Hariom Pipe Inds.

Operator: Good afternoon, everyone. I'm Bala from Arihant Capital. Today is the second day of the Bharat Connect Conference. I would like to welcome everyone to the Hariom Pipe Industries Ltd. session. With us from the management of Hariom Pipe Industries Ltd. is Mr. Amitabh Bhattacharya, CFO of the company.

The session has two parts: introductions and recent business updates by the management, followed by a Q&A session. Participants can raise their hands or use the Q&A chat box to ask questions. I will now hand over the session to the management. Amitabh, you may continue.

Amitabh Bhattacharya – CFO: Good afternoon, and thank you for giving us the opportunity to interact with you today. From the CFO's perspective, Hariom Pipe Industries should be viewed through three interconnected dimensions: financial resilience, business transformation, and sustainable growth.

FY25-26 was an important year for us. We achieved revenue from operations of approximately 1,667 crores, EBITDA of approximately 209 crores, PAT of approximately 76 crore, and sales volume of about 2.8 lakh metric tons. More importantly, this growth was accompanied by stronger operations, higher operating cash flow, improved leverage, and a healthier balance sheet. Operating cash flow increased to approximately 192 crore. Our debt-equity ratio improved to 0.54x, and ROCE improved to 20.71%.

Our business model is also becoming structurally stronger. We have built an integrated manufacturing platform spanning sponge iron, billets, HR strips, pipes, tubes, cold-rolled and galvanized products, along with specialized downstream applications. This integration gives us better control over quality, cost, and supply reliability, while also allowing us to capture value across the value chain.

A major area of progress has been our shift towards high-value products. In FY26, value-added products contributed approximately 98% of revenue. In Q1 FY27, high-value products represented 96.4% of sales volume and 97.5% of revenue, despite the temporary disruption at our Perundurai facility during the quarter. Average selling price improved to Rs.68,034 per metric ton, and EBITDA per ton improved to Rs.7,914, reflecting the resilience of our product mix and operating economics.

Following the restoration of power supply and the recommencement of operations at Perundurai, our immediate business focus is on progressively restoring volume, improving capacity utilization, and continuing to protect contribution per ton.

At the same time, sustainability is being increasingly integrated into our operating and capital allocation decisions. We currently have 4 megawatts of installed rooftop solar capacity, use cleaner fuel solutions such as compressed biogas at our Tamil Nadu operation, follow hot-charging and energy-efficiency practices, operate zero liquid discharge at our integrated steel plant, and continue to improve the recycling and reuse of resources.

We are also developing a 60 megawatt AC and 72 megawatt DC solar portfolio through Hariom Power and Energy Private Limited under a 25-year {? MSEDCL ?} PPA. The first 5 megawatt AC and 6 megawatt DC project was commissioned in July 2026. We view this as both a sustainability

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initiative and a long-duration cash-flow platform.

From a financial standpoint, I have prioritized remaining clear, improving asset utilization, protecting EBITDA per ton, maintaining working-capital discipline, preserving a prudent leverage profile, and deploying capital only where we see acceptable returns and strategic relevance.

In short, our objective is not growth at any cost. We want to build Hariom into a larger, more profitable, more cash-generative, and increasingly sustainable enterprise with disciplined execution and a strong focus on return on capital. Thank you. We can now open the forum for questions and answers.

Operator: Thank you, sir. We will begin the Q&A session. Participants can raise their hands or use the Q&A chat box to ask questions. Sir, we will wait for a moment. We will take our first question from Pranit Reddy. Pranit, you are unmuted.

Amitabh Bhattacharya – CFO: Good afternoon, Mr. Pranit.

Pranit Reddy: Hello, sir. Good afternoon. Am I audible?

Amitabh Bhattacharya – CFO: Yes.

Pranit Reddy: Sir, is there any update on the Gadchiroli expansion plan?

Amitabh Bhattacharya – CFO: Regarding Gadchiroli, we are now in the land-acquisition phase. We require approximately 300-plus acres of land. In the Gadchiroli area, MIDC has already issued the notification to Hariom for this particular project.

Out of the 300 acres, a preliminary agreement for 136 acres has been made with the Hariom team and the company. However, as per the rules, that land will be acquired by MIDC from the respective villagers, farmers, tribals, and the Forest Department, and will then be handed over to Hariom Pipe.

Therefore, it is a long-term project. It will not be completed within 1 or 2 years. It will be implemented in phases, so it will take its own time. However, Hariom is definitely working on it in parallel.

At the same time, Hariom is also looking at another expansion, and we are taking care of that as well. With respect to our existing capacity across the three units, we may complete our target by the end of this year or by the middle of next year. Therefore, in the interim, we have to expand through either a brownfield model or a greenfield model. The growth trajectory will continue in the coming future as well, apart from the Maharashtra project.

Pranit Reddy: Okay. Will it be on the existing land?

Amitabh Bhattacharya – CFO: That project is taking its own time, and we are working on it regularly. In parallel, Hariom is also focused on another expansion. Once any part is completed or there is something to disclose, we will disclose it to the stock exchange at the appropriate time.

Pranit Reddy: Okay, sir. My next question is that, given that our value-added products are almost 97%-98% of our sales, VAP has exceeded 96% of our sales, and we are already in a relatively

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high-margin segment, while EBITDA per ton has remained broadly stable over the last few years, what will be the key driver of Hariom's growth from here?

Amitabh Bhattacharya – CFO: Basically, if you consider EBITDA per ton, Hariom's EBITDA margin is quite consistent and quite good as per the segment and industry norms.

The point is that, with respect to value-added products, we have to understand the operational issue. What is called a value-added product? In general terms, in the steel industry, there are two kinds of steel. One is called primary steel and the other is called secondary steel.

Primary steel means steel up to the HR coil, which comes through the blast-furnace route. That is called primary steel. Why is it called primary steel, and why is the HR coil produced through the induction-furnace route called secondary steel? Those flat products or steel products, TMT, billets, or sponge iron that come from the induction furnace are called secondary steel.

The fundamental difference between primary steel and secondary steel is phosphorus and manganese. I am not a technical person, but I have some knowledge. Phosphorus and manganese are much lower in the blast-furnace-route coil. When you use this coil for an end engineering product such as in the automobile sector, the defense sector, high cranes, or high-strength and durable steel infrastructure, you need pure-quality steel. That is why primary steel products are used.

Hariom is operating between these two areas. Hariom has an integrated process, from iron ore to finished MS tubes, which comes through the integrated process using the induction-furnace route. Hariom's EBITDA per ton is approximately Rs.8,251 per metric ton in FY25-26.

However, if you consider the products individually, the second component of EBITDA comes from value-added products such as GP pipes and other cold-rolled pipes or other cold-rolled products. These products are manufactured from primary steel, meaning HR coil produced through the blast-furnace route, which we generally procure from JSW, Tata, imported-coil suppliers, or AMNS.

We take that coil and manufacture the end product, whether it is a pipe, an OEM product, or any other value-chain product. We do not earn the profit up to the coil stage. We earn the profit from the coil to the end product. Therefore, sales realization is higher, but EBITDA per ton is Rs.7,000 as per the FY26 audited figure.

That volume is higher. Therefore, our blended EBITDA consists of Rs.8,251 and Rs.7,008, and the average is Rs.7,258. That is the reason. During FY26, we sold approximately 93,249 metric tons of MS tubes and earned EBITDA of 76.94 crores from that. The EBITDA from this business is Rs.8,251 per metric ton.

During the same year, we sold approximately {? 174,598 ?} metric tons of galvanized and value-added products. Both are called value-added products, but the volume is higher and the top line is approximately 1,159, while EBITDA is approximately 128.80. Therefore, EBITDA is approximately Rs.7,258 per ton.

When you take the average, your EBITDA is Rs.7,258. That is the reason. As much as Hariom can produce primary steel on its own, profitability, growth prospects, and EBITDA margin per ton will

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increase.

Pranit Reddy: Okay, sir. What will be the volume guidance for this year?

Amitabh Bhattacharya – CFO: Sir, to be honest and speaking practically, as you may be aware, during the last Q1, our Perundurai unit was disrupted for almost 110 days due to pollution-control issues. The issue was resolved and operations resumed from July 14, 2026, onwards. It is now fully operational.

Because of the 110 days that we lost, we cannot recover that period. We cannot change that period. However, because of this, we have kept—

Amitabh Bhattacharya – CFO: The volume will remain broadly the same, but we are expecting higher revenue because sales realization is much higher compared with last year. In terms of volume, it will be almost similar, but in terms of revenue value, we expect it to be higher than last year. That will drive the overall growth.

Pranit Reddy: Will it be more than 25%?

Amitabh Bhattacharya – CFO: No, 25% is not possible if we keep the same volume, because we lost 110 days, and that cannot be recovered. For that reason, we cannot expect 25%. However, it will be somewhere near that. We expect it to be near that, and if the market moves upward, then in terms of absolute revenue value, it may reach that level. But it is dependent on the market and the prevailing rates.

Profitability will be constrained. Profitability will be constrained, and as a percentage of revenue, profitability, PAT, and EBITDA will be constrained. There will be no reduction in the sense that there will be no adverse impact.

Pranit Reddy: Okay. Is there any update on new additions on the B2B side, and how is Ashok Leyland doing for us?

Amitabh Bhattacharya – CFO: With respect to Ashok Leyland, our approval has been completed, but we have not received the order because the power plant was also interrupted during the 110 days. Operations have now started, but so far we have not approached Ashok Leyland for any order.

Whatever retail-market demand exists, we are managing it from the Pithampur unit to rebuild the market. Because of the disruption in supply and the supply chain, there will be difficulties. Therefore, first we have to rebuild the disrupted supply chain, and we are doing very well. We are quite optimistic about achieving better results in the future.

Pranit Reddy: Okay. What is the state-wise [inaudible] revenue contribution? Do we have any top revenue contributors from each state?

Amitabh Bhattacharya – CFO: I am sorry, there is some disturbance. Could you repeat that once? Because of the disturbance—

Pranit Reddy: Revenue contribution from each state, or state-wise revenue contribution.

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Amitabh Bhattacharya – CFO: For Q1?

Pranit Reddy: Yes.

Amitabh Bhattacharya – CFO: It is not readily available with me right now. If you email me, I will provide the data to you. The state-wise contribution is not readily available with me at present.

Pranit Reddy: Okay, sir.

Operator: Thank you, sir. You can come back and join the queue for further questions. We will take the next question from Saket Kapoor. Saket, you are unmuted.

Saket Kapoor: Thank you, Bala, and thank you for hosting the session. Mr. Amitabh, I missed your comment on profitability. You used the word "constrained," so I could not understand. Last year, on the same volume, we reported PBT of 104 crore at the consolidated level. When you use the term "profitability will be constrained," do you mean it will be contained or constrained? I missed your point. Could you explain it?

Amitabh Bhattacharya – CFO: No, sir. Last year, our EBITDA was 209.42 crore on a standalone basis, and this year also we are expecting approximately 10% growth over that.

Saket Kapoor: Is that after factoring in the first-quarter results? Because the first quarter was—

Amitabh Bhattacharya – CFO: Yes.

Saket Kapoor: So we are expecting 10% growth in the absolute EBITDA number on the same volume?

Amitabh Bhattacharya – CFO: Yes.

Saket Kapoor: So it is only the product mix that will contribute to higher profitability?

Amitabh Bhattacharya – CFO: Yes, absolutely. The product mix is absolutely correct. As much as our MS tube volume grows, our profitability will grow similarly for OEM products as well.

Compared with other value-added products, such as HRPO or CRFH coils or pipes, our EBITDA per ton will be lower than it would be if we were selling high-value OEM products or GP pipes. This is because we purchase the raw material from others. It is not our own raw material.

In MS tubes, we produce our own raw material. Therefore, at every stage, from sponge iron up to HR coil, we have some margin, which allows us to achieve more than Rs.8,000 EBITDA per ton.

Saket Kapoor: So, on a blended basis, we achieved Rs.8,250 per metric ton?

Amitabh Bhattacharya – CFO: No. On a blended basis, last year's EBITDA per metric ton was Rs.7,258, to be precise.

Saket Kapoor: And this year, we are expecting a number in the vicinity of—

Amitabh Bhattacharya – CFO: I cannot say that right now, but it may be around the Rs.7,500 level.

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Saket Kapoor: Coming to the finance-cost part, I think the quarterly run rate is around 15-16 crore. Can you explain the current-year capex and the debt number as of June 30? What was the closing borrowing balance?

Amitabh Bhattacharya – CFO: We have not disclosed the balance-sheet details, but since you are asking, I can provide them. The total long-term and short-term debt together is 421 crore.

Saket Kapoor: What is the current cost of funds?

Amitabh Bhattacharya – CFO: By cost of funds, do you mean the rate of interest?

Saket Kapoor: Yes, the blended cost of funds, taking into account both working capital and long-term borrowings.

Amitabh Bhattacharya – CFO: Okay, just a minute, sir.

Saket Kapoor: When is our credit rating due? What was the last rating, and when is the next rating due?

Management: Only next year, sir. In the next FY27, sir.

Amitabh Bhattacharya – CFO: FY27, sir.

Management: The credit rating has already been completed, sir.

Saket Kapoor: Okay, sir. I will check it. Sorry about that. Lastly, what capex have we envisaged for the current year?

Amitabh Bhattacharya – CFO: Sorry?

Saket Kapoor: What capex are we going to spend during the current year? How much are we going to spend on both maintenance and capacity augmentation?

Amitabh Bhattacharya – CFO: You can consider it to be approximately 70 crores to 80 crores. It is coming to around 70 crores. We are looking at 60 crores to 70 crores because the Anantapur unit is also in the pipeline, and some expansion may start during the year.

The spending will not have a direct impact on the gross block immediately. It may be recorded under CWIP.

Saket Kapoor: What would be the volume addition from that?

Amitabh Bhattacharya – CFO: At present, the volume addition will not come in the current year itself. Volume addition will be impacted once the project starts. We have not started the Anantapur project so far, although we have received approval from the respective department.

Once it starts, the volume will come over the following 12 to 18 months. Whenever we start the full-fledged project work, it will take another 18 months to provide the full-fledged volume. Before that, we can achieve maximum partial volume.

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Saket Kapoor: Thank you, sir. I will rejoin the queue. Thank you.

Operator: Thank you, sir. We will take the next question from Tejas. Tejas, you are unmuted. Tejas? We will take the next question from Aditya.

Aditya: Thank you for the opportunity, sir. I have one question. I see that we have a solar power-selling business. Why did we start that business?

Amitabh Bhattacharya – CFO: As I clarified in my opening statement, to be honest, we are developing a 60 megawatt AC power project under the Mukhyamantri Saur Krushi Vahini Yojana, Component C. We have to develop it under a fixed PPA for 25 years at a rate of 2 rupees 96 paise, along with a capital subsidy or financial assistance from the central government.

A major portion of our contribution will be reimbursed by the government through the subsidy, and we will receive long-term fixed-tariff cash flow from the government. This is also part of our ESG and environmental contribution.

From another perspective, Hariom is participating in this project as part of its long-term vision. In terms of ESG, carbon credits, and green steel, it will be useful in the future. From a long-term perspective, the return on investment is attractive. The payback period is approximately 13 to 14 years, and we have taken a loan from SBI at a relatively low rate with a 20-year repayment period.

The project is progressing smoothly. We have already commenced work at some locations, and revenue recognition will also start from the current quarter, meaning from Q2 onwards.

Aditya: How much capex have we invested here?

Amitabh Bhattacharya – CFO: As of September, we have invested just over 100 crores, including the bank term loan. The major contribution is from the bank, with the remaining contribution from us.

We have deployed 100 crores, and the project is now in the implementation stage. It will be completed soon. We will receive fixed revenue of approximately 32-33 crores every year, with an EBITDA margin of more than 94%. PAT will also be good compared with that.

There is no major operating cost or major operating risk. The project is completely backed by the government and the central government. Therefore, there should not be any delay in receiving revenue.

The company will recover the entire investment. We will receive the equity portion immediately within a year from the central government, and the remaining 50% will be funded through our long-term debt.

Aditya: Are we planning to do more in this area?

Amitabh Bhattacharya – CFO: No. This is one type of project forming part of the management's 2-3 long-term visions.

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One is the Gadchiroli project in Maharashtra. We have signed an MOU with the Maharashtra state government, and we have already started the land-acquisition process. It will take its own time.

At the same time, as you may be aware, the central government and other nodal agencies in the steel industry have started researching and preparing study reports on the emissions from the steel sector, the environmental impact we have on society, and the ESG initiatives and renewable energy generation we undertake in response to that impact.

On that basis, in the future, I can say that if normal steel is valued at Rs.55 per kilogram, or Rs.55,000 per ton, then tomorrow, if it is certified as green steel, its value could increase to Rs.85,000-Rs.90,000.

The chemical and physical composition of the steel remains the same. The only difference is the amount of carbon emissions generated in manufacturing 1 metric ton of finished steel and the amount of carbon we reduce from the environment through other ESG activities, such as using and generating renewable power.

Aditya: Are we going to use this power internally for our—

Amitabh Bhattacharya – CFO: No. This is a separate project that has been signed under the PPA. However, for carbon credits, you can use this power generation for Hariom's steel manufacturing.

Aditya: Okay. But, sir, if I look at our scale, we are entirely in the pipe business, but I—

Aditya: I did not expect that we would venture into the power business at this scale. If we are becoming large in this area, then we can spend approximately 100 crores out of the 400 crores of fixed assets we are investing. That is my view, but that is fine. Let us get back to the main point.

Management: You are looking at it from the perspective of Hariom's current size. Whenever we start our journey, we are small. Whoever takes the risk and has the appetite and the right calculations will become large tomorrow.

Therefore, you need not worry about Hariom. Hariom always thinks about this. As I said in my opening statement, our objective is not growth at any cost. We want to build Hariom into a larger, more profitable, more cash-generative, and increasingly sustainable enterprise.

Aditya: Okay, sir. I understand.

Management: That is our objective, and that is what we believe. Whatever initiative Hariom has taken, you can be certain that there is careful thought behind it and that we intend to achieve it. Otherwise, we would not invest our money in it.

Aditya: Over the last 2 years, we have been at approximately 1,600 crores of revenue, and this year also we will achieve somewhere around 1,600-1,700 crores of revenue—

Management: More than that.

Aditya: Okay, perhaps 1,700 or 1,800 crores of revenue, with approximately 70 crores to 80 crores of PAT. But where do you see the company from here? Let us not consider only this year, because

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2-3 months have already passed in the first quarter—

Management: You can write this down. We are now sitting on April 26. We can say that the financial year is FY27. From there, over the next 5-6 years, or at most the next 7 years, Hariom will become a company with a top line of approximately 10,000 crores.

Aditya: But for that, we have to invest heavily in capex—

Management: It is not necessary. It is very easy to calculate everything in Excel and prepare several reports and spreadsheets. However, when you are in the real business and have a business background, you know how to generate revenue without using that much capex. When you generate cash, you can deploy it accordingly.

For example, consider the Gadchiroli project. The total MOU value is 3,000 crores. Does Hariom currently have the appetite to invest 3,000 crores at a single stage? No. Even if we invest, will the project be completed in 1 month, 2 months, or 6 months? No. The project will take its own time.

As a steel manufacturer, we have to divide this project into 2-4 parts. Initially, we can proceed with value-added products. For that, the capex requirement is very low, but volume and revenue increase while returns are lower. Correct. However, your capital will not be blocked.

Instead of receiving EBITDA of Rs.8,000 per ton, you may receive Rs.6,000 or Rs.5,000 per ton. That is acceptable. At the same time, your capex requirement will be lower, which is within Hariom's appetite. Hariom can also penetrate the entire market.

After that, as and when Hariom generates cash returns from the investments it has made, and those investments are repaid within 2-2.5 years, Hariom can deploy that money again into backward integration.

At that point, you may see capex increasing, while revenue may not increase proportionately. However, margins will increase. This is the nature of the business. There is no fixed method. It depends on the situation.

It depends on what offer and options are available to Hariom in a particular situation, which part Hariom chooses to undertake first, and which part it undertakes later. This applies not only to Hariom but to every industry.

Unless you are in the blast-furnace route or are a large industry where you cannot do anything without installing a blast furnace, you can divide the project. In the blast-furnace route, you cannot first install the rolling mill and then install the blast furnace. You have to do it together.

However, Hariom's activities can be implemented in parts and pieces.

Aditya: Understood, sir. All the best.

Management: Thank you.

Operator: Thank you, sir. We will take our next question from Sagar.

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Operator: Sagar, you are unmuted.

Sagar: Hello. Am I audible?

Management: Yes, Mr. Sagar.

Sagar: Yes, sir. I am new to Hariom, and I went through your recent conference calls. In the recent Q4 conference call, I think management said that there would be volume growth in Q1. However, there was no volume growth in Q1; I think there was a decline. This was mainly due to the Chennai plant. Why was this not guided in the Q4 conference call?

Management: I cannot remember exactly what we said. If you compare Q4 with Q1—just a minute, sir—

Sagar: Even on a year-on-year basis, Q1 volume—

Management: Just a minute, sir. In Q1 FY27, we sold approximately 63,084 metric tons. In Q4 FY26, it was 81,742 tons.

Sagar: Right.

Management: Therefore, there is a gap, and yes, it was expected. But your question is why we did not spell it out in the Q4 conference call.

I cannot remember exactly what statement was given or who gave it. The point is that the closure notice was issued and communicated to us by the department on April 4, 2026, with effect from March 31, 2026. The power was disconnected on April 4, 2026.

Before that, we were not aware that something had happened or that any such issue existed. We immediately started completing the formalities with the department. From our side, all the required compliances were ready from day one.

We were waiting on a day-to-day basis, expecting that the unit would reopen today or tomorrow and that we would receive approval from the concerned pollution department, because we were regularly following up with them.

The situation took 110 days. Our expectation was that, since we had conducted the conference call on May 14 or May 16, 2026, we would receive approval from the department within 1 or 2 days. We expected to resume manufacturing operations accordingly.

In the meantime, we were manufacturing at our Mahbubnagar unit and supplying material through a satellite model to the Kerala market and other parts of Tamil Nadu from our Telangana unit.

However, it took more time because of the elections and the formation of the new government. At the time of the last Q4 conference call, we as management could not predict this because it depended on the department's process.

You cannot predict this in the same way that you cannot predict when you will receive an income-tax notice or an income-tax order. You may have filed your return and prepared all the

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documents. When you receive the notice, you file everything online and expect the assessing officer to provide the order in your favor within 4, 5, 6, 7, or a maximum of 10 days.

Sometimes it takes 10 days, and sometimes it takes 6 months. This situation was similar. That is what happened. There was no intention to misguide anyone.

We are fully transparent. Whenever anything happens, we are a company that maintains full corporate governance and discloses information to the stock exchange immediately, as per SEBI guidelines. There was no misguidance at all.

If you check our reply to the stock exchange regarding the Q1 results, we properly disclosed the volume as well. We did not hide the volume.

In Q1 FY26, total turnover was 460.96 crores. In Q1 FY27, it was approximately {? 429.18 crores ?}, despite higher realization. In Q1 FY26, we achieved 460.96 crores from 78,221 metric tons. In Q1 FY27, we achieved approximately 430 crores from 63,000 metric tons.

Therefore, there was a shortfall of approximately 15,000 metric tons. Despite that, we did not hide the volume; we disclosed it properly.

Sagar: My second question is about the share of the unorganized and organized segments in your industry. What are the key growth drivers, what volume growth can you expect, and where will it come from? Will it come from geographic expansion, expansion into different states, or being closer to the customer? What is the strategy for volume growth and for converting the unorganized market into the organized market? Could you provide some perspective?

Management: That always depends on the person's perspective. If you ask me, I will provide my perspective. You may agree with it or someone else may agree or disagree.

My perspective is that every year, when the government expects GDP growth, economic growth, rural and urban growth, and government spending, the average growth from budget to budget is approximately 10%–15%. We can see this in our own figures as well.

Therefore, the country's market, appetite, and consumer base are growing across all products, irrespective of the industry or product. This is because spending power is growing directly or indirectly.

Sagar: No, but specifically—

Management: Now I am coming to that point. Conceptually, according to your definition, what is organized and what is unorganized?

There are two concepts. When financial professionals, analysts, or financial markets discuss this, they define organized companies as those that are listed. An unlisted company may be a limited company, a private limited company, or even a large company, but because it is not listed, it may be considered unorganized.

However, my point of view is that organized and unorganized should be defined based on how many government licenses and procedures a company has to follow to produce its finished

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product.

For example, you may be a listed company or even one of the Big Four companies, but if you are a converter, you are not producing the core steel product. You are only purchasing finished primary steel and converting it into pipes or another product. You are a converter.

Your turnover may be more than 20,000 crores or 30,000 crores, but you are not a fully integrated steel manufacturer.

On the other hand, a company may not be listed but may follow the entire process from iron ore to the end product. That company may follow all government pollution norms, BIS norms, ISO norms, Directorate of Factories requirements, and everything else. The fact that the company is not listed does not mean that it is unorganized.

Therefore, every company has its own market by brand, product, and market segment, and Hariom also has its own market.

The point is how we penetrate new markets. Hariom always believes in quality, consistency, and compatibility. In these 3 aspects, Hariom is ahead of any unorganized player or other player. Based on our production capacity, we can penetrate new markets and create new customers.

That is why you can see that our dealer network is more than 900, and no dealer has contributed more than 5% to 4% of our total revenue. Therefore, we are not dependent on a distributor model, and we are not dependent on any—

Amitabh Bhattacharya – CFO: Clearly, if tomorrow the market turns negative or a customer stops selling Hariom products, Hariom's turnover will decline. Hariom always works from the lower level to the upper level with a fixed strategy.

That is why, whatever Hariom produces based on the market, we can sell that product with profitability. It is not a challenge for Hariom.

Sagar: My third question is that I saw we generated a very healthy OCF in FY26, mainly due to working-capital improvement. How much working-capital improvement can we expect this year and next year? Can we maintain the OCF we generated this year as well?

Amitabh Bhattacharya – CFO: We will maintain OCF, sir. The point is that you have to understand the nature of our activity. We are a steel commodity player. Steel is essentially a commodity.

You must be aware that the price of primary steel, meaning HR coil, and steel prices have been increasing over the last 6 months. The reason is a shortage in the supply of raw materials.

Sometimes, because of a global scenario or global situation, exports may not take place. In that case, what are manufacturers supposed to do? They cannot stop production because they produce millions of tons. If you produce millions of tons, you already have excess finished material, and you also have commitments for raw materials.

If, for some sudden reason, you are unable to supply the material outside India, where will you sell it? You have to sell it in the domestic market. At that time, as a manufacturer, you have to reduce

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the price irrespective of your cost and sell the product to keep the business running.

These scenarios and situations always occur in the steel industry. However, we are very optimistic and hopeful, and we are confident that we will deliver good results.

If you check not only one quarter or two quarters, or 1 year or 2 years, but the period from 2022 to 2026, our average CAGR growth is more than 40%.

We are a company that is very calculated. We are not focused only on reaching a particular turnover. We focus on profitability, consistency, financial discipline, and management discipline. We will always remain consistent on these parameters.

Operator: Thank you, sir. Due to time limitations, we will take a final question from Pranit Reddy. Pranit, you are unmuted.

Pranit Reddy: Thank you for the opportunity, sir. My question is regarding the brownfield expansion you mentioned. Will it consist of the same existing products, or are we considering any new products?

Amitabh Bhattacharya – CFO: We are in pipe manufacturing, OEM products, and the value chain. We always operate in the same segment.

The only difference between brownfield and greenfield is that, if we acquire an existing plant with running plant and machinery, it is called a brownfield project. In that case, we do not have to waste time and can start production immediately.

Pranit Reddy: Will it be MS products, GP products, or something else?

Amitabh Bhattacharya – CFO: It will be a combination and permutation of both. If we purchase a unit, generally, in the market and in a brownfield project, we do not know at present whether we will pursue a brownfield or greenfield project.

The project team is carefully evaluating all the parameters and doing its work. Once management has decided, we will disclose it to the stock exchange. There is nothing further to add at this stage.

Pranit Reddy: How are we doing in Maharashtra and Gujarat? How is the growth there?

Amitabh Bhattacharya – CFO: Maharashtra will be a growth market in the future. At present, we are doing well in Maharashtra on the GP side and in GP products.

With respect to Gujarat, supplying from Mahbubnagar in Telangana to Gujarat is quite difficult because of logistics. However, to test the market, demand, and productivity, before starting the Gadchiroli or any Maharashtra project, we sold our products there. The products were well accepted, and demand is returning.

However, we first have to focus on the existing markets where our old customers are present. Unless and until we start a new unit in that particular region of western India, it will be difficult for Hariom to penetrate the entire Gujarat, Maharashtra, Madhya Pradesh, or other parts of western and northern India.

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Operator: Thank you, sir. Due to time limitations, this will be the last question. I would like to thank the management and participants for participating in the Bharat Connect Conference. Amitabh, do you have any final closing remarks?

Amitabh Bhattacharya – CFO: Thank you for the interaction and for your interest in Hariom Pipe Industries. Thanks to Arihant Capital for arranging this investors' meet.

To conclude, we believe the company is entering its next phase from a position of greater scale, stronger integration, and improved financial discipline. FY26 demonstrated our ability to grow revenue and profitability while materially improving operating cash generation and reducing leverage.

Q1 FY27, although affected by the temporary disruption at Perundurai, continued to demonstrate resilience through stronger realization and improved EBITDA per ton.

With Perundurai operations recommenced, our focus is now on improving utilization of the capacity already created, strengthening the contribution of high-value products, expanding our customer and OEM franchise, and converting operational improvements into sustainable cash flow and returns.

From the CFO's side, we will continue to remain disciplined on working capital, debt, funding cost, and capital allocation. Every major investment will be evaluated not only for its growth potential but also for its return on capital, payback, and cash-generation capability.

ESG remains an integral part of this framework. Energy efficiency helps reduce costs, recycling improves resource productivity, water reuse strengthens operational sustainability, safety supports long-term productivity, and strong governance protects stakeholders' capital.

Our renewable-energy initiative further aligns financial value creation with environmental responsibility. Our aspiration is therefore clear: to create sustainable growth through a balanced combination of business performance, financial strength, and responsible operations.

We look forward to executing this strategy with discipline and creating long-term value for all our stakeholders. Thank you.

Operator: Thank you, sir. Thank you, everyone. We are closing this session.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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