you did 8,000 tons of sales of DFT pipes in Q1, those were included in general category. Going ahead, those 8,000 tons, when they will give us a margin of INR6,000, INR7,000 EBITDA per ton

plus, they will be constituted towards VAP as well, which will make the VAP go in a higher percentage as well. And at the same time, we will increase our EBITDA per ton as well. So all in all, those factors will bring up whatever you're asking for.

**Aditya Welekar:**

Okay. So you are holding INR4,000 per ton EBITDA guidance for '26. And for '27, any color because we are introduced -- we have introduced DFT and then our color-coated lines, this Mangaon facility, as you have stated in the presentation, this ERW, API-grade, GI coil, so all this will earn higher EBITDA per ton. So any color on EBITDA per ton trajectory going forward in '27?

**Pranav Singla:**

See, Aditya, the thing is, as all of these products are new for us, although the peers are commanding a very high EBITDA per ton on them. But as the situation happened in DFT to start circulating products in the market, we have to take a hit on the margins in the beginning. That might happen once we launch those products as well.

But eventually, once everything is established and up and running in a proper way, we will get a much higher EBITDA per ton. But to guarantee what kind of EBITDA per ton we'll be getting in FY '27, Q1 or H1 of FY '27, that is something that we're not even clear about right now ourselves as well.

Going ahead, as the production picks up, as the certifications are received, and as the product is spread in the market, we will be able to command a higher EBITDA. That is something that we can guarantee. But in quantifying the amount right now because of the whole situation, at times the duty being applied as well and external factors as well, we are not very clear about what kind of EBITDA per ton we can do.

**Dhruv Singla:**

Yes. To add to that, there are lot of contingencies, as Pranav said in the market that we have to take care of. So, we would be able to say a minimum of the guidance that we have already provided. But say, the contingency right now, we had implemented the DFT thought of opening newer markets of USA, Canada, which now due to Trump tariffs are not -- nobody is interested or nobody is looking at buying material from our markets. So, everything is on a wait-and-watch scenario. So we have to live with that scenario and wait for things to get better.

**Aditya Welekar:**

Understood. And anything on volume front? Means we were targeting 5 lakh tons in 2026? Are we confident to achieve that?

**Dhruv Singla:**

Yes. We are very confident to achieve that. We should be in a range bound of, say, 5 lakh tons, given plus-minus of a nominal margin thereof. We should be achieving that.

**Aditya Welekar:**

Understood. I have a few more questions, but I'll get back in the queue.

**Dhruv Singla:**

Sure.

**Moderator:**

We take the next question from the line of Amar Maurya from Lucky Investment. Please go ahead.

**Amar Maurya:** Hi, sir. Thanks a lot for the opportunity. A couple of questions from my side. Firstly, can you give me the volume break-up between the GI, DFT and GP? Of your 1,08,000, whatever you have?

**Pranav Singla:** Dhruv, go ahead.

**Dhruv Singla:** Yes. Hi, Amar. So now -- yes. Go -- yes. So, right now, say, to answer your question, we don't have GP pipes. We only have GI and black that we do categorizing into two categories. To start off with, in this quarter, this is the first quarter we had our DFT product on sale. And as we mentioned earlier, we have not categorized into -- categorized this into a value-added format. So, we have not done that.

So, to answer your question in a plain manner, the 22,000 tons of value-added products that we have done is majorly galvanized pipes. And the DFT is inclusive in the normal range of products as of now, which was to the tune of about 7,500 metric tons to 8,000 metric tons for the quarter -- for the first quarter.

**Amar Maurya:** Okay. 8,000, you are saying, DFT out of 22,000 value-added, correct?

**Dhruv Singla:** No. No. No. 22,000 value-added is galvanized alone. 8,000 metric tons DFT is in the normal range of products that we have...

**Amar Maurya:** Galvanized will come in what?

**Pranav Singla:** It is in the general category.

**Amar Maurya:** Galvanized will come in a separate category?

**Pranav Singla:** No. So how we define our VAP is, under the VAP, we include products which give us EBITDA per ton of INR5,000 plus, which is generally galvanized price for us since beginning. As we have just done DFT right now, we were not able to include DFT in VAP category, because it didn't give us a margin of INR5,000 EBITDA per ton. Once the product gives us a margin of INR5,000 plus, the DFT sale, which was to the tune of 7,500 ton in this quarter, will be added to the VAP category.

**Amar Maurya:** So basically, you are saying GP is basically 22,000, correct? And DFT is 8,000.

**Pranav Singla:** 8,000. We are not making GP pipes right now. Galvanized iron pipes is what we make, which is in the VAP category.

**Amar Maurya:** Correct. Galvanized pipe, GP is 22,000. DFT 8,000, which is into general category. And rest all is basically GI pipe, GI and black pipe, correct?

**Dhruv Singla:** No, sir. No. You are confusing the entire scenario. We are not into GP pipes. Pre-galvanized pipes we are not making. We are making two kinds of products. First is the galvanized iron pipes, GI pipes that is galvanized after making the pipes on -- zinc coating on top of black pipes. That is 22,000 tons. The rest is the general category black pipes that we have made, which includes DFT at the moment of 7,500 tons. This is what it is.

- Amar Maurya:** Okay. Galvanized iron pipe is a part of value-added and galvanized black pipe is a part of general and in that...
- Dhruv Singla:** There is no galvanized black pipe, sir.
- Amar Maurya:** So, black pipe...
- Dhruv Singla:** There is only black pipes.
- Amar Maurya:** Normal black pipes. Okay. Okay. And secondly, sir, in terms of your EBITDA per ton, is there some impact of inventory loss also included into your EBITDA per ton of INR2,000 ton?
- Dhruv Singla:** Yes. As I mentioned with the question of Mr. Aditya Welekar, the first two months after implementation of the duty, we saw a sharp increase in prices of HR coils. In the third month of June, we saw a correction in prices. So in the third month, there was inventory losses related to the decline in prices after the sharp increase.
- Amar Maurya:** Okay. Okay. Okay. And how much more impact do you think high-cost inventory impact? And normally, what is your buying pattern? How do you basically buy the inventory? I mean, can you -- if you can help us understand? Because see, normally, these kind of fluctuations will be very common, right? But it's still -- we should be able to hedge this, I mean, what is our policy? How do we buy the inventory so that we are immune from all these scenarios?
- Dhruv Singla:** The black coils or HR coils or iron is not a commodity that we can hedge, first of all. It is not a non-ferrous product.
- Amar Maurya:** Correct. Right, sir. We cannot hedge, but I'm saying...
- Dhruv Singla:** Yes...
- Amar Maurya:** How you...
- Dhruv Singla:** So normally, we are sitting in Q1, and we are looking at Q1 results at the moment. Normally, it's a cyclical industry. The Q1 and Q2 are fairly slower than Q3 and Q4. In the Q1 and Q2, we encounter monsoon. We encounter fluctuations in the market scenarios wherein the prices can go up or go down as well.
- So here, when we look at the entire year of a normal steel industry, we see that the -- these losses on inventories or gains on inventory set off each other in the four quarters that we have, because in some quarters, there will be losses on inventory. In some quarters, there will be normal gains as well on inventory. So, that is how the entire year looks at.
- So -- and to answer the second part of your question about hedging, we -- when we are producing our value-added products, we -- that is against orders. So, that has a normal hedge. We have 4 categories of our products that we sell into the market. First is the government sector; second, export segment; third, the OEMs; and fourth, the dealer network.



Dealer network makes most of it, which takes the material from the stock. So, we have to maintain an inventory to sell, say, 1 lakh tons of material in a quarter, we have to maintain an inventory at different locations of at least 25,000 to 30,000 tons of material that keeps on rotating on a daily basis.

So we don't have, say, a natural hedge in the 50% of the material that we are making, but all the government sectors or export segment or -- we buy material only against order and we have some price variation clauses as well that we are hedged against the fluctuations in the market scenarios. So that is what is.

**Amar Maurya:** But sir, dealer network is not common. Your peers are also having more than higher distribution network than you, right? And they are managing it. So basically, what I'm trying to understand here is that -- and going forward, your intention will also be to increase -- penetrate more distribution network, right? But then you cannot give the argument that distribution network is high because of this, you have to suffer the fluctuation. This is not visible in other's P&L.

**Dhruv Singla:** That is what not I'm saying, sir. I'm saying this is how we categorize our products into and sales into. Every company has their different modes of sales, and this is how we are working on top of it. That is what I said.

**Amar Maurya:** Sir, what I'm saying here is that, sir, we can't take the fluctuation of iron, right? So, what I'm trying to understand if you say that you have 50% distribution network and you have to stock the inventory for that, so any fluctuation in the inventory? Why you are taking it? It has to be passed on to dealer.

**Dhruv Singla:** That is what happens. I'm not saying the entire 50% is stocked and inventory losses come on that. A lot of material in that is sold and a lot of material in that is unsold. We only get the fluctuation on the unsold part.

**Amar Maurya:** Sir, unsold part, so basically unsold part, you are saying unsold part, you are accounting it, then it can reverse, let's say, once you sold it?

**Dhruv Singla:** Yes.

**Amar Maurya:** So, I didn't understand, sir. This is an accrual accounting method. Sir, what you sell, you will book of that revenue and cost, which is not sold how will it come?

**Pranav Singla:** So the inventory price has become less, HR coil prices were more earlier but later if it reduces the impact will be visible in inventory right.

**Amar Maurya:** I didn't understand.

**Dhruv Singla:** Sir, today I have INR1,000 worth of goods, in that INR1,000 we have taken on INR100. Today the market is INR90, so on INR90 if I sell the goods, so some would sell for INR100, and the rest I will have to sell on INR90.

- Amar Maurya:** What was your inventory loss currently in this quarter? How much was the actual number of inventory loss which you have booked?
- Pranav Singla:** It's close to INR1,000 EBITDA per ton, which is in the overall loss of schemes.
- Amar Maurya:** Sorry?
- Pranav Singla:** It is close to INR1,000 EBITDA per ton in inventory loss.
- Amar Maurya:** INR1,000 inventory loss was there in this quarter, okay, per ton. Okay. And secondly, in terms of your capacity when you say you have a capacity of 22,50,000 and so how much is the pipe and one side you mentioned pipe capacity is 9,36,000. So what is the difference of this? What is this - color-coated sheets?
- Pranav Singla:** We have given a full breakup of our capacities, what we have on the presentation. We can give a response and get back on the questions. Can we please move to the next question?
- Moderator:** We take the next question from the line of Vishal Dudhwala from Trinetra Asset Managers.
- Vishal Dudhwala:** Am I audible, sir?
- Moderator:** Yes, Vishal. Please go ahead.
- Vishal Dudhwala:** Sir, my first question is revenue per ton fell from INR56,000 to INR54,000 on a Q-on-Q basis despite higher volumes, which end market saw the sharpest price drop?
- Dhruv Singla:** Sir, can you come again? The last portion of your question was not clear.
- Vishal Dudhwala:** Okay. So, let me repeat it. Revenue per ton fell from INR56,000 to INR54,000 on a Q-on-Q basis despite higher volumes, which end market saw the sharpest price drop?
- Dhruv Singla:** Yes. Sir, firstly, our revenue per ton is on a blended basis. If you see as compared to the last quarter, our black sales have improved and we have made more sales in black quantity. So this INR56,000 to INR54,000 is a blended number of the galvanized and the black pipe together. So when we see our increase in quantity in black pipes, this number would fall.
- So in this quarter, our value-added products remained to the tune of 22,000, which was similar to the last quarter. But then the value -- we had more sales in our black pipes. So, that is one of the major reasons for the fall in net realization of this. And then, however, from the last quarter -- in this quarter, the prices of HR coils have increased, but this was the major reason of falling prices, the net realization that you said.
- Vishal Dudhwala:** And the second question is, like once your new GI coil line and 30 kilo ton per annum API-grade ERW plant are fully ramped, how do you expect per ton realization to trend?
- Dhruv Singla:** So, your voice cracked again, I'm sorry.

- Vishal Dudhwala:** Okay. Okay. Let me repeat. Your new GI coil line and 300 kilo ton per annum API-grade ERW plant are fully ramped up, how do you expect per ton realization to trend?
- Dhruv Singla:** Sir, see, after -- this is a scenario by the end of year, we'll be only seeing the quantities of these two coming in by say the first quarter of the next year. Something would come in, in the last quarter as well. So the per ton realization for the same shall trend onwards. But again we have to put in this material. As we mentioned earlier, we have to put in this material to the market test and penetrate into the new markets that we are not presently available or present in.
- So we have to give -- probably we'll have to penetrate by giving a higher amount of discount than our competitors in these markets. So if we -- it's safe to say that we'll be having a higher net realization, but not just on the fully ramp up.
- We will have to take another 6 months for this to ramp up in the next year to the full capacity and then we will be able to answer your question related to this. If we talk about the present scenario, we can see a net realization going up to about 2,000 -- somewhere between 2,000 to 3,000, but that is according to today's scenario.
- Vishal Dudhwala:** Got your point. Like I will wait in the queue for the next question.
- Moderator:** Thank you. We take the next question from the line of Jyoti Singh from LIC Mutual Fund. Please go ahead.
- Jyoti Singh:** Yes. Actually, I just wanted to know, last quarter when I asked that there was a rise in steel prices, but we did not see any sort of benefit coming in Q4. You had told that, that will come in Q1. But in this quarter as well, we are seeing that blended realization is down. Also the EBITDA per ton has been hit. So, what has happened totally? Where are the benefits? In fact, there is an inventory loss. So, can you explain the entire thing that has gone to it?
- Pranav Singla:** So basically, in this quarter the first 2 months, the HRC prices were on a rising trend. When we were able to encash everything and the average additions were higher as well, but by the end of the quarter or by -- it's safe to say in the third month of the quarter, the prices were taking hit.
- The prices fell by around INR3.5 to INR3 per kg of HRC. Eventually, further hit came to us as well, on the same ratio. So because of those situations, whatever gains were realized in the first 2 months of this quarter, those were offset in this quarter itself and eventually turned out to be losses.
- Dhruv Singla:** And to answer your question about the blended realization, as I had mentioned in the last question as well, the blended realization is a take of the black and the galvanized together. So in the last quarter, we did a higher galvanized pipes. And this quarter, we did 22,000. Last quarter, we did 27,835 of value-added products. So the blended realization is -- and we did a higher quantity as well in this quarter as compared to last quarter.

So we -- that is what the blended realization entails. So if and when our value-added products should go up, it will increase the blended realization and then the decrease in the same would decrease the blended realization.

**Jyoti Singh:**

Okay. But what led to the rise in costs and how is this getting into because your other expenses has reduced? Earlier, I was on the intention that because you commissioned the DFT technology, so that must have dented sort of EBITDA. But there also, we see that other expenses have been in control. So what has gone into it, only just the cost of raw material increase?

**Dhruv Singla:**

Yes, you're talking about the blended realization or EBITDA fall only?

**Jyoti Singh:**

EBITDA now -- EBITDA fall because the other expenses has also come down. So earlier, I was of the view that because you have commissioned the DFT technology. So there is a possibility of the expenses going up, but that is also under control, but still the EBITDA is down?

**Dhruv Singla:**

Yes. Ma'am, there is a two factor relation to that. Firstly, the third month of the quarter, we saw correction in prices. The prices fell and there was an inventory loss of INR1,000 per ton, as Pranav mentioned in the last question that we were speaking about. And secondly, to push our DFT sales, we had to get our product out and about.

We are normally serving only the Maharashtra region from our Maharashtra plant and some places of Gujarat. But to get up the DFT product out and about in the pan-India basis, we had sent the product to Gujarat, North, MP, Chhattisgarh, South. So, all these areas that we obviously had to pay higher freight and also give special discounts to get our material to the floors of these dealer network. So, that is what the DFT realization has not kicked in yet. So, there is where the lag is.

**Jyoti Singh:**

So, what sort of increase in the DFT volume can we see in coming quarters and how will this get offset like because now if you have given the discount, will this be continued for the next quarter as well or there will be -- normally, what should be the realization when it comes to DFT product for APL -- sorry, for JTL Industries?

**Dhruv Singla:**

Ma'am, DFT is -- see the DFT is this is not, say, a basic structure of DFT realization that we should think and take into note. It's a completely new product for JTL. We are earlier producing majorly galvanized steel pipes, black pipes and those segments. Now, there is a certain overlap of segment DFT and in the lower thicknesses.

And in the higher thicknesses, where there are higher margins, we are penetrating into that market. In the next 2 months, our target is to get to those markets wherein there are higher realizations, which include penetrating into EPC contractors for various bigger projects with higher thicknesses.

So going in the next quarters, we will have -- this quarter, we did about 7,500 tons. Our target in the next quarter is to double this capacity sales. And in the forthcoming quarter, then, again, have a similar run rate. So going forward, it's not a normal factor of discount that should be

prevailing in the market. But yes, we would be taking more conscious decision to penetrate into the EPC and contractor market for various projects that there are.

**Jyoti Singh:** Understood. Any guidance in terms of FY '27? I think I missed it earlier. There is a possibility they might have asked. What is the guidance for volume as well as EBITDA per ton for '26 and '27?

**Pranav Singla:** The guidance for this year is we'll stick to 5 lakh tons of sales volume. And the guidance for the next year, we'll do 30% growth over 5 lakh tons sales volume this year.

**Jyoti Singh:** And EBITDA?

**Pranav Singla:** Again, Jyoti, EBITDA per ton is a tricky question for us right now because there was a heavy capex cycle. So as and when those products convert to the full market, those margins will come to the range of INR4,000 EBITDA per ton that we mentioned. But for now, as it is a transition phase for the company with new capex on board as well, it's tough to comment on the exact EBITDA per ton. Our target eventually is to reach EBITDA per ton of -- in FY '28 of INR5,000 plus. That is something safe we can be -- we will be assured of.

**Jyoti Singh:** When can we expect the DFT to ramp up completely?

**Dhruv Singla:** Ma'am, in the next 2 quarters, we are seeing at least a 50% to 60% growth in DFT sales. So, ramping up complete capacity is still a bigger question depending upon various market factors as we mentioned earlier.

Due to export markets, we were contemplating opening of the US and the Canadian market with the DFT segment. But due to Trump tariffs being implemented in these past months and nobody having any clear indication of the same, we were not able to enter those markets.

So it's -- we still don't have any clarity on these factors. So giving it a full, fledged capacity utilization is a little tough for us to say right now, but we are on the ground working on our capabilities to increase our sales in the domestic as well as the export markets comes in.

**Jyoti Singh:** Okay. That's it from my end. Thank You.

**Moderator:** Thank You. The next question comes from Ajit Sethi from Eiko Quantum Solutions.

**Ajit Sethi:** Thanks for the opportunity. So, I just had one question. The demand for ERW pipes, domestic demand is 9 million tons and the domestic capacity is around 13 million tons. So, why we are expanding in ERW pipes?

**Dhruv Singla:** We are not exactly expanding in the same capacity that we already have. See, ERW pipe segment is a very less research segment upon the data that you have. We exactly don't know how well corroborated that is, to be really honest, and not to offend anybody here. But if you see our expansions that we are doing are not only in the ERW segment. When we are expanding in -- when we expanded in DFT, it was the structural steel segment, which is replacing the angle, channels, guarders.

Now the second set of expansion that we recently announced is the API-grade, which goes into oil and gas segment, water transportation segment, larger die pipes. We are expanding the SKU range. We are not expanding specifically the SKUs that we were earlier producing. Second part of our expansion is the sheeting or the pre-galvanized CR coils, pre-coated coils, this segment, so which is not exactly related to the ERW segment, it is used in making various type of ERW pipes, which is pre-galvanized pipes, coated pipes, open sections. So, that is a different area of expansion.

**Moderator:** The next question comes from the line of Lokesh Kashikar from SMIFS Institutional Equities.

**Lokesh Kashikar:** A couple of questions from my side. The first one is basically on the realization. You said that the third month in the last quarter was basically, the realization has been subdued because of which we have to realize inventory losses. So, how has been the scenario right now? Has the prices been picked up and what would be the EBIT or inventory that's in process we expect to be going to carry on basically in quarter 2?

**Dhruv Singla:** So the realization per metric ton, as we tried to explain earlier, is due to a blended realization of value-added and black pipes, wherein value-added in the last quarter was higher than value-added this quarter and we did more sales in black pipes this quarter. So the net realization has decreased even after certain increases in HR coil prices.

Now to come to the second part of your question of how do we see this quarter going forward? In the last month of June and this month of July, we've seen correction in prices continuously, specifically due to the preset of monsoons and having less demand in the market thereof. The same will be reflected and would be, I think, available in the news with the companies like JSW, Tata, et cetera, them offering certain price indications on the HR coils.

We can say that there were no inventory losses in the last month of June. And this month, since we've been buying newer products at the new prices, so they will be subsiding in this quarter. And going forward, we will have to see how the next 2 months are due to the monsoons and the demand thereof.

But as of now, we are having a continuous run rate of what we did in the last quarter. So, hope there is a good chance we are able to achieve the similar amount and exceed the same as well in the coming quarter in terms of volume. So that is what our outlook and guidance says there.

**Lokesh Kashikar:** But sir, on EBITDA per ton, is it fair to assume that the some old inventory having higher prices is likely to impact -- have some impact in quarter 2, due to which we can expect some subduedness in EBITDA per ton in quarter 2 and thereafter, it will run in quarter 3 and quarter 4 with the rise in demand is fair to assume?

**Dhruv Singla:** See, we are only carrying inventories of about 20 to 25 days. So whatever major inventory loss had to come -- came in the month of June. Now as I said, we are purchasing new inventory in July. So, those continuation of losses will not be prominent in this quarter. So going forward, we shall be maintaining the outlook of a better EBITDA per ton in this quarter.

**Lokesh Kashikar:** Sure. And secondly, sir, we have recently basically commissioned our capacity, basically on the DFT lines in Mangaon plant. So, you have already said the traction -- some traction has been achieved and we have sold around 7,500 crores of -- metric tons of volume in Q1. But you have already said that you have sent some products in the region of Gujarat and other places.

So, just wanted to know how has been the acceptance over there of our products and where do you see the demand come from that area? And secondly, when do you see that the realization on the DFT products to get -- to achieve around 5,000 metric per ton of -- or that kind of EBITDA per ton?

**Dhruv Singla:** So the initial motive to send materials to dealer networks all around India was to showcase our product. And the acceptance has been phenomenal since it's a state-of-the-art machinery that we have put and acceptance has been phenomenal. That is the reason we are capable to say right now that the second quarter demand, we are experiencing higher demand in second quarter.

To add to this, when we supply to the dealer network, we are supplying to -- for a lower thickness scenario there, which eventually is going for construction of buildings and replacing segments such as angle channels girders. So that is what the replacement is of this pipe. So, there has been a considerable push with the dealer networks to replace it.

Going forward, now we commissioned our higher thickness fitting line as well in the last month. We are capable to supply thicknesses up to 14 mm. So now we are targeting the EPC contractors and affiliations to organizations like BMC, MMRDA, wherein we will be capable to supply to projects like metro, railways and airports.

So -- and also the building projects of multi-storey buildings. So, this is -- when we are able to supply to the project sites, this is where the EBITDA per ton margin will kick in. So, that is what we are currently penetrating into and endeavouring for.

**Lokesh Kashikar:** Okay. And sir, last question. So basically, our interest cost has almost doubled on quarter-on-basis. So why is it so? And what is our gross debt number and the capex we incurred in quarter 1, and what we envisage for FY '26?

**Dhruv Singla:** Interest cost is doubled?

**Pranav Singla:** There is increase in interest cost, I think if you look correctly. And the major increase in interest cost has come from subsidiary of -- clubbing of a subsidiary, which is JTL Engineering. And in first quarter, we did a capex of close to INR50 crores and we'll be having the same run rate of INR50 crores per quarter or somewhat a little more in the last quarter for this financial year.

**Lokesh Kashikar:** Okay. But sir, is it fair to assume that the run rate of INR2.7 crores, INR2.8 crores of finance cost to continue ahead on a quarterly basis?

**Dhruv Singla:** Not In case if rates change

**Lokesh Kashikar:** Okay. Okay. Thanks. And that's it from my side. Thank you.

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

**Prathamesh Dhiwar:** Yes, sir, just one question. So, did you mention that we are going to grow our volume by 30% in FY '27 as compared to '26?

**Dhruv Singla:** Yes. We will grow our volumes by 30%-plus by next year.

**Prathamesh Dhiwar:** Okay. Got it, sir. That's it from me.

**Moderator:** Thank you. We take the next question from the line of Ajay Kale, an Investor. Please go ahead.

**Ajay Kale:** Yes. My question is what is our outlook for quarter 2 FY '26?

**Pranav Singla:** For this quarter, we are targeting...

**Ajay Kale:** In terms of units, in terms of volume?

**Pranav Singla:** 1,20,000 tons is a safe target for the volume that we have for this quarter.

**Ajay Kale:** The numbers? Because in last meeting, you said you will divide 5 lakh metric tons. Mainly, first half will be 2.5 metric tons and the second half will be 2.5 metric tons. So this quarter, we achieved 1.08. So, if I add 1.02, then we will miss the volume target. So, why are we planning the lower volume for this quarter?

**Pranav Singla:** No, this is a safe target for us. Obviously, our aim is to achieve a bigger number than that. And when I mentioned last year, the average run rate for this, I was saying in this way that our capacity expansion will be -- part of our GP coil is coming in third quarter, which will be increasing the volume flow as well. So the run rate, how it will happen is if we miss out some volume of 2.5 lakh tons in Q1, we end up covering a much bigger number than that in H2.

**Ajay Kale:** See, I understand. Typically, the future always looks bright, but why we can't achieve the numbers, 2.5 metric tons? So is there any specific reason? Is it the ground inventory? Is it the demand? Or is there any other thing which is stopping us from....

**Pranav Singla:** No, it is just ramping up our capacity. We are ramping up our new DFT capacity in few quarters. So if I'm saying that we maybe we thought of 2.5 lakh tons by -- 10,000 tons in Q1 or 12,000 tons in H1. So we'll -- it's not even a 5% gap that I'm talking about, which will eventually come up in H2.

Anyway, if you talk about the growth quarter-on-quarter, we were able to do 30% growth this Q1 and year-on-year 20% plus growth as well. The growth rate will just be on high ranges irrespective.



- Ajay Kale:** Yes, I completely get that. So, I'm not concerned about the growth. I'm more concerned about the outlook or the planning that we are projecting for the full-year basis. Are we strong enough to ensure the volume gets delivered and...
- Dhruv Singla:** Yes, Mr. Ajay, we are confident enough to deliver in the range of 5 lakh tons. It is -- a lot of contingencies come up with -- as we've been talking since the beginning of a call with the price fluctuations, with the tariffs, with deliverables and DFT, etcetera. So, these contingencies are prevalent at the moment.
- So, our target is obviously higher than what we are currently considering. The 1,20,000 tons, plus 1,08,000 tons that we did in the first quarter, 1,20,000 tons we want to do in the second quarter is the bare minimum that we have mentioned here.
- We are obviously not going to stop at 1,20,000 tons or 1,08,000 yet. Our target is much higher. These things kick in as and when our capabilities and our markets are better. So to say, put it out there, 5 lakh tons is the target for the year. Our target is to achieve, say, 2,25,000 tons for the H1 and the balance in the next quarter, while kicking in our new capacities of the GI coils, last quarter color coating coils. So, that is what the target is.
- Ajay Kale:** Yes, I get that. Second question is, what is our split between distribution-led business and the direct business? And what is our ground inventory in terms of volume as far as distribution is concerned?
- Dhruv Singla:** So distribution-led business is around 50% to 55% that keeps on fluctuating according to the distributor demand. We do not hold any unsold stock at the distributor flow. So how it works in our business is that everything that is sold to the distributor is the distributors' inventory and not our inventory in his stock.
- Ajay Kale:** No, I get that point. What I'm trying to tell you is that in order to have -- since your 50 -- more than 50% or close to 50% is the distribution-led business, how is the ground inventory for your distributor? Do you have the tracking mechanism of your distributors' inventory?
- Pranav Singla:** There is no margin sharing that we have with the dealers. Once the product leaves the factory, the product is sold for us. There is no margin sharing or shelf sharing that we do with the dealers.
- Dhruv Singla:** I understand what you say is that how we have that -- you mean to ask what percentage of our product is a dealer keeping?
- Ajay Kale:** Yes. So, my thing is once the particular, say, month is over, what is the ground inventory that your distributor takes -- because basis that you can actually assess the demand. If say, for example, if he is having, say, 1 lakh metric ton inventory at the closure of, say, June, so in that sense, what is the inventory? Because basis that you can have the better projections or you can assess the market demand better, right?
- Dhruv Singla:** So that is more -- majorly the distributors are not a listed entity. They are all private entities. We only get to have macro level data from our marketing people present on the floor at various

distributor levels. So, getting a sense of how full the dealer stock is what makes us understand how the demand for the next quarter is going to be.

It depends upon -- now it's a very open market regarding the prices and a dealer is not only procuring ERW pipes. So, they are building product dealers who are procuring angles channels guarders. They're also procuring sheet. They are dealing directly for HR coils with the companies like JSW, Tata. So, all these mechanisms also inform them about what the price trend is.

So when there is a correction in the market, the dealer stock also declines and we've seen that happening on a quarter correction basis wherever there has been a correction. So the demand -- they shift to a back-to-back demand basis when the price correction happens. But when the price increases, then that is where the dealer starts stocking up.

So, this is how the basic mechanism of the market on the dealer front is. However, OEMs, they know this is the minimum quantity they need to produce. So, they have a fixed demand per month basis.

**Ajay Kale:** Sir, I did get what you just said but still my questions remain unanswered. So is there any mechanism by which we have the inventory of our products, I'm not concerned about the other companies' products, our product. Whatever we sell to our distributors, do you have the mechanism to...?

**Dhruv Singla:** No, no. Nobody has that mechanism in the market, I believe. We don't have that mechanism to know how much of our product is unsold on his because the products are common. If you do not see the stamping on the product, we don't -- we can't get to know if it's APL Apollo's or JTL's. So that is not visible from the naked eye.

**Ajay Kale:** Okay, sir. Thank you.

**Moderator:** Thank you. We take the next question from the line of Aditya Welekar from Axis Securities. Please go ahead.

**Aditya Welekar:** Yes. Just a couple of questions. We have seen that this capacity, we have slightly raised it upward from INR20 lakh -- from earlier target of INR20 lakhs to INR22.5 lakhs. So from a funding perspective, we are comfortable, right? I mean, we are not planning any additional funding?

**Pranav Singla:** No, we are not planning any additional funding, Aditya, right now.

**Aditya Welekar:** Okay. And our full-year capex guidance, I think I missed on that. So it's near about INR240 crores, INR250 crores for '26, right?

**Dhruv Singla:** Yes, that's right.

**Pranav Singla:** It can be plus/ minus 10% as well given on the machine added price, but it's in that range now.

**Aditya Welekar:** Understood. On the exports, I mean, when I asked earlier, so you were saying some impact of Trump tariffs and all. So, we have a target of 10% exports for FY '26. And so how do you foresee that area? I mean, do you see some headwinds emerging for our DFT products or other products in exports market?

**Dhruv Singla:** Aditya ji, for the certification of the CE certification, we just got the new CE certification for our DFT products in the first quarter by the mid of -- by the end of May. So right now, we are offering our products in the European market. There is no demand from the American market or the Canadian market because of the tariffs at the moment. So, we are still awaiting those markets to open up with the settlement of the various tariffs that Mr. Trump has to impose.

So going ahead, our target still remains 10% or under 10%, just below under 10% for the export markets. We -- certainly, with the new certifications, newer buyers and the markets will open up in the European segment, the African and the Australian segment as well. We are working on the same.

And the next 6 months will be -- shall be more -- shall give us more clarity on how we are positioned to sell our DFT products in these markets. We are on track as per the last year for our galvanized pipes product exports that we have already seen with the current exports that we did in the first quarter.

**Aditya Welekar:** Understood. Thanks a lot. Thank you.

**Moderator:** Ladies and gentlemen, due to time constraints, we take that as a last question, and we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

**Dhruv Singla:** Hi, everybody. Again, thanks a lot for your time and your will to come out and listen to us for our Q1 results. Well appreciated. See you in the next quarter earnings call. Thank you.

**Moderator:** Thank you. On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.