

Jai Balaji Inds

14 August 2026

Operator: Good day and welcome to Jai Balaji Industries Limited Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sanaka Kapoor from Go India Advisor. Thank you, and over to you, ma'am.

Sanaka Kapoor – Go India Advisor: Thank you, Hooda. Good afternoon, everybody, and welcome to the Jai Balaji Industries Limited earnings call to discuss the Q1 FY27 financial performance. We have on the call Mr. Aditya Jajodia – Chairman and Managing Director, Mr. Raj Kumar Sharma – Joint Chief Financial Officer, Mr. Sanjay Jajodia – President Finance, and Mr. Ajay Jajodia – Company Secretary. We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company faces. I may now request Mr. Aditya Jajodia 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.

Aditya Jajodia – Chairman & MD: Thank you, Sanaka. A very good afternoon to everyone. We are pleased to welcome you all to our Q1 FY27 earnings conference call. Our investor presentation and financial results have been uploaded on the exchanges, and we hope that you have had the opportunity to review them.

We are very pleased to report a healthy start to FY27, with JBIL delivering a very resilient performance in Q1 FY27. Adjusted EBITDA and PAT grew by {? 46% and 21% ?} year-over-year, respectively. This reflects the benefits of price normalization, operational efficiency, and our continuous focus on improving the product mix.

Talking about the industry environment, the ductile iron pipes market continues to remain subdued in the near term, primarily due to slow government ordering and project execution. However, we believe that the underlying requirement for water and irrigation infrastructure remains very strong, with a meaningful pipeline of government-led projects supporting the medium- to long-term demand outlook.

A key structural driver is Jal Jeevan Mission 2.0, which has been extended up to December 2028, with a total outlay enhanced to 8.69 lakh crores, including 3.5 lakh crores of central assistance. The restructured mission moves beyond infrastructure creation toward reliable and sustainable water services, and will also give greater emphasis to service delivery, source sustainability, and operations and maintenance.

AMRUT 2.0 also continues to provide a meaningful opportunity for the DI pipe industry, with its focus on urban water supply, transmission and distribution networks, sewage, and water treatment infrastructure. In addition, progress on major river interlinking and irrigation projects, including the Ken-Betwa and the Polavaram-Godavari-Krishna link, provides further visibility for DI pipe demand over the medium to long term.

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While the near-term environment remains measured, we remain constructive on the recovery in government ordering and project execution as fund releases improve. We will continue to monitor the pace of execution closely and remain prepared to ramp up our expanded DI pipe capacity as demand conditions improve.

On the ferroalloy industry front, the segment continues to witness strong momentum, with realizations improving consistently over the last 5 quarters. This is supported by very healthy steel demand and increasing requirements for specialized and high-performance steel, where ferroalloys play a critical role in enhancing strength, durability, and other performance characteristics. We therefore remain very positive about the medium-term outlook for this particular segment.

Now coming to our strategic initiatives in Q1 FY27, we have committed to strengthening our capacity base. Our DI pipe capacity has increased from 5 lakh tons to 5.5 lakh tons per annum, positioning us well to ramp up utilization as demand revives and market conditions improve. In parallel, our specialized ferroalloy capacity is also being enhanced to 1.9 lakh metric tons per annum from 1.66 lakh tons. Our blast furnace capacity will increase to 7.5 lakh tons per annum from 6.3 lakh tons, and sinter capacity will increase to 12.08 lakh tons from 9.08 lakh tons. These enhanced capacities are expected to be commissioned by Q3 FY27.

These investments are aligned with our broader strategy of increasing the contribution of value-added products, improving operating leverage, and strengthening the balance sheet. As part of our Jai Balaji 2.0 strategy, we remain very focused on specialized products such as ductile pipes and specialized ferroalloys, as well as on cost reduction and sustained debt reduction.

Our integrated operations are further supported by 3 dedicated railway sidings, which provide a significant logistics advantage by enabling the efficient movement of raw materials and finished goods while reducing transportation costs and turnaround time.

We have also continued to make strong progress on deleveraging, with our net term debt reducing significantly from 3,408 crores in FY21 to 188 crores in Q1 FY27. Our net term debt-to-equity ratio stood at a healthy 0.07 at FY26-end, providing us with a strong financial foundation and ample headroom to support future growth. We remain committed to further strengthening our balance sheet through sustained debt reduction.

On the capex front, we have made strong progress on our ongoing expansion program. We have already invested 1,076 crores, mostly through internal accruals, while the overall project outlay has been revised from around 1,000 crores to 1,112 crores, primarily due to technical upgrades, additional ancillary equipment, some inflation, and some time overruns as well. The balance of around 35-40 crores is expected to be completed by the end of this calendar year, December 2026. These investments will further strengthen our capacity base and support the next phase of our growth.

Coming to our operational performance, production across key products remained very healthy during the quarter, while off-take was led by pig iron, TMT, billets, ductile iron pipes, and ferroalloys. The same remained broadly stable, reflecting the current market environment.

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Importantly, value-added products accounted for 42% of total sales in Q1 FY27, highlighting the continued progress in our product mix. Realizations improved across key products during the quarter, led by a strong 46% year-on-year increase in ferroalloy prices and a 16% year-on-year improvement in pig iron prices, while sponge iron and billets remained broadly stable.

Specialized ferroalloys continue to be a key driver of growth, contributing around 37% of revenues in Q1 FY27, supported by the specialized product portfolio, long-term customer relationships, and improved realizations.

Coming to our financial performance, revenue grew 24% year-on-year to 1,683 crores, with value-added and specialized products now contributing around 40-45% of revenue. Adjusted EBITDA and PAT increased by 46% and 21% year-over-year to 154 crores and 85 crores, respectively, driven by price normalization and operational efficiency. Operational EBITDA stood at 9%, and the PAT margin stood at 5%, respectively.

To conclude, we remain encouraged by the structural opportunities in the pipe industry, supported by Jal Jeevan Mission 2.0 and AMRUT 2.0, irrigation and river interlinking projects. With our DI pipe capacity now at 5.5 lakh tons per annum, expanded specialized ferroalloy capacity, increasing contribution from value-added products, and a strong balance sheet, we are well-positioned to capitalize on the upcoming opportunities and deliver sustainable growth. We are now open to taking any questions that you may have. Thank you.

Management: With our continuous focus on financial discipline, JBIL is very well-positioned to capitalize on the next phase of the industry recovery. We remain focused on strengthening operating efficiency, improving our product mix, and creating sustainable long-term value for our stakeholders. We can now open the floor for questions and answers. Thank you, and over to you, moderator.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Jyoti Singh from ICICI Securities. Please proceed.

Jyoti Singh – ICICI Securities: Hi, sir. Good afternoon.

Management: Good afternoon.

Jyoti Singh – ICICI Securities: I have a couple of questions. The first one is, with Jal Jeevan Mission 2.0 extended until December 2028, when do you expect the increased government spending to actually translate into DI pipe dispatches?

Varun: Hi, Jyoti. This is Varun {? [unclear] ?} joining from the market. This year, around {? 10,344 crores ?} has already been released by the Centre, and gradually the matching share will also be provided by the different states. We will be looking at a post-monsoon recovery in dispatches and

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payments, and things should improve from the third quarter.

Jyoti Singh – ICICI Securities: What are the key bottlenecks currently delaying these pipe orders? Is it tendering, project execution, funding, or is there anything else?

Varun: It is coming from the government backlog because there was a large backlog last year, and as a result, around {? 15,600 crores ?} of releases from the Centre are pending. That backlog remains the constraint. Once the funds are released, things will come into shape, and post-monsoon, lifting and laying will resume.

Jyoti Singh – ICICI Securities: If you can provide us with the volume guidance for DI pipes and ferroalloys for FY27, could you also give us a distinction in terms of how much is expected from DI pipes and the other segments?

Varun: DI contributed around 15% of the first-quarter turnover. As the orders are opening up, we do not know how it is going to pan out over the next 3–4 quarters or what the demand will be. As of now, we are not giving any projections, but we are definitely ready to capitalize on the opportunity as the market progresses.

Jyoti Singh – ICICI Securities: For giving any numbers, I think it will be speculative right now because there are a lot of moving parts. Different states have started giving orders, while some states are still in the process. It has not opened up entirely across India, so it will be very difficult for us to give you volume guidance right now.

Jyoti Singh – ICICI Securities: Is there any guidance on the utilization you are targeting with the expanded 1.9 lakh ton-per-annum ferroalloy capacity in FY28? Has any projection been made for this?

Rajkumar Sharma: For ferroalloys, we achieved capacity utilization of more than 50–50% in the last quarter. It currently contributes 10% of the turnover. As we commission the new module by December–January, ferroalloy capacity utilization will begin at around 80–90%.

Jyoti Singh – ICICI Securities: That is all from my side. Thank you so much.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Please proceed.

Rajesh Bhandari – Nakoda Engineers: Good afternoon, sir, and congratulations on the good results in terms of profit. Sir, I wanted to know the basic breakdown of our revenue, that is 1,682. What exactly are the items? Could I get the breakdown because I could not find the breakdown anywhere else?

Rajkumar Sharma: I will read out the numbers for you. Sponge iron is 7.04%, pig iron is 19.13%, ferroalloys are 27.33%, pellets are 3.54%, which is a minimal amount, TMT bars are 14.83%, and ductile iron pipes are 14.95%, which is the basic amount that I have. Some amount of coke was also sold, which is only 7%. Apart from this, 1% comprises scrap and fines that were sold. This completes

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the 1,682 crores.

Rajesh Bhandari – Nakoda Engineers: If I need this detail generally in the future, where can I obtain it?

Rajkumar Sharma: You can write to {? Sanjha ?} or me. My email ID, Rajkumar Sharma, is given, so we will definitely send it across to you.

Rajesh Bhandari – Nakoda Engineers: Okay.

Rajkumar Sharma: The actual contribution in this combination is around 42%, which includes ferroalloys and ductile iron pipes. Apart from this, TMT bars contribute another 14.83%. Our intention is for the plant, which is designed to cater to value-added ferroalloys and ductile iron pipes, to have around 70% of the sales ratio going forward. Since DI pipe orders are not coming, we had to move toward alternate products on the commodity side, such as pig iron, TMT, pellets, and all of that.

Rajesh Bhandari – Nakoda Engineers: But now we expect these DI pipe orders to come.

Rajkumar Sharma: The expectation is definitely there, but given that this is a government-backed sector where the main buyer is directly or indirectly the government, at any point in time I think it will be somewhat speculative.

Rajesh Bhandari – Nakoda Engineers: I know, but with Jal Jeevan Mission and AMRUT Mission 2.0, based on the way the government will be spending, it is expected to improve.

Rajkumar Sharma: The expectations are definitely there, but last quarter, all spending was below expectations. That was somewhat poor.

Rajesh Bhandari – Nakoda Engineers: Last year was very bad. Correct.

Rajkumar Sharma: What we do hope is that last year was the bottom. It generally happens that once the bottom has been hit, things improve going forward. The government's program, especially its commitment to water mains and other projects, is well known to all of us, although it has been delayed. However, we now expect that post-monsoon and after the release of funds, these activities will have to pick up.

Rajesh Bhandari – Nakoda Engineers: I had 2 more questions. First, by FY28 and FY30, what kind of turnover can we expect? What about turnover and profits?

Rajkumar Sharma: With the given capacity, which is being completed in Q3 of this year, at the end of this calendar year, December 2026, in FY26-27, this capacity should enable us to reach 7,000-7,500 crores in a normal market.

Rajesh Bhandari – Nakoda Engineers: What about 2030?

Rajkumar Sharma: By that time, we have not calculated what the capacity and capacity additions will be. We are mainly focused on the ductile iron pipe capacity, running our base model of pig iron, TMT, pellets, and whatever ductile iron pipe and ferroalloy capacity we have. The ferroalloy market

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has been very good. We are currently focusing on the ferroalloy market and trying to revive or develop the ductile iron pipe market.

Rajesh Bhandari – Nakoda Engineers: Yes, definitely.

Rajkumar Sharma: Pig iron, TMT, and pellets sell anyway.

Rajesh Bhandari – Nakoda Engineers: Yes, sir.

Rajkumar Sharma: There is a difference between the two. One is a 62–63% commodity business EBITDA margin, the other is 12–13% plus, and ferroalloy margins remain at 16–17% plus. We are strictly waiting for the market to revive. Then, regarding our existing plant, we have almost occupied the entire 400 acres of land.

Rajesh Bhandari – Nakoda Engineers: Once these war conditions improve, will things improve for us?

Rajkumar Sharma: They will definitely improve.

Rajesh Bhandari – Nakoda Engineers: I mean, what about our export levels?

Rajkumar Sharma: The improvement in war conditions will definitely improve this; that is a fact of the industry.

Rajesh Bhandari – Nakoda Engineers: We were also considering plastic pipes as an alternative to DI pipes, correct, sir?

Rajkumar Sharma: We set up that plant as a trial module and spent only around 50 crores on the trial. However, so far, we have not been able to sell even a quintal piece of pipe. Why did we set up this plant? Certain people in the industry were saying that plastic was going to replace everything, but we were very skeptical about it. Because of longevity and strength, you cannot replace ductile pipes with certain plastic pipes, PVC pipes, or HPPE pipes.

So, honestly, we are very happy to say that we have not been able to sell anything of this sort. This again establishes that plastic is not going to replace any steel pipes or ductile iron pipes. When G+5 or G+7 buildings are constructed, ductile iron pipes will not go upward. G+... ductile iron pipe is always the main line.

So DI pipe is separate, plastic pipe is separate, and when the building's costing is considered, nowadays buildings are, I mean... nowadays, multi-storey buildings are being constructed.

Rajesh Bhandari – Nakoda Engineers: Where should we write for this breakdown, sir?

Rajkumar Sharma: The breakdown was already given, but there were no sales, so it was 0%.

Rajesh Bhandari – Nakoda Engineers: No, sir. Which email ID should I send the breakdown request to?

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Rajkumar Sharma: You can send it to my email ID, Rajkumar Sharma, or R. K. Sharma. It is given at the end of the presentation.

Rajesh Bhandari – Nakoda Engineers: At the end of the presentation. All right, sir. I will send it there. Thank you, sir.

Rajkumar Sharma: Thanks.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Yash Purbe from Invet Research. Please proceed.

Yash Purbe – Invet Research: Hi, sir. Good evening. You said that from H2 and in FY27 there would be a recovery in volume. How are we seeing the competitive intensity, and going forward, would we face any pricing pressure?

Rajkumar Sharma: The competitive intensity will be there because, currently, the industry's capacity utilization, including ours, in this particular quarter was only 30% of the announced capacity. Similarly, competitors are also operating at different levels: somebody is in the 25% range, and somebody is in the 30–35% range. Competition intensity will be there until the capacity utilization level reaches 60–70%.

Capacity utilization is a function of orders. Once the orders are released, utilization can be ramped up very easily for everyone. As far as pricing is concerned, as I already mentioned earlier, prices are already at rock bottom. In fact, the contribution of the pipe business in this particular quarter, when we attribute it to the pipe business, resulted in practically the same EBITDA margins as pig iron. Therefore, there was no value addition. From here, things can only get better and have to improve.

Yash Purbe – Invet Research: Could you please provide any guidance, if possible, on the EBITDA-per-ton front?

Rajkumar Sharma: Is this for the pipe business?

Yash Purbe – Invet Research: No, sir. In the future, since you are saying that prices are already at rock bottom, is there any sustainable EBITDA guidance?

Rajkumar Sharma: Providing pipe EBITDA guidance today would be misleading. The prices have fallen by 25–30% compared with the prices 1.5 years ago. The previous year's fund is currently at 20–25%. What we can predict at the moment is that it cannot get worse. It has to improve, but providing tangible guidance would not be fair to anybody. Maybe when we meet next quarter, we will be in a better position to tell you about the prices.

Yash Purbe – Invet Research: Thank you. How are you seeing demand for specialized ferroalloys in the domestic market versus export markets?

Management: There has always been an increasing market for ferroalloys and specialty products, and our customer base is quite strong. We are receiving repeat orders from those customers. We

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are also utilizing more than 80–85% of our capacity. We have repeat orders, so there is no constraint as such. We are exporting to more than 45 countries today.

Yash Purbe – Invet Research: Going forward, over the next 2–3 years, how much would be the contribution from value-added and specialized products?

Management: Right now, it is just 40–43%, and the plant is designed to achieve somewhere in the region of 70%. We will see how the ductile iron pipe capacity utilization develops. Once ductile iron pipe capacity utilization increases, the contribution immediately goes up to 70%. It all depends on the ramp-up and the demand for ductile iron pipes. The plant is already designed, and the existing capacity for specialized alloys is sufficient to achieve 70%.

Yash Purbe – Invet Research: Thank you. Those were my questions, and best of luck.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Vidhi from KR Choksey. Please proceed.

Vidhi – KR Choksey: Hello, good afternoon, sir. I would like to understand your capex. Initially, it was 1,000 crores, and now it is close to 1,100 crores. Can you explain what led to the increase?

Management: The increase is not much, madam. It is only around 7–8%. Some shipments from China and elsewhere for equipment were delayed. There was a dollar-related issue and a general inflationary trend. There were also price increases for some products when we were setting up the plant and machinery. There was currency devaluation. So it is not much, madam; it is around 7–8% only.

There were also some technical upgrades while we were setting up the project. Certain new ideas came up to technically upgrade the plant capacity. So it is not much, madam; it is around 7–8% only. That was an estimated figure when we were finalizing it, but it is now substantially {? finalized ?}.

Vidhi – KR Choksey: Understood, sir. What is the current order book visibility for DI pipes over the next 2–3 quarters, if you could quantify it?

Management: As per the current dispatch position, it is equivalent to the current capacity utilization, which represents around a 4-month order book.

Vidhi – KR Choksey: That is all from my side. Thank you, sir.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Mihir Vias from Nine Rays Equity Research. Please proceed.

Mihir Vias – Nine Rays Equity Research: Hi, sir. Thank you for the opportunity. I wanted to know whether we have received any funds for the pending Jal Jeevan Mission dues.

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Management: Yes, we have started receiving some funds, although in small parts, because they are now being released by the Centre through different state operations and departments. The funds are coming in, but they are coming in very small lots, and the amounts will increase in the near future.

Mihir Vias – Nine Rays Equity Research: Can you quantify it in terms of the receivables we had at the start of the year and how much we have received now?

Management: The exact numbers are not immediately available with us, but as a ballpark figure, Sharmaji, around 25–35% of the outstanding amount has been released. The flow has now started, so we expect to receive larger amounts over the last month. We expect that over the next 2–4 months, the entire outstanding amount should be recouped.

Mihir Vias – Nine Rays Equity Research: Thank you for the opportunity.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Rishabh Vora, an individual investor. Please proceed.

Rishabh Vora: Hello, can you hear me?

Management: Yes, please proceed.

Operator: Yes, sir.

Rishabh Vora: I was wondering if you could give us some sense of the margin profile for specialized ferroalloys versus conventional steel products. Could I get some guidance on that?

Management: For conventional steel products, the margin varies between 5–7%, and for specialized ferroalloys, it is around 15–18%.

Rishabh Vora: I have a couple more questions. Once DI pipe demand normalizes, what utilization level do you think the 5.5 lakh ton-per-annum capacity can achieve?

Management: The management will always hope that we are able to achieve more than 80%. Normally, 80% is equal to 100%, so if we achieve 80%, it will be treated as full capacity utilization.

Rishabh Vora: Would you expect DI pipe margins to increase meaningfully with higher utilization, given the operating leverage in the business?

Management: It all depends on market demand and the capacity that is in place domestically. It is a very complex question. We will not be able to answer right now what the margins will be. Whatever we achieved in the first quarter, around 12%, is good enough, and it can go up to 14% if prices improve.

I must also mention, I think you might have missed this, that today we are sitting at the rock bottom of prices. Prices cannot get worse than this, so they are only going to improve.

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Rishabh Vora: Are you seeing any meaningful improvement in inquiry levels, even though actual order flow remains slow?

Management: Inquiry levels are there, but there are projects that have long been completed, and the contractors are already stuck with their old outstanding amounts. Until they receive their old funds, they cannot release further orders. There are still old orders with us and with all the manufacturers. Until they receive the funds, they cannot ask for fresh supplies.

As soon as the funds come into the system, things will move ahead and improve in every area. As I said, we are focused on DI pipes, which is undoubtedly a very important segment. However, from management's perspective, which I did not mention in my opening remarks, DI pipes will definitely be one mainstay of the company.

Apart from DI pipes, the other verticals are also there. The specialized ferroalloy and commodity ferroalloy verticals are also present, where capex has now been spent to reduce costs and increase volumes. Margin expansion should take place there as well.

Another good development is that 80-90% of our capacity is situated in West Bengal. There has been a change of government in the state of West Bengal, along with a lot of activity on the ground in terms of development. There had been some stagnation there for the last 10 years, but now a lot of development is taking place.

Products such as TMT bars have not been discussed, and nobody has even asked a single question about TMT bars. We currently sell only around 15-20% of our material in Bengal. Going forward, over the next year, we foresee that we will probably be able to sell around 50-60%, or 70%, of our TMT bars in the West Bengal market.

This is not a small segment; it also has a large capacity and a market of 6 lakh tons. This segment will also provide a substantial {? contribution ?} going forward in the upcoming months.

Rishabh Vora: That answers all my questions. Thank you for the opportunity.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touchtone telephone. To ask a question, please press star and one on your touchtone telephone. The next question is from the line of Shidananda Mohanty, an individual investor. Please proceed.

Shidananda Mohanty: Hello, good afternoon, sir. My first question is regarding [inaudible]. Could you speak a bit louder? I hope I am audible now, correct?

Management: Yes.

Shidananda Mohanty: What is the current capacity utilization for the DI pipe category? Earlier, you guided that production would exceed 4 lakh tons in this financial year. Do you have any numbers on that, as well as future guidance?

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Management: Right now, in the first quarter, capacity utilization was 30% of the enhanced capacity. Going forward, based on the orders {? in hand ?}, we are ready to capitalize on the opportunity.

Shidananda Mohanty: I am really sorry; I could not hear the last line. Going forward...

Management: Production in the first quarter was 41,000 tons, and annual capacity is 5,50,000 tons. Therefore, it comes to around 30–33%. If the market improves, it should increase or double. The first target is to achieve 50–60% capacity utilization, and we will see how orders come in.

Shidananda Mohanty: My next question is regarding the ferroalloys business. Margins have improved in the last 2 quarters. How do you think they will develop in the future? What could be a sustainable margin range, and for modeling purposes, what would be a good number to consider?

Management: As the share of specialty ferroalloys increases in the overall mix, we expect the margins in the ferroalloys business to sustain between 15–20%. As you know, India is strategically positioned in ferroalloys because of globally available cheap power.

Western countries, due to the war and the aftermath of the Ukraine crisis, are facing energy prices at very high all-time levels. India is therefore very well-positioned to supply to the world because of the availability of cheap power in India.

India-based business groups have also developed very strong customer loyalty and a very good customer base. We expect margins to remain at these levels. Margins may change by 1–2% plus or minus because of container costs, raw material costs, or freight, but by and large, 15–20% can be considered a long-term guidance.

Shidananda Mohanty: My last question is regarding capex. Over the last 3 years, you have undertaken a good amount of capex, but I could not see the same thing in the top line and bottom line. Can you say anything about that and what we can expect in the future?

Management: If you talk about capex, a good portion of it was undertaken for ductile iron pipes as well as the backward integration for that. When you compare it with the top line, it is not an apples-to-apples comparison, since we have also given you the volume figures for the past and the current data.

You can see that in most areas, volumes, especially in pig iron, have increased drastically. DI capacity was initially 2.5 lakh tons, which we have almost increased by more than 100% to 5.5 lakh tons. Our sinter capacity was 6 lakh tons, and it is now becoming 12 lakh tons. By and large, a lot of backward integration projects have been undertaken to optimize cost levels and improve efficiency as well.

Shidananda Mohanty: Are you saying that the impact of all this capex will be seen in operating performance or margins, rather than in the top line? Have I understood it correctly?

Management: Whatever expenditure we undertook for ductile iron pipes should have increased turnover, but because of the market conditions, it is not visible in the numbers. We will have to wait for some time. Once the market returns, the turnover will definitely increase.

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As far as backward integration is concerned, the work we have done in pig iron, sinter, power, and other areas is reducing our costs and increasing efficiency. That is visible right now, and it will improve further.

Shidananda Mohanty: Okay.

Operator: The next question is from the line of Rajesh Bhandari from {? Makora Engineering ?}. Please proceed.

Rajesh Bhandari – {? Makora Engineering ?}: What is our current debt level, sir?

Management: Term debt, which is repayable debt, is 188 crores. In addition, fund-based working capital and non-fund-based LC/BG facilities are between 375–400 crores.

Rajesh Bhandari – {? Makora Engineering ?}: Total is about 600 crores.

Management: No, not 600. It will be between 525 and 550. That is the sanctioned limit I am referring to. In addition, a cash or unutilized position of 70–80 crores is normally maintained. Therefore, net utilization is always below 500, while the sanctioned limit remains between 525 and 550.

Rajesh Bhandari – {? Makora Engineering ?}: The repayable debt is 188 crores.

Management: Compared with last year, despite all the capex and the downturn in the ferroalloys industry, our debt has remained either at the same level or has come down significantly in terms of repayable debt.

Rajesh Bhandari – {? Makora Engineering ?}: Finance costs have come down drastically; I can see that.

Management: As far as what we can project, based on the numbers I have seen, by the end of March there should again be a significant decline. {? [unclear] ?} There is a decrease.

Rajesh Bhandari – {? Makora Engineering ?}: Then we can expect the company to perform better and better.

Management: Everyone is working toward that.

Rajesh Bhandari – {? Makora Engineering ?}: All right, sir. Thank you very much.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Management: I would like to thank everyone from Go India, the moderator, and all the participants for sparing their valuable time. In case anyone has any further queries, Go India and Mr. Sharma will be able to coordinate with us. Thank you once again for your time.

Operator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you, everyone.

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Jai Balaji Inds

14 August 2026

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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