Operator: Ladies and gentlemen, good day and welcome to Monolithisch India Ltd. Q2 and H1 FY27 earnings conference call. As a reminder, all participants' 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 the 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 Mr. Hiral Keniya from EY. Thank you, and over to you, Hiral.

Operator: Thank you, Danish. Good afternoon, everyone. On behalf of Monolithisch India Ltd., I welcome you all to the company's Q2 and H1 FY27 earnings conference call. To discuss the performance of the company, we have with us from the management team Mr. Prabhat Tekriwal, Chairman; Mr. Harsh Tekriwal, Managing Director; Mr. Kshitij Tekriwal, Director, Investor Relations; and Ms. Kritika Bohra, Company Secretary and Compliance Officer. Before we proceed with this call, I would like to draw your attention to the fact that today's discussion may contain some forward-looking statements that are subject to various risks, uncertainties, and other factors that would be beyond management's control. We kindly request you to bear in mind that there might be some uncertainties while interpreting such statements. We will now start the session with opening remarks from the management team. Afterwards, we will open the floor for an interactive Q&A session. I will now hand over the conference call to Harsh for his opening remarks. Thank you, and over to you, sir.

Harsh Tekriwal – Managing Director: Thank you, Hiral. Good afternoon, everyone.

Our ambition is to build Monolithisch into an advanced handling and silica manufacturing business with a growing presence across India. We are working towards this ambition by strengthening our raw material foundation and extending manufacturing and processing closer to customers. Our main target is to invest where it is required. We are investing in research and development capabilities and building a new Monolithisch.

Firstly, I would like to talk about backward integration. The mining block allotted to the company in Bihar is very critical. As our manufacturing footprint expands, the availability and consistency of critical inputs become even more important. Through this backward integration, we expect to strengthen raw material security and gain greater visibility over costs. The proposed beneficiation and storage facility should help us connect sourcing more effectively with plant requirements and manage inventories more efficiently than ever before. This is the practical value we intend to create through integration: a stronger supply foundation for the business as it grows with the most sought-after quality. Commercial mining is targeted to begin around mid-January 2027, subject to the necessary approvals. Our priority is to progress the approvals and operating arrangements required to bring the initiative into commercial operations somewhere near Makar Sankranti.

Now, let us talk a little about the company's expanding approach. Our proposed facilities in Karnataka and Rajasthan are intended to bring Monolithisch closer to major industrial consumption centers in the southern and western parts of India. This will give us a new market in the southern region, the western region, and the Middle East and African subcontinents. Customer proximity has a direct commercial purpose. It should support more efficient deliveries, better rates, and closer engagement with customer requirements. We want to become a dependable supply partner to the

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entire world, with product quality and service that earn repeated business. Monolithisch is ready for this. Commercialization is targeted for July 2027 near Hospet in Karnataka and November 2027 in Udaipur, Rajasthan, subject to project execution and commissioning. These proposed facilities are important steps towards a national manufacturing presence. They are also expected to strengthen our access to potential export markets as we develop our capabilities.

Let us now talk about the greenfield facility for which the management has been waiting since the IPO came into existence. Our greenfield capacity commenced commercial production on October 10, 2026. After the immense hard work of our team, we are delighted that we are now ready to serve customers from there. This manufacturing facility draws vendor capabilities and technology from Australia, Finland, and, of course, India. We intend to build on this practical experience and the best technology possible on the planet as our manufacturing size grows. As mentioned before, the land available at this site also provides scope for a lot of future development of higher-value silica products. We see this metallurgical unit being called one of India's finest silica complexes, which will add to Monolithisch's long-term development value.

Capital discipline and execution are going to be central to what we are planning. Internal accruals are central to our funding plan, supported by efforts to release cash through inventory optimization. The proposed mining lease model is intended to limit direct infrastructure expenditure, while our regional expansion is planned to be financed largely through internal accruals. Our responsibility is to make the capital productive. That requires careful commissioning, effective working capital management, and the conversion of manufacturing capability into lasting customer business.

The competitive position we are looking forward to combines dependable raw materials, efficient manufacturing, and closer access to the entire region. We believe these capabilities will reinforce one another and build an integrated business model that has never existed in the silica platform. We will pursue that opportunity with ambition and accountability. Our objective is to turn the investment underway into stronger customer relationships and sustainable earnings, creating lasting value for our shareholders.

I thank our employees, customers, and business partners for their support, and our shareholders for their continued confidence. I will now hand over to Mr. Kshitij Tekriwal, who will take you through the financial performance for Q2 and H1 FY27. Thank you.

Kshitij Tekriwal – Director Investor Relations: Thank you. Good afternoon, everyone.

I will take you through the consolidated results, beginning with the second-quarter financial performance. Revenue for Q2 FY27 was 53.6 crores, compared with 28.5 crores in Q2 FY26, representing year-on-year growth of 88.2%. EBITDA increased by 192.2% to 15.8 crores from 5.4 crores in the corresponding quarter last year. EBITDA margins improved to 29.5%, compared with 19% on a year-on-year basis. Profit after tax increased by 145.1% to 11.2 crores, compared with 4.6 crores in Q2 FY26. PAT margins improved to 20.8% from 16% on a year-on-year basis.

For the first-half financial performance, in H1 FY27, revenue was 100.8 crores, compared with 57.3 crores in H1 FY26, an increase of 75.9% on a year-on-year basis. EBITDA increased by 141.1% to 28.9 crores from 12 crores in the corresponding period last year. EBITDA margins improved to 28.7%, compared with 20.9% on a year-on-year basis. Profit after tax increased by 141.3% to 21.24 crores,

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compared with 8.80 crores in H1 FY26. PAT margins improved to 21.1% from 15.4% on a year-on-year basis.

I would also like to take this opportunity to inform you that our customer base has increased substantially on a year-on-year basis.

Management: We are also engaging in new territories, establishing our quality and product prowess across industries. We are excited to embark on a backward integration journey, as this will take Monolithisch India Ltd. to new heights, not just in terms of quality and quantity, but also in terms of creating an ecosystem that will benefit everyone. That concludes our opening remarks. We would now be happy to take your questions. I will hand over the call to the moderator again.

Operator: Thank you so much, sir. Ladies and gentlemen, 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. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Shaurya Yadav with Growth Sapphire Venture. Please go ahead.

Shaurya Yadav – Growth Sapphire Venture: Am I audible, sir?

Operator: Loud and clear.

Shaurya Yadav – Growth Sapphire Venture: Thank you, and congratulations on the good set of numbers. My first question is on the competition. If our existing competitor acquires more mines in the East, will that create pricing pressure for us? Recently, Raghav has entered into a JV with TRN Associates for the same. How do you see the pricing situation in the eastern belt, where our company is already operating at a lower cost and will continue to operate after the mine becomes operational? Or do you think that, since the majority of our industry is unorganized, the players that raised capital at the right time and undertake expansion can easily corner the market?

Management: Sir, there are two aspects to what you are asking. The first is regarding the competitor. It is not appropriate for me to comment on anyone's business or how they are going to build their business. We are the only company so far that has acquired mines and has mines. There might be many JVs and many other things that listed and unlisted companies would be pursuing, but I do not think that affects our ambition and our story even 1% in any way.

The second part was about raising capital at the right time. This is also not very relevant because it is not about investing in this business or raising capital at the right time; it is about who has devoted a good amount of time to this industry. As I have said before, the listed entity looks like it just started in 2018, but the promoters have devoted 30 years, 35 years, and 40 years to establishing this industry, and that has been passed on to us. We are trying to create value in the new age.

I do not know whether I was able to answer your question, but, moreover, this is about who has the right quality, the right approach, and an established goodwill. Of course, there could be nine new players who will try to create it, but I do not think there is any industry on the planet where no one

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enters or exits. If your business fundamentals are right, I do not think these things should matter.

Shaurya Yadav – Growth Sapphire Venture: Got it, sir. The second question is on optionality. What optionality do we see in our industry apart from ramming mass? Do you think silica can be a sizeable TAM for us going forward?

Management: Yes, sir. This is going to be one of the most sought-after chemical compounds for the new age that we are in. I think there is a whole lot of opportunity not only in India but around the world. Players engaged in the silica business would definitely have a head start and a lot of opportunity to move ahead in this faster-growing region.

Shaurya Yadav – Growth Sapphire Venture: Got it, sir. Understood. Thank you.

Operator: Thank you. Our next question comes from the line of Naman Desai with Sunrise India Growth Fund. Please go ahead.

Naman Desai – Sunrise India Growth Fund: Hello. Am I—

Management: Good afternoon, sir.

Naman Desai – Sunrise India Growth Fund: Good afternoon. My voice is clear, right?

Management: Yes, I can hear you, sir.

Naman Desai – Sunrise India Growth Fund: Congratulations on a very good set of numbers. I have two questions. The first one is: what is the absolute inventory value target for fiscal 2027 at the group level?

Management: Sir, you are slightly less audible right now.

Naman Desai – Sunrise India Growth Fund: I wanted to know what our absolute inventory value target will be for fiscal 2027 at the group level.

Management: [pause] Sir, I think it should be around—you are talking about the absolute number, right?

Naman Desai – Sunrise India Growth Fund: Inventory value, yes, sir.

Management: The absolute inventory value should be somewhere around 30 to 32 crore rupees at the group level.

Naman Desai – Sunrise India Growth Fund: Got it, sir. And, sir, the second—

Management: I will also tell you the arithmetic behind that. Generally, the way we tend to maintain inventories is very different from how we have maintained them over the last 2 years or so, because one month you feel that there is no inventory requirement and the next month it is required. However, things are changing for us, and we have targeted a substantial reduction in our raw material, especially the stone that we have, because that is something we can manage and it is going to be safe for us. You can expect that somewhere around 32 to 34 crores should be the

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target at which we should end this at the group level.

Naman Desai – Sunrise India Growth Fund: Fair enough. The second thing I wanted to ask is that, when I went through the annual report, we mentioned high-quality silica-based products. I would appreciate it if you could brief us about the developments on this front.

Management: Sir, there are developments taking place. We are talking to two companies, one in Europe and one in China, and we are expected to finalize one or the other in the next 15 to 20 days. It would not be appropriate for me to disclose the names as of now, but you will see it very soon. We are engaging with technology partners for high-value products, and that will be visible to you very shortly.

Naman Desai – Sunrise India Growth Fund: I wish you all the very best. I will get back in the queue, sir. Thank you, and have a nice day.

Management: Thank you so much.

Operator: Thank you. The next question comes from the line of Prince Bhandari with Keynote Capitals. Please go ahead.

Prince Bhandari – Keynote Capitals: Congratulations on a good set of numbers, first of all, and thank you for taking my question. My question is on volume growth. We all know that we are raising our capacities, more than doubling our capacity, and going further in that direction. We are also entering various geographies, going to the west and towards the south—

Management: Sir, can you hold the phone a little closer? Your voice is cracking. I am sorry.

Prince Bhandari – Keynote Capitals: Yes, sir. Am I audible now?

Management: Yes, sir. You are very much audible. Please go on.

Prince Bhandari – Keynote Capitals: My first question was around volume growth. As we all know, we are doubling our capacity and entering different geographies. When I talk about going to the west, we already have one of our biggest competitors there, and that competitor is again coming to the east, which is your geography. I wanted to understand how we are going to differentiate ourselves. First, if we go to their market, how are we going to acquire new customers? Do we feel any competition from competitors if they come to the east? I wanted some insight on both aspects.

Management: Sir, as I said before, first of all, we are expanding in two regions: one is the southern part, and the other is the Rajasthan region. The capacities we are bringing in are quite small compared with what we intend to achieve in the larger picture. We are an established brand and are doing a good amount of business in the territories where we are expecting to enter. Even now, those territories already have options to procure from A, Y, X, and Z vendors, but they still choose to buy from us. I think that defines why we are interested in going there.

The second part of your question was about someone starting a plant in this territory. That is going to be immaterial for us because, after the mine acquisition, the cost of producing the product for us is almost going to be the cost of raw material for any customer. There is going to be a huge

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difference in pricing, as well as a huge difference in product quality.

The mines we are operating are not new virgin mines. They operated from 2015 to 2020. During that period, not even 1 gram of ramming mass travelled from anywhere in the world to the eastern region. Of course, every management can have its own perspective, but the best approach would be to go to the ground and ask customers how they rate the products available from the mines we are discussing. There is no point in telling anyone that something is good or bad. The best thing is to take a neutral approach, ask 10 people in eastern India, and you will get your answers.

Prince Bhandari – Keynote Capitals: Understood, sir.

Management: Yes, sir.

Prince Bhandari – Keynote Capitals: My second question was on the mine we have acquired. How much of our total existing capacity can currently be supported by the mine we have acquired? Also, do we plan to add any mines going forward?

Management: Sir, at present, we have surplus mine capacity of around 1-1.5 lakh tonnes, or perhaps 2 lakh tonnes, over what we would require. As the greenfield facility has started, it will take a good 8-10 months to ramp up, and the capacity of the mines is much larger. Therefore, I do not think that will be an issue.

Regarding mining opportunities, we are building different or new products, and if we feel that the new products require a different grade of material, then we might pursue it. Our concept is very clear. First, we never want to have high leverage. We want to grow internally as quickly as possible. When we target the revenues we are guiding for, we see good accruals coming in. There might be one quarter where you see a little extra deployment on something or less deployment in another quarter, but, in totality over the full year, this is the basic fundamental on which we are going to operate. What was the second question, sir? Sorry, can you repeat that?

Prince Bhandari – Keynote Capitals: You have already answered it. The first question was how much capacity the mine supports, and the second was whether we are planning to acquire any new capacity. You have answered both. I have one last question.

Management: Yes, sir.

Prince Bhandari – Keynote Capitals: Are we looking at any export opportunities right now? If yes, where are those opportunities coming from? Because what I believe—

Management: Sir, as previously mentioned, there is an export opportunity available in the western part. We are not viable at the moment because of the cost structure. The product cost would be 7 rupees, transportation from here would be 4 rupees, and then exporting would cost another 4-5 rupees, which gives a competitive advantage to people located in those belts. That competitiveness will come after we have a presence in the port regions. That is point A. Point B—

Management: We are doing business with Nepal and Bangladesh through Indian trading houses, where we take the money on a cash basis and sell the product here, and they take it for us. We feel that, at present, Nepal and Bangladesh are two avenues where you can get stuck if you work on an

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LC or any other source of funds. This is where we stand regarding the export business.

Prince Bhandari – Keynote Capitals: Understood. Thank you so much, sir, for answering my question. I will get back in the queue.

Management: Thank you.

Operator: Thank you so much. Our next question comes from the line of Bhavik Shah with Choice Equity Broking. Please go ahead.

Bhavik Shah – Choice Equity Broking: Good afternoon, sir. Congratulations on a stellar set of numbers. My question is related to the SGBC series. What is the margin or realization from the SGBC series?

Management: Sir, roughly around 60% to 62%, you could say.

Bhavik Shah – Choice Equity Broking: Could you please break down the improvement in margins from FY26 to a TTM basis? As we can see, margins have improved from 24 to 27. Could you please explain how much is because of the raw material price lag, how much is because of the shift to the premium series, and how much is because of operating leverage?

Management: Sir, I would say 35% would be from operating leverage, 35% to 40% would be from the premiumization and better rate realization, and the next 10–20% is because we are ahead in terms of inventory. We procure at a time when procurement prices are quite low, so I will give you a rough example. In terms of additives, we do good business with Indo Borax. They might be able to guide you that, during the rainy season, their prices are comparatively lower than during the rest of the year. We tend to stock up when prices are better. This is how it works. It is a different kind of industry in terms of what you are selling and how you are procuring. There is a mix of seasonality and global economics. All 3 or 4 factors come into play.

Bhavik Shah – Choice Equity Broking: Is there any product mix target for the SGBC series? It has reached 60%; can this move higher?

Management: Sir, not really, but once we are able to [cut off]

Bhavik Shah – Choice Equity Broking: Is there a fair product mix that we can assume going forward?

Management: You will definitely get to know if there is any development on that front. At present, we would try to start manufacturing this series in the Metallurgica unit as well. We are slowly trying to shift our entire product base to this series because, at the end of the day, the price of the product matters 20%, and 80% is the quality that matters. So—

Bhavik Shah – Choice Equity Broking: Customers are also slowly and steadily getting used to this product and accepting it quite well, so I think it can improve, right?

Management: It should improve. I am not sure I can give you a number for it, but it should improve.

Bhavik Shah – Choice Equity Broking: That is all from my side, sir. Thank you so much.

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Management: Thank you.

Operator: Thank you. Ladies and gentlemen, to ensure that management is able to address all the participants' questions, we request you to kindly limit your questions to 2 per participant. If you have a follow-up question, please rejoin the queue. Our next question comes from the line of Charchit Maloo with {? Genuity Capital ?}. {? Genuity Capital ?}, please go ahead.

Charchit Maloo – {? Genuity Capital ?}: Hi, sir. Thank you for the opportunity, and congratulations for the [cut off]

Operator: I am sorry, Charchit, but your voice is very low. We cannot hear you.

Charchit Maloo – {? Genuity Capital ?}: Am I audible now?

Operator: Yes, yes, you are.

Charchit Maloo – {? Genuity Capital ?}: Good afternoon, sir. Thank you for the opportunity, and congratulations on the good set of numbers. My first question is regarding volumes. In Q2, what was the volume that we achieved, and what was the average realization?

Management: Sir, Q2 was around 55,000, and I would give you a ballpark number for the average realization because, in the past quarter, the rate revolution hampered our company, and our rates were affected. You could expect somewhere around Rs.8,700 to Rs.9,000 as the average realization.

Charchit Maloo – {? Genuity Capital ?}: Of the 55,000 that we achieved, how much came from the old historical plant and how much came from the added capacity? I wanted to understand the capacity utilization level.

Management: Capacity utilization for the entire group would be around 68-69%. The new greenfield plant, if you are referring to it, started on October 10, so it will not be considered in the previous period. If you are referring to the MIGPL Ranchi plant and the MISL Sarbari plant, I think the Ranchi plant, since it has not undergone major transformations, should be at around 90-95% capacity utilization. As mentioned in previous conference calls, the monolithic plants should be at roughly 55% or 60% utilization, mainly because we are still waiting for some roads to be developed there. Once the Metallurgica unit comes into full swing, it will take 6-7 days off and we will be able to ramp that up to 75-80%.

Charchit Maloo – {? Genuity Capital ?}: Understood. If I am not mistaken, we are expanding our capacity and the plant will start from Q2 FY28, correct? I am referring to the additional capacity that we are putting in.

Management: Yes, sir. There are different timelines for the 2 facilities. One is around July, and the second one is in November.

Charchit Maloo – {? Genuity Capital ?}: How quickly will we ramp them up?

Management: Sir, it is a very small plant compared with the capacity we are handling. [laughs] I do not know. Setting up a capacity is one thing in our industry, and ramping it up is the second part. As

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I have mentioned before, it is important for you to know that the new greenfield facility should also be expected to reach peak utilization in 12 to 18 months. If you look at the monolithic brownfield facility that we developed, we are gradually and steadily improving utilization there. For whatever new projects we bring, you could expect 10 to 12 months from commissioning to see good utilization.

Charchit Maloo – {? Genuity Capital ?}: One last quick question. Will the current realization of Rs.9,000 and above be carried forward at the same level, or can we see some variations?

Management: No, sir. The realization I am giving you is on an FOR basis, so it can vary considerably. Suppose that, in this quarter, you are selling more to local customers or customers near us; then the realization would look lower, but the actual ex-plant rate remains the same. If I send the product farther away, the rate might go to Rs.10,200 or Rs.10,500, but I would pay that amount to the transporter, so my realization again remains the same. The business is such that the customer wants you to add the freight and provide the product, so it is not a very good parameter for understanding the rates. You can identify a trend from it, but you cannot determine the rates from it. Did you understand what I am trying to tell you?

Charchit Maloo – {? Genuity Capital ?}: Yes, sir, broadly. That is all from my side. Thank you very much.

Management: Thank you.

Operator: Thank you. Our next question comes from the line of Utkarsh Somaiya with Elcon Quantum Solution. Please go ahead.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Thank you for this opportunity. I am Utkarsh from {? Ayco Quantum Solutions ?}, not Elcon Quantum Solutions. I had 2 questions, sir. Your 5 [cut off]

Management: Good afternoon, sir.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Good afternoon. How are you doing, sir?

Management: I am good, sir. Please go ahead.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Our current capacity is 5,76,000. What is the optimum utilization one can achieve in your kind of business and plant? Can you go all the way to 100%?

Management: No, sir, we cannot.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Mhm.

Management: Since we are multi-locational, I would expect somewhere around 85-90% to be good capacity utilization on a rough year-round basis.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: By FY28, can we expect this 5,76,000 capacity to be utilized at 85-90%? Is that fair?

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Management: Sir, that is partly fair. It might take another 2-3 months.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: That is all right; it is just a ballpark. The 8,75,000 capacity that is coming next year—can that be optimally utilized in FY29 at around 85-90%, give or take?

Management: Yes, sir. I am not concerned about that capacity because, to look at the ramming mass industry, the best way is to think about capacity on a monthly basis. If you break down 3 lakh tonnes on a monthly basis, that is going to be less than 10,000. I think that would be approximately 25,000 tonnes that we would have to produce on a quarterly basis, right? So—

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Extra, right? Incrementally, you mean?

Management: Incrementally, yes. The brand is ready for it, and it should not be a problem to penetrate that much. I will give you a simple example. We might be working in a different zone right now. There is 100% brand awareness in the belts of Chhattisgarh, Telangana, Odisha, Jharkhand, and West Bengal, which are our main sectors. If we go to new sectors, the steel industry broadly remains the same, so people are aware that this manufacturer is already supplying there. It is not going to be particularly difficult or particularly easy. We would definitely get good entries, and we are already supplying a good amount when you consider the distance. I think capacity absorption should not be a major issue.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Fair enough. Understood. I have one more question. I wanted to spend some time explaining your backward integration. Once the integration is complete, I believe you had mentioned that this would save around Rs.1,400 per tonne on a realization of approximately Rs.9,000. That comes to approximately 15% on a margin basis. Is it fair to assume that, on a base of 28% today, 15% will be added, taking you to 43%? Could you please spend some time explaining whether this is true and—

Management: Yes, sir, I will explain that to you. The basic fundamental is that, right now, the raw material cost attributable to the stone component is somewhere between Rs.2,700 and Rs.3,200, based on how we procure, where we procure from, the distance, and so on. This Rs.2,700 to Rs.3,200 is going to be reduced and will remain at only Rs.1,400 to Rs.1,500. Why is this happening? Because we will have the mines, so we know how much we have to pay the government. We are going to enter into a fixed contract agreement for raising, so we know how much we are paying for raising the product, and then we will have contracted tipper dumpers to take it to our site. The entire model will come to somewhere around Rs.1,400 to Rs.1,500. This is how the math will work.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: This will be effective from Q1 FY29 onwards, correct? Given that it is going to end in Q1 FY28—sorry, FY28 Q1?

Management: No, sir. This is going to be live from Q4 FY27, somewhere around February.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Okay, okay.

Management: January 15 is the date given, but if you are doing any kind of modeling, it may take 15 days more.

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Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Okay. I do not know whether you will be able to answer this question, but if this is going to improve your operations drastically by Rs.1,400 per tonne, how come our competition is not doing something similar? I am not sure if you can answer this. It is fine if you cannot. If you could possibly help us understand, because it is massive—that is what I am trying to understand.

Management: Yes, sir, it is massive. Number one. Number two, the translation of this entire cost saving is not going to come to our books. We are here for a very long period. We have good credentials in the market, and most of our customers are also aware that we are going to be integrated. Therefore, we are going to pass Rs.300–400 to them as well. It is going to be a win-win situation for the company and the customers—all of us. I am not going to tell you that the entire Rs.1,400 will come to us. We will definitely give some portion to our customers, and that will create an ecosystem where they will not even consider going elsewhere, because we are already at a cost-effective level. I will give you an example.

When we opened the {? Monocast ?} plant in 2018, the average consumption of the product in the area within 100 km of our region would have been hardly 4,000 to 5,000 tonnes a month.

Now, consider a second case. In the district where our plant is located, that region, I think, extends roughly 60 to 70 km. I am giving you an approximate figure; this is not something I have prepared for. Within that 60 km, in the next 2 years, there will be monthly demand of 20,000 to 25,000 tonnes of ramming mass. That is in the district alone, without even considering the state or the future.

If you take a radius of around 200 km, then that would be 30,000–35,000 tonnes. We are sitting at the heart of it, and we want all our customers to perceive us as a recurring business, and it should be a recurring business rather than a one-off business.

Utkarsh Somaiya – {? Ayco Quantum Solutions ?}: Fantastic, sir. Thank you for such a good explanation, and I wish you all the best for everything you are trying to execute.

Management: Thank you so much, sir.

Operator: Thank you. Our next question comes from the line of Swaraj Mehta with Perpetual Capital Advisors. Please go ahead.

Swaraj Mehta – Perpetual Capital Advisors: Hi, Rajesh. How are you?

Management: Sir, I am good. How are you doing? Very good afternoon.

Swaraj Mehta – Perpetual Capital Advisors: Good afternoon. Congratulations on a great set of numbers. I have one question on realization. What has SGB Limited contributed because of its premium price? What other factors, apart from SGB Limited, contributed to the increased realization? I think our costs have remained the same and the incremental realization has flowed superbly into EBITDA. What has contributed to this increased realization, and how sustainable is it?

Management: Sir, I would again discuss the mine. This has been the second or third quarter in which we guided for lower EBITDA and achieved better results. I would guide you only on the conventional

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figure. That keeps expectations at a normal level.

Second, as you will see, efficiency is improving. If we produce volumes of 65,000 to 70,000 in the coming quarters from the same facilities, everything automatically improves because of economies of scale. Since this is a bulk-handling product, things change significantly when you operate at scale. Suppose I give my transporter a contract to move 500 tonnes; he might charge me 400 rupees. If I tell him that I will give him 1,500 tonnes on the same route, he might charge me 300 rupees. That 100-rupee saving contributes to a very good number in totality.

As the scale grows, things will look different. Of course, there is a negative aspect as well. Suppose we are ramping up Metallurgica right now. Once it reaches the optimum level, economies of scale will take effect in that particular unit. Overall, the industry fundamentals would remain the same. I hope I have answered you, sir.

Swaraj Mehta – Perpetual Capital Advisors: Has higher freight cost been a component in this quarter?

Management: This quarter, sir? The current one?

Swaraj Mehta – Perpetual Capital Advisors: Yes.

Management: I think we sent more material to far-off places in this quarter while trying to explore new opportunities. I have not worked out the freight figure, but it should be at a good level. One second, I might have the calculation. So—

[long pause]

No, sir. In this particular quarter, it has remained almost the same, but the material we procured was partly on an FOR basis and partly on a material-plus-freight basis. Effective August 27, we procured on an FOR basis. That is why the COGS expense component would look different. For us, it would be best to consider that whenever you calculate the figures, freight inward and freight outward should be included when calculating COGS and other expenses.

Swaraj Mehta – Perpetual Capital Advisors: How much were freight inward and freight outward this quarter?

Management: I do not have the numbers, but average freight outward would be somewhere around Rs.1,100 to Rs.1,200. Freight inward, or the landed cost, is again what I told you: the material reaches us at between Rs.2,800 and Rs.3,200, something like that. There is a breakdown to it that I would not like to disclose on the call. [laughs] Okay?

Swaraj Mehta – Perpetual Capital Advisors: Was there any trading component in revenue this quarter?

Management: Yes. I think 5-6 crore rupees of trading was done, partly in lower-grade ramming mass and additives. One second. How much is it? Around 655, yes.

Swaraj Mehta – Perpetual Capital Advisors: You are saying 655 lakhs?

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Management: No, sir, 655 lakhs, yes.

Swaraj Mehta – Perpetual Capital Advisors: What would be the volume of the trading component?

Management: It is difficult to give you the breakdown, but it includes additives and trading of lower-grade materials. The lower-grade material is approximately 5,000 rupees per tonne, and additives would be around 130 to 150 rupees per kilogram. You can do the math.

Swaraj Mehta – Perpetual Capital Advisors: Thank you very much. All the best for the upcoming quarters.

Management: Thank you so much.

Operator: Thank you. As a reminder to all participants, please restrict your questions to 2 per participant. If you have a follow-up question, please rejoin the queue. Our next question comes from the line of Priyam Shah with Trinetra Asset Managers. Please go ahead.

Priyam Shah – Trinetra Asset Managers: Thank you for the opportunity. A few conference calls ago, you mentioned that your average customer retention rate was 60-70%. You have alluded to this question during this call, but I wanted to understand it in more depth with new competition entering the East. Ramming mass is more or less a low-volume, low-value, high-volume consumable. Its chemistry is not proprietary, and there are dozens of unorganized suppliers.

I wanted to understand the sales cycle. When you win a new induction furnace customer, or when someone else wins one, what happens? How long is the trial, how many heats do they run against the existing supplier, and what metric determines that the conversion will happen? The second question is that, while you are not giving clear guidance, what could be a more or less steady-state EBITDA after the mining is fully integrated? Thank you.

Management: Number one, since you asked about customer retention, our customer retention rate for this quarter would be 73.6%, which would be the highest to date. That is the first point.

Second, when you procure a customer, there are 2 possibilities. Either the plant is new, or you are new to that plant. If the plant is new, they will definitely see what price and what material are available. Every steel plant has a costing sheet where it considers the cost incurred for ramming mass per tonne of steel produced, and that metric determines who is going to win. That answers the second question.

The third question is how much EBITDA margin improvement will come from the mines. It is impossible for me to give you direct guidance on something that we are not operating at present, because businesses are conducted in the field and not on paper. It is not possible for us to say that we will settle EBITDA at this percentage or that percentage. We are expecting this, but it might be 2% or 3% higher or lower. It is practically impossible for management, without working for 1 or 2 quarters on that particular operation, to tell you how much we will gain. We are giving you guidance on the potential gain, but there will always be a margin of uncertainty that we will retain.

Priyam Shah – Trinetra Asset Managers: Thank you.

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Operator: Thank you. Ladies and gentlemen, to ensure that management is able to address all the participants' questions, we request you to kindly limit your questions to only 1 per participant. If you have a follow-up question, please rejoin the queue. Our next question comes from the line of Nikhil Choudhary with {? Toro Wealth Managers ?}. Please go ahead.

Nikhil Choudhary – {? Toro Wealth Managers ?}: Good afternoon, and congratulations on a good set of numbers. I have 2 questions.

Management: Good afternoon, sir.

Nikhil Choudhary – {? Toro Wealth Managers ?}: Good afternoon. I wanted to understand the SGB series. It has been doing very well in terms of product differentiation and has contributed well to our revenues. What new product developments, R&D, or new capabilities are we developing, and how much are we spending annually to improve our ramming mass products in terms of lining life and heat performance?

The second question is: how are unorganized or other organized players responding to the large capacities we are adding? Are they also undertaking similar capex? What is the competitive environment, and how is it responding to our or other players' capex actions? These are the 2 questions.

Management: What was the first question? Can you repeat it, please?

Nikhil Choudhary – {? Toro Wealth Managers ?}: Since the SGB series contributes 60% of our revenues, as you said in Q2, I want to understand how much we are investing in new products out of our total annual top line to bring new products to market and offer differentiated products versus organized and unorganized competition, particularly to improve lining life.

Management: I understand, sir. I will tell you. Our product is largely based on how we maintain the current quality while simultaneously developing new products that can address the new challenges furnaces might face. We have a team that continuously explores different configurations. We have a small in-house furnace where we try different linings and evaluate them. All these activities are part of the company.

In terms of new products and value addition, as I said before, we are moving ahead with technology partners either based in Germany or China. We are currently speaking to a couple of vendors on both fronts, and you will see some good progress over the next 1 to 2 months.

This is regarding the new product line. The {? SG de-limited ?} line is based on the quality of the machines we have established, which is resulting in lower iron content, better configuration, better granularity, better SS numbers, and similar improvements. This is not a product that is continuously developed in a laboratory. You can check the parameters in a lab, but you have to keep addressing and keep trying. We have a few customers who provide us with new varieties for trials. They might give us 1 or 2 furnaces where we can try whatever we want, because there is trust involved: they understand that we are trying to achieve something better.

I think I have addressed both points that you wanted me to. Have I, or is there anything left?

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Operator: Thank you. The participant has left the queue. Our next question comes from the line of Harshit Meharwal, an individual investor. Please go ahead. Harshit, you may proceed with your question.

Harshit Meharwal – Individual Investor: Good afternoon, sir. Congratulations on the fabulous results.

Management: Good afternoon.

Harshit Meharwal – Individual Investor: My question is: by the end of this year, we would be achieving ROCE of above 40%. I want to understand what our competitive advantage or moat is that would allow us to sustain these ratios going forward.

Management: Sir, this is a mix of many things. First, product quality; second, the scale at which you can manufacture the same quality; third, the goodwill that you have developed; and fourth, the location where you are. All these factors add up.

Numbers such as ROE and ROCE tend to develop with the business. We have been running this business for the last 7–8 years, or more than that. As management, we look at how much more we can sell and how much better pricing we can achieve, and these numbers follow from that. [laughs] I think you understand what I am trying to say.

Harshit Meharwal – Individual Investor: Yes, sir. Thank you. That answered my question. Best of luck.

Management: Thank you, Harshit.

Operator: Thank you. The next question comes from the line of Vignesh Iyer with Sequent Investments. Please go ahead.

Vignesh Iyer – Sequent Investments: Hello? Am I audible?

Operator: Yes, you are.

Management: Yes, I can hear you.

Vignesh Iyer – Sequent Investments: Thank you. I have only 1 question from my end. It is on cash flow. I see that there has been a reasonably high build-up in receivables and a higher level of inventory stocking. I wanted to understand this. If I look at the usual trend, this is higher compared with the inventory level we were maintaining earlier. Could you provide your insight on this higher inventory build-up?

Management: Sir, I will tell you. Number one, regarding receivables, if you look at the books on a quarterly basis, I am very happy that you asked this question. If you look at Q4, Q3, and possibly Q1, receivables would be at the same pace. In Q2, most of the companies we supply to are integrated steel units. Their payments are deferred slightly by 20 to 25 days. This is very common for someone supplying to the steel industry because they also have inventory at their end. As the rain finishes, I should mention that the quarter that has passed was one of the most unexpected quarters for the steel industry, because there was a lot of rain and demand for steel was comparatively low. Even so, we are fortunate to have customers who do not shut their plants or reduce their capacity, and we

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continue to supply them.

Our payment terms with them are very clear. It is not possible for us to pressure them on a quarterly basis or anything like that. When you look at the full-year book, it should be fine. In terms of receivables, I think there will be a difference of 6 to 7 days, largely. We are working with more than A-rated customers, so this is not something for us to worry about.

The second part is inventory. As I told you, we do a good amount of stocking of additives during this season because additive prices tend to be the lowest at this time. Every industry has some trade secrets that explain why we are performing so well. We have given clear guidance that inventory would be somewhere around 30 to 35 crores in absolute numbers, and it would reduce to a great extent on a daily basis. We are going to pull the cash out because we want to invest it in the prepayment we have to make for the mines. I think I have answered you.

Vignesh Iyer – Sequent Investments: Understood. And on—

Operator: Thank you, sir. You may rejoin the queue for more questions.

Vignesh Iyer – Sequent Investments: I asked only 1 question.

Management: Yes, please ask. Please ask.

Operator: Yes, sir.

Management: Ask, yes. Please ask.

Vignesh Iyer – Sequent Investments: I wanted to understand the H2 aspect. I understand that, in H1, we spent around 16 crores on fixed assets. What will that number look like for H2? Any highlights?

Management: What, sir?

Vignesh Iyer – Sequent Investments: Capex, basically. What will our capex spend be in H2?

Management: Capex is not coming anywhere, right? The mines involve a prepayment that we are going to make in tranches over 6 months. Therefore, there is no capex coming in. There might be small capex of 4 or 5 crores, but not more than that. The rest of what is happening on the greenfield project from the IPO proceeds is continuing in parallel.

Vignesh Iyer – Sequent Investments: So, there will not be any capex spend for any future facility or any other aspect in H2. That is what I wanted to understand from a cash flow perspective. There will not be any major capex spend in H2, right?

Management: No, sir. Whatever cash flow is generated will be set aside for the prepayment of the mines.

Vignesh Iyer – Sequent Investments: Understood, sir. Thank you.

Management: Thank you.

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Operator: Thank you. Our next question comes from the line of Paras Chheda with {? Purple Sun Vortex Ventures LLP ?}. Please go ahead.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: Good afternoon, Harsh, and congratulations on a very strong set of results. I was trying to work out FY28 broadly. In terms of utilization, if I broadly model about 4,30,000 metric tonnes of product supplied in FY28, and you are still ramping up to peak utilization, probably in the following year, and, again, as you said, variable, but based on what we understand, is about a 40% EBITDA margin a reasonable assumption to work with?

Management: [laughs] I know.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: It is difficult, but I am trying to understand where we aim to ramp up and what kind of benefits we can accrue from raw material costs as well.

Management: Sir, there are a few things that should be experienced and not spoken about. Also, discussing 40% EBITDA on a conference call will definitely encourage my customers to ask me for more discounts, sir. [laughs] So, please let this remain undisclosed, okay?

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: Fair enough. The second point I was trying to understand is our market share ambition. We are currently at 10% of the Indian market and are aiming for 35% over the next 3 to 5 years, again, in India. What kind of—

Management: Not 3 to 5 years; it is going to be—

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: Yes, 3 to 5.

Management: Not 5, not 5.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: Okay, because I think the presentation mentioned 3 to 5, but in any case, let us say 3 years. What kind of hurdles or challenges do you expect in reaching that level? You will obviously be competing not only with established players but also with many fragmented and unorganized players. What challenges do you expect in reaching that level of Indian market share?

Management: There will be many challenges. No one is going to roll out a red carpet for the company. We have to pave our own way. We have to be the best in product quality, the best in rates, and available in terms of service. There will be all the parameters required for us to expand. We are trying to build a team that should be able to do all of those things, and if we are able to do all of them, we will definitely reach the goal.

The biggest factor is the best product at the best rate. That drives India. Even if your product is the best but your rates are not competitive, then the ratio of steel-to-steel-melt-to-ramming-mass usage should be attractive. I think we are going to win on that at a very large level. That is the game we are playing.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: And, in terms of higher-value-added silica products, do you have any sense of what we are planning to introduce? I heard about some technological JVs that you may be considering. What are these products, and where could the

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applications be?

Management: Sir, it is not going to be a JV. We are going to have a—

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: Technological support, yes.

Management: A technology partner who will take the company from A to that stage in terms of the product. These would be established companies that have set up good units across the globe. We are evaluating them based on their credentials, and once it is finalized, it will be placed in the public domain.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: What kind of application areas do we expect? Will they be aligned with what we currently do?

Management: Sir, it would not be fair for the company to discuss this at present.

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: In general, if it succeeds, will it be a significant portion of our revenue going forward, or—

Management: Yes, sir. That is going to be a huge stream that will open up down the line. As I told you, we have been in the capital markets for only 1 and a half years, and we are not going to remain only in the ramming mass industry for the next 8 or 10 years and grow only here. We are going to address all silica applications wherever high-value silica products are required. There are various applications. Recently, I read an article saying that this is going to be the new gold. We are going to try to do whatever we can without taking on any extraordinary leverage.

The idea is that you should be able to see {? Monolithisch India Ltd. ?} as a specialized silica-based handler—

Paras Chheda – {? Purple Sun Vortex Ventures LLP ?}: —in the next 2 to 3 years, and not as a ramming mass player.

Operator: Thank you. You may rejoin the queue for more questions. The next question comes from the line of Aditya Mehta with JK Capital. Please go ahead.

Aditya Mehta – JK Capital: Good afternoon, sir, and thank you for the opportunity.

Management: Good afternoon.

Aditya Mehta – JK Capital: After our mines become operational, we will be one of the lowest-cost producers in our industry. Is there any chance or are there any plans to engage in a price war in order to capture higher market share?

Management: Sir, we are not going to leave any stone unturned, so [trails off]

Aditya Mehta – JK Capital: I want to understand our priority. Is it to capture higher EBITDA margins, lower prices to capture higher market share, or strike a balance?

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Management: First of all, there is no need to lower EBITDA margins. The question will be how much higher we want our EBITDA margins to be. We are currently procuring from a third party and already have good EBITDA margins. Once things get going, we will be able to set up our mines based on market dynamics and ensure that, if eastern India requires a certain quantity of ramming mass, 99% is supplied by us. We will try to develop an ecosystem where both objectives exist.

It is not the right time to say how the market dynamics will evolve. In the last 1 and a half years, prices have changed from around 7,600 to 8,500–8,600 and then to 8,800, based on the product selling price. In the next 5–6 months, where prices will be and how things will develop is still uncertain. We need some more time before we can speak more clearly about it.

Aditya Mehta – JK Capital: Understood. Secondly, does the revenue target for FY28 of around 500-plus crores remain intact?

Management: Yes, sir. Both revenue targets given for this financial year and the upcoming financial year remain intact.

Aditya Mehta – JK Capital: Thank you, sir, and all the best.

Management: Thank you so much, sir.

Operator: Thank you, sir. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the Chairman for the closing remarks. Thank you, and over to you, sir.

Management: Thank you for your questions and for joining us today. Our immediate focus is to ramp up the newly commissioned facility, progress towards commercial mining in Jharkhand, which is now on track, and drive customer adoption of our premium products. We will continue to update you as we execute these plans, with attention to capital discipline and operating performance. Thank you for your continued interest in {? Monolithisch India Ltd. ?}. Victory to India.

Operator: Thank you so much, sir. Ladies and gentlemen, on behalf of {? Monolithisch India Ltd. ?}, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.

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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