

Rathi Steel And Power Ltd.

CIN : L27109DL1971PLC005905

An ISO 9001:2015 & 14001:2015 Company

Works & Corporate Office

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RSPL/BSE/2026-27/

Date: June 06, 2026

To
BSE Limited
Phiroze, Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Maharashtra

Scrip Code: 504903

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Dear Sir,

Subject: Transcript of the Earnings Conference Call related to the Audited Financial Results for the quarter and financial year ended March 31, 2026

Pursuant to Regulation 30 read with Para A Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Transcript of Earnings Conference Call made on June 03, 2026 related to the Audited Financial Results of Rathi Steel and Power Limited (“Company”) for the quarter and financial year ended March 31, 2026.

The Transcript is available on the website of the Company at www.rathisteelandpower.com

The Earnings Conference Call concluded at 4.51 (IST) on June 03, 2026.

You are requested to please take note of the above.

Thanks and regards.

Yours faithfully,
For Rathi Steel and Power Limited

Abhishek Verma
Whole Time Director
DIN: 08104325

Encl. : As above

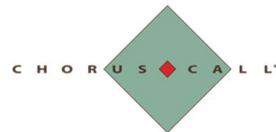


Rathi Steel And Power Ltd

**“Rathi Steel & Power Limited
Q4 & 12 months FY26 Results Conference Call”
June 03, 2026**



Rathi Steel And Power Ltd



**MANAGEMENT: MR. UDIT RATHI – PROMOTER – RATHI STEEL & POWER LTD
MR. RAJESH JAIN – PRESIDENT – RATHI STEEL & POWER LTD
MR. KUSHAL AGARWAL – A.V.P. (GROWTH & STRATEGY) – RATHI STEEL & POWER LTD**

MODERATOR: MR. PARTH ACHARYA – KIRIN ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q4 and 12-month FY26 Result Conference Call of Rathi Steel & Power Limited hosted by Kirin Advisors. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask question after the presentation conclude. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth Acharya from Kirin advisors. Thank you and over to you, Parth.

Parth Acharya: Thank you. Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Rathi Steel & Power Limited. From the management team, we have Mr. Udit Rathi, Promoter; Mr. Rajesh Jain, President; and Mr. Kushal Agarwal, AVP of Growth and Strategy.

With that, now hand over the call to Mr. Udit Rathi for the opening remarks. Over to you, sir. Thank you.

Udit Rathi: Good afternoon, ladies and gentlemen. I welcome you all to the Earnings Conference Call of Rathi Steel & Power Limited to discuss our financial and operational performance for the second half and full year 2026. For I would correct myself for basically Q4 and full year of 2026.

I sincerely thank you all, investors, analysts, shareholders, stakeholders, for joining us today and for your continued trust and support. At Rathi Steel, we carry forward a legacy of more than five decades in the Indian steel industry under the renowned Rathi brand. Since our incorporation in 1971, we have consistently focused on quality, reliability, operational excellence, and manufacturing innovation.

Today, we operate a modern manufacturing facility spread across approximately 12.5 acres in the NCR region, Ghaziabad, with steel melting capacity of around 85,000 tons per annum and rolling capacity of approximately 2,00,000 tons per annum. We manufacture stainless steel billets, stainless steel wire rods, and TMT bars, catering to infrastructure, engineering, construction, and various other industrial applications.

One of our biggest strengths continues to be a focus on operational efficiency and technology-led manufacturing. We are proud to be India's first and only stainless steel wire rod manufacturer using direct charging technology where hot billets are directly transferred to rolling mills without reheating. This process significantly improves thermal efficiency, reduces fuel consumption, lowers manufacturing costs, and helps reduce carbon emissions.

Encouraged by the success of this technology in our stainless-steel operation, we have also initiated implementation of direct charging technology for our TMT division, which we believe

will further improve efficiencies and sustainability parameters going forward. Over the few months, last few months, the steel industry has remained highly dynamic.

India continues to witness healthy steel demand driven by strong government spending on infra, railways, roads, transmission projects, renewable energy, and urban development. Supported by both public infrastructure investments and private sector capital expenditure, domestic steel consumption has remained strong with healthy year-on-year growth trends.

At the same time, industry has also experienced global steel volatility, elevated fuel costs, geopolitical uncertainties, and increasing pressure from competitively priced imports entering Asian markets. India has temporarily transitioned into a net importer in certain steel categories due to this influx.

However, the domestic market has demonstrated resilience with improving demand conditions and recovery in TMT and rebar pricing trends after a prolonged period of softness. Another major trend increasingly shaping the industry is the accelerated transition towards sustainable and low-carbon steel manufacturing.

Green steel is steadily becoming an important industry priority with developers, institutional buyers, and government-linked projects increasingly preferring environmentally responsible sourcing and certified construction materials. The Ministry of Steel has also intensified its focus on green certifications and sustainable manufacturing initiatives.

While several leading steel players are aggressively investing towards scrap-based production, energy-efficient operations, and lower carbon steel manufacturing capabilities. In line with this transition, we have continued strengthening our sustainability initiatives. During the year, green power sourced through open access contributed to more than one-fourth of our overall power consumption.

Recently, we also received the prestigious GreenPro Type-1 Ecolabel certification from the CII for our Rathi Powertech branded 550 grade of TMT bars. This certification reinforces our commitment towards sustainable manufacturing and environmentally responsible steel production while strengthening our positioning in green infrastructure and institutional projects where certified steel products are increasingly preferred.

I am pleased to share that FY26 has been one of the strongest years for our company in terms of growth momentum and operational progress. For FY26, our total income stood at approximately INR716 crores, reflecting strong year-on-year growth of approximately 41.7%; EBITDA stood at INR28.9 crores with growth of 18.8%, while PAT increased to INR12.87 crores, registering growth of 39.24%. This is without considering the exceptional items in the PAT figures of last year.

Our performance during Q4 was particularly encouraging. During the quarter, our total income rose to INR244.57 crores, reflecting year-on-year growth of 63.3% and sequential growth of 52.7%. EBITDA for the quarter stood at about INR9.89 crores, reflecting growth of 22% year-on-year and 54% quarter-on-quarter.

Profit after tax for the quarter stood at INR7.45 crores, while PAT margin improved to 3%, reflecting sequential expansion of almost 185 basis points. This performance was supported by healthy market demand, improved product mix, operational efficiencies, and successful ramp-up of our TMT bar mill operations during the year.

Following recommencement of the TMT bar, we have been able to rejuvenate our dealer network while improving utilization of our existing assets. Production levels in our rolling mill witnessed growth of approximately 117% on a year-to-year basis. As we move towards into FY27, our focus remains on ramping up utilization levels further, improving operational efficiencies, and increasing our presence in high-margin and value-added products.

We are actively working towards ramping up utilization of our steel melting shop, which is currently operating at about 50% to 52% towards nearly 80% going forward. We are also evaluating expansion opportunities of our steel melting shop at costs significantly below industry benchmarks, while proposal for a higher capacity melting unit are also under consideration subject to future demand visibility.

Alongside this, we are implementing direct charging system as I said earlier to the TMT mill, which will -- which is expected to further improve our efficiencies and costs and carbon emissions as well. Our strategic focus also remains on increasing the share of high-margin stainless steel products and strengthening our presence in premium 550D grade of TMT bars catering to premium residential and infrastructure projects.

Sustainability will continue to remain an important pillar of our long-term strategy. Along with increasing renewable power sourcing, we are also planning rooftop solar power generation initiatives to further reduce energy costs and carbon footprint.

With strong operational momentum, significant available capacity headroom, and growing opportunities emerging within India's infrastructure and green steel ecosystem, we remain optimistic about the road ahead. I sincerely thank all the stakeholders, customers, and employees of Rathi Steel for their continued support.

And now, I would like to hand over the call for further discussions and questions-and-answer session.

Moderator: Thank you so much, sir, for your speech. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question come from the line of Raj Shah with Shah Venture. Please go ahead.

Raj Shah: Yeah. Hi. Good afternoon, sir. Congrats on good numbers.

Management: Thank you.

Raj Shah: So, with FY26 revenue crossing INR700 crores plus, what was the volume growth in TMT bars and stainless-steel product separately? And how did spreads move in both segments, given the market-driven steel pricing environment?

Management: So, as I mentioned earlier, basically, our overall rolling capacity is about 2,00,000 tons and that witnessed a year-on-year volume growth of almost 117%. So basically, from FY25, if I talk of the total rolled products that we made including certain small quantities of conversion and job work, was around 47,1440 tons.

This improved to around 1,02,000 tons. So, I don't have a specific number for the separate volumes for TMT and stainless steel, but there was an overall growth of almost 117% in the overall production volumes of the TMT bar of the Rolling Mill division.

Raj Shah: Okay. And at higher utilization, what EBITDA margin range can the company realistically sustain?

Management: What EBITDA margin can the company achieve going forward, you mean?

Raj Shah: Yes.

Management: So, it's kind of difficult to sort of predict the future numbers as such, but obviously with increasing capacity utilizations due to advantages of economies of scale, the margin spreads are expected to improve. But this of course will be subject to other market conditions, we are witnessing a sort of a hike in the fuel costs currently because of the Iran war problem.

So, but yes, going forward, we are very clear about our endeavor to keep increasing the capacity utilization, which will have an impact of course in a medium to long term on the overall margins also. It should likely -- in a natural sense, does suggest that the margins will improve with improved capacity utilization.

So, we have a lot of headroom available to improve the capacities further. The Rolling Mill division in spite of the growth is still operating at about 51%, 52%. So is the steel melting shop. So, there is large sort of headroom available to improve the utilizations further.

Raj Shah: Okay. And what percentage of FY26 revenue came from real estate, infrastructure, dealer distributor sales, and industrial B2B customers?

Management: So basically, my B2B segment, larger part is being catered from the Stainless-Steel division and some TMT bars also go -- they are largely for projects. So, I would say out of INR716 crores approximately, it's just an approximate number, around 40% odd should be coming in from -- 60% should be coming in from the B2B. Yes. And remaining around 40% would be coming from basically the TMT bar segment, roughly.

Raj Shah: Okay. Within real estate, what is the split between large developers, contractors, and dealer-led demand?

Management: No. So, TMT bar segment, we are catering to sort -- we sell it in two basic ways. One is the retail network where we have a strong retail network through our distributors wherein the brand Rathi is very popular. And some part goes to the larger builders directly. So out of the split of INR300 crores, what is the split between dealer network and institutional buyers, that keeps fluctuating,

depending on the realizations that we get, where we are able to fetch better realizations, and so that keeps fluctuating.

There is no sort of a fixed number which works out of it on a monthly basis. But certain new products we are trying to evolve, especially the 550D grade wherein the recognition of such high premium products are more within the builder segment. So that share, when we develop those products, will be catering largely to the builder, the larger institutional builders.

Raj Shah: Okay. Got it, sir. Yes. That's all from my side, sir. Thank you so much for giving us the limelight about the business. Yes. That's all from my side.

Moderator: Thank you. Our next question come from the line of Sakshi Shinde from Shah Consultancy Limited. Please go ahead.

Sakshi Shinde: Hello. Kudos to the company, and a couple of questions with me today. So, to understand how many large developers or institutional project customers are currently buying from our company?

Management: So, we have as we've sort of mentioned in our presentation, we're catering to a large number of renowned builders who are predominantly large builders in the NCR region, Uttar Pradesh and other region around us. So, lot of these customers are buying. So, we mentioned a few names in our presentation. Historically, of course, we've supplied to lot of prestigious projects, but currently the likes of erstwhile Jaypee Group, we've supplied a lot to them.

But right now, if you look at Page 17 of my presentation, we are supplying to groups like Ace, Wave, VVIP, these are and Ambience, Omaxe, ATS. So, we've historically supplied to them or we continue to supply to them either directly or through our distributors. These are all large renowned names. Indirectly, directly we've supplied to DLF also in the past. So, these are the predominant sort of builders in the NCR region and we cater to a lot of them.

Sakshi Shinde: Okay. And what is our payment cycle? What is the difference between real estate customer, dealers, and institutional customers?

Management: That we are very clear about not extended -- not extending large credit periods. So, if at all there is a requirement there, we rope in the sale through our distributors. So, my average debtor period for all the products categories together on an average basis is close to about 25 to 30 days. So that averages out the overall payment cycle.

Sakshi Shinde: And sir, what is the update on the rooftop solar plan and what percentage of total power requirement can be met through rooftop solar once implemented?

Management: We are still studying the feasibility. We are installing a couple of new sheds. There we are making provisions to install such rooftops solar possibilities going forward in the future. But typically, we are in talks with the technical suppliers and considering the environment of a steel plant which comprises of sort of heat, so we are studying the feasibility to do so.

Initial numbers suggest that we can probably go up to around 1 to 2 megawatts, which is more of an exercise to optimize the available rooftop sort of space available to us. It need not translate to a large consumption sort of a because steel plants are very sort of power intensive. It need not translate to a large sort of overall consumption. But whatever we can optimize -- do it optimally, we are we are going to do.

And other than that, we are buying almost more than a quarter of our total power consumption now is bought through open access, and it is renewable power that we're buying. So that is a major step which we are consciously working on and we want to keep increasing that further.

Sakshi Shinde: Also, sir, if I'm not wrong, the TMT rolling mill was shut earlier and we started in FY26. What was the main reason for keeping it shut earlier, and what do you think that what has changed now that gives confidence to run it sustainably?

Management: So basically, the idle capacity was remaining idle. We ran -- we used to run it earlier on sort of a conversion model. But we realized that the conversion model was not very margin accretive always going for reasons that the prices of major inputs were fluctuating. And that point of time, if you look at the company's history last four, five years, we have evolved also as an organization with respect to our financial stability also.

So, when funds were sort of little scarce or we were short of funds, we preferred to operate regions or operations which were more sort of margin accretive, sustainable we were focusing on. But now with the company's position stabilizing, and company slowly getting into the banking space also sort of availing the need-based working capital, we thought of a situation, would be ideal if we restart an idle asset. And the results have been very encouraging. We have been able to revitalize our sort of rejuvenate our brand equity value.

And now ever since we have restarted, we have witnessed that the high-end premium projects require special grades of stainless steel. So having realized that we have taken proactive steps towards that also, and we will soon be sort of catering to high-margin TMT bar products also, which is basically a 550D Grade, which we believe is at par in quality with the main producers.

Sakshi Shinde: Fair enough then. Good to hear. I will join back to the queue.

Moderator: Thank you. Our next question come from the line of Maya Nambiar with DigiTrust Capital. Please go ahead.

Maya Nambiar: Hello. Am I audible?

Management: Yes, please.

Maya Nambiar: So, for my first question is for stainless steel wire rod, which industries contribute the most demand? Auto ancillary, engineering components, fabrication, utensils, or other industrial users?

Management: So, we are not catering directly to these end-user industries. We are supplying to customers who are drawing these stainless-steel wire rods into end products like wires, fasteners, and various

other products and bright bars. So, the end-use applications it varies. It a lot depends on the grade of stainless steel that I am supplying, and how it is converted by my customer.

But we believe that the larger part of the grades that we are supplying, a larger chunk of the application will be coming in from the construction household sectors and some part will be going to the auto and engineering also.

Maya Nambiar: Okay. So rolling mill production grew 117% year-on-year after the restart of TMT operation. So, what is the current monthly production run rate?

Management: For the Rolling Mill division? Yes. So, we have two divisions. So, as I said we did around 51%, 52% capacity utilization of the Rolling Mill division last year, which was gradually ramped up because we restarted the mill only in April 2026 April 2025, sorry, which obviously took some time to ramp up. But on a quarter-on-quarter basis, the overall numbers would have improved or vis-a-vis the first quarter of last year. And now we are -- so this 51% with the current run rate, I think we are hoping to improve this utilization to close to 65% to 70% in this year.

Maya Nambiar: Okay. So how much more production can be achieved from existing capacity without major capex?

Management: Yes. So, as I said the Rolling Mill division, if not 70%, we are hopeful of taking it up to 60%, 65% this year, which may be ramped up further in years going forward. So, we don't require a lot of capex in the Rolling Mill division. But our plants are old, so we are -- and we want to keep modernizing it by sort of replacing the assets which have become non-efficient.

So, last year also we did a capex of INR20 crores plus, which was largely replacement capex and debottlenecking capex. We expect the same run rate to continue for a few years. For the Steel Melting Shop division, we have basically, it is backward integrated to the extent of around 40%, 45%.

We are studying a possibility of increasing the capacity of the steel melting shop further subject to various statutory clearances. If that happens, so that enhancement of capacity will require a reasonable amount of capex, which we will be able to sort of put on the numbers, once we sort of firm up our plans and have the approvals in place.

Maya Nambiar: Okay. So, what saving per ton is expected from direct charging in the TMT mill?

Management: What percentage you mean?

Maya Nambiar: What saving per ton?

Management: Okay. So, in today's times, direct charging has become very relevant because fuel prices have really shot up or they've almost doubled over the last two, three months because of the Iran situation. So whatever percentage we are able to roll via the direct charging route, because some part will still be rerolled via the reheating route simply because my rolling capacity is more than what the SMS can cater to.

But whatever we are able to cater through the direct charging route, I'm expecting close to approximately on, if I look at the selling price, approximately INR4,000 per ton saving in the rolling INR3,000 to INR4,000 per ton saving in the Rolling division. So, whatever I am able to roll directly, there should be a saving of close to 6% to 7% including the yield benefits. 6% to 7% is on the selling price of TMT bars.

Moderator: Thank you. Our next question come from the line of Vidhi Purohit with Phoenix Capital. Please go ahead.

Vidhi Purohit: Hello.

Management: Yes, Vidhi. Please go ahead.

Vidhi Purohit: Okay. Sir, I just wanted to know like what is the normal inventory holding period of raw materials and finished goods?

Management: So, we are holding inventories to the extent of about a month's inventory approximately overall, which is which is including of raw material and finished goods.

Vidhi Purohit: Okay. Sir, what is the current cost of borrowing, and what reduction in finance cost is targeted in FY27?

Management: My current cost of borrowing is 16%, from only one of the lenders -- there is only one lender that we have presently. We are in talks with the present lender and exploring new sort of lenders also, who are able to refinance this and give us need-based additional facilities at a reasonably lower cost than what we are currently availing at.

Vidhi Purohit: Sir, I noticed a few BSE intimations related to GST department disputes. So, what are these disputes about and what is the total amount currently under dispute? And what is the present status of this matter?

Management: No those are disclosures which were made based on good corporate governance, which were required to be made. So, those are -- we've already sort of disclosed the nature of those disputes. They relate to certain alleged issues with input ITC etcetera. And we strongly believe that they are not sustainable going forward. And they are at various stages of adjudication.

Some of the issues we've already got a stay from higher courts, and the other issues are being adjudicated. So, there is no sort of demand as on date on the company which is not being addressed in true sense. So, we whatever these issues are there, we have either filed appeals or we have sort of moved a higher court for relief. We don't foresee as per what legal advice we have been given; we don't foresee any sort of demand fructifying out of it.

Vidhi Purohit: Sir, how much capex was incurred to restart the TMT rebar mill and out of this, how much was capitalized or was charged to expenses?

- Management:** I would not have an exact number of what capex was incurred, but we have been -- so this would have been incurred last to last year, I mean, not in the current financial year. So, my capex in FY25 would have captured this amount. It may not have been very substantial, maybe around INR5 crores to INR7 crores is what I believe.
- Moderator:** Thank you. Our next question come from the line of Yash Rathore with Unique Solution. Please go ahead.
- Yash Rathore:** Hello. Am I audible?
- Management:** Yes, you are.
- Yash Rathore:** Hi. Thank you for the opportunity, sir. So, I have few questions with me. The first question...
- Moderator:** Yash, I am sorry to interrupt you, but your voice is very low.
- Yash Rathore:** The first question is how many customers have specifically asked for GreenPro certified or low carbon TMT products?
- Management:** So, our customers -- that's the basic requirement of all the major builders. So, the retail customers are not sort of demanding it because they don't get any benefit out of it. But all the institutional customers, they sort of get benefits out of certified green products. So, this is something which is a very evolving thing, and we believe going forward it's really going to be a preferred product.
- Whosoever is been able to supply green certified product will be a preferred supplier. So, it's been -- we get regular inquiries from all our existing institutional buyers, and they sort of have advised us to switch over to green products, and that's why the certification which we have obtained will help us going forward.
- Yash Rathore:** The other question I want to ask was, is the company planning any additional certifications such as EPD, ResponsibleSteel, or carbon-data certification?
- Management:** Yes, we are going to be working on further certifications, like there is a Green Steel Certification which the Ministry of Steel sort of provide. So, we will be, at an appropriate time, we will be looking at all those certifications which sort of give us an edge as a sustainable steelmaker.
- Yash Rathore:** Okay. Thank you for answering my questions. That's all from my side.
- Management:** Thank you.
- Moderator:** Our next question come from the line of Paras Agarwal, an Individual Investor. Please go ahead.
- Paras Agarwal:** Hello, sir.
- Management:** Hi.

- Paras Agarwal:** Yes. So, my question is like after receiving the GreenPro certificate for TMT bars, so are developers and institutional buyers actively asking for certified green construction materials?
- Management:** The awareness is bound to keep growing, and we want to be ahead in the curve. As far as sustainable steel is concerned, yes, there are lot of large developers and customers are sort of preferring to go for green certified products. And we believe that this is going to keep increasing.
- Paras Agarwal:** Okay. So, what are your insights on the North Indian markets? Like it has the highest growth opportunity -- does it have the highest growth opportunity in FY27 for the regions of NCR, UP, Rajasthan, Haryana, these regions?
- Management:** I don't have a sort of a country-wide figure as to which is the highest growing region. But if you are saying so, you may have certain data. But yes, NCR typically has been if not the highest, one of the highest growing regions for construction, for development using steel rebars. And we have a strong presence here because of a good brand, our plant being in proximity to these regions, so we are able to supply timely.
- And we have a good sort of relationship and amongst the large consumers, and we have a strong distribution network as well. So yes, the region is growing. We keep hearing of all these states around also incentivizing or sort of encouraging large investments. So yes, there is a lot of growth activity around.
- Paras Agarwal:** Okay. So, you're like focusing on NCR in the North Indian market. Like for the next financial year, there will be lot of revenue mix from NCR.
- Management:** No. So, TMT our TMT bars is all sold in NCR. It the freight element doesn't sort of allow us to sell it over large distances. So, we prefer the NCR region. For the stainless-steel business also, we are as a company, we control a substantial reasonable market share for stainless steel wire rods in the in the North NCR region, but stainless-steel products are supplied in other states also outside NCR.
- Paras Agarwal:** Okay. Can you give any like revenue guidance for FY27?
- Management:** So, we've already mentioned earlier that we aspire to maintain a growth momentum of 20% to 25% on an average. So, this we spoke about it, considering the FY25 as the base. So, we did give a guidance of an average CAGR of 20% over three years considering a base of FY25. So yes, we've done reasonably well in '26, and we definitely want to maintain the growth momentum.
- Paras Agarwal:** Okay. So, like what are the product mix? Does the company want over the next two to three years?
- Management:** So next two to three years, our focus will be completely to reach the full potential of our existing plant. And we keep looking for organic and inorganic growth opportunities. Now with the company's balance sheet becoming stronger and we want to grow at a rapid pace. So, products

are going to be related to because this unit basically caters to stainless steel and TMT bars. So, it's going to be primarily these products going forward as well.

- Paras Agarwal:** Okay, sir. Thank you for your answer. I will be joining back to the queue.
- Management:** Thank you.
- Moderator:** Thank you. Our next question come from the line of Maya Nambiar with DigiTrust Capital. Please go ahead.
- Maya Nambiar:** Hello. Am I audible?
- Management:** Yes, please.
- Maya Nambiar:** Sir, I have a couple more questions. So, what is the current raw material cost as a percentage of sale?
- Management:** Raw material cost as a percentage of sale. I'll just get back to you. I've just requested my finance team to sort of give you a number which is yes, I can take the next question in the meantime.
- Maya Nambiar:** Okay, okay. So, my next question would be in a falling steel price environment, how do you manage inventory risk?
- Management:** We sort of for our B2B category, which is stainless steel, we try to sort of cover the raw materials. We are able to cover. We try to cover the raw material as to what bookings we are able to cater. So, some part of it is automatically hedged that way.
- But of course, fluctuations both ways are a part of the industry, but we don't take a very long position in sort of covering raw materials, beyond what inventories we are able to -- sort of what orders we get. So, we play safe that way. Other than normal fluctuation, which is there, our policy has been very clear of going try to go hand in hand with the procurement of raw material and what we are selling.
- Maya Nambiar:** Okay. So, what was the average capacity utilization in FY26 and the Q4?
- Management:** So '26 I don't have present numbers of Q4, but '26 my utilization for the Rolling division was around 51.4% and for the steel melting shop was around 53%. So, it's approximately 51%, 52% average. This has been the utilization for FY26. And answering your first question, the raw material cost is about 80%.
- Maya Nambiar:** 80%. Okay. So, who are the company's key competitors in the NCR and North India TMT market, especially in FE 550 and FE 550D Grade? And how does Rathi compete against them on quality, dealer reach, delivery time and spreads?
- Management:** So, delivery we are -- that's an advantage we have. We are right in the NCR region, so we are able to deliver the customers very timely. We have a strong brand recall value. So that really helps. And cost-wise in the TMT bar space, when we implement moment, we are able to

implement the direct charging route, we will be at par with anybody else in the region. So larger edge that we get is, of course the brand and the distribution network that we have. So, I believe that we are a preferred supplier.

Maya Nambiar: Okay, sir. Thank you.

Moderator: Thank you. Our next question come from the line of Yash Rathore with Unique Solution. Please go ahead.

Yash Rathore: Thank you for the opportunity, sir. So, I have few more questions. The first question is for inorganic growth, what type of assets will the company be looking at?

Management: We want to do something which is related to steel of course. It could be -- we are open actually. We are actively pursuing it, but we're waiting for the right opportunity. It has to be, we're going to evaluate it which is of course linked to steel some allied sectors. Because we understand basic steelmaking and the and how the steel is sort of applied. So yes, we are looking at those kinds of opportunities.

Yash Rathore: And sir, what were the FY26 receivable days, inventory days, payable days and overall working capital cycle?

Management: FY26 year wise.

Yash Rathore: FY26 receivable days, inventory days, payable days and overall working capital cycle.

Management: I'll just ask Mr. Jain to sort of answer that. Payable days, working capital days, inventory days and cycle. Hello.

Rajesh Jain: Hello.

Management: Hello.

Rajesh Jain: Yes, my average payable days is around 60 days. And as far as inventory is concerned, it is approximately 25 to 30 days. And the receivables are approximately one month.

Yash Rathore: Hello.

Management: Hello.

Yash Rathore: Yes, sir. Am I audible now?

Management: Yash, I am sorry but your voice is breaking.

Yash Rathore: Sir I am audible now.

Management: Yes.

- Yash Rathore:** Sir, the question was how is demand for green steel from real estate and infrastructure customers?
- Management:** See yes, so I'm yes, so demand from as I said earlier, mentioned earlier, it's an evolving situation and it is evolving strongly because green certifications awareness, sustainability, green certified product, it gives an advantage or an edge to my customers also.
- So yes, it is an evolving demand, not from the retail segment, but it is sort of from the institutional buyers, it is evolving fast. Because it allows them sort of benefits like higher FAR etcetera. There are various policies of the government which encourage them to buy green certified products.
- Yash Rathore:** Okay. Thank you for answering my questions. That's all from my side.
- Management:** Thank you.
- Moderator:** Thank you. Our next question come from the line of Vidhi Purohit with Phoenix Capital. Please go ahead.
- Vidhi Purohit:** Hi, sir. I just wanted to know that what are the main challenges in reaching 75% to 80% utilization, demand, working capital, raw material, power cost, manpower, or market conditions?
- Management:** You mean to ramp up to 80%?
- Vidhi Purohit:** Yes.
- Management:** We seem to be having all the parameters in place now slowly, gradually. So, it takes of course establishment of acceptance of our products to -- in various product categories. That is because we just restarted a shut plant, sort of a closed TMT mill, that is there. In the stainless-steel space, I have mentioned earlier that there were few acquisitions which happened under the IBC space two years back. So that has sort of put some pressure on the supply.
- So, we expect now going forward the growth in demand to match up with the growth which has happened in supply. So yes, stainless steel is something which beyond a particular capacity utilization, if we push forward, then the pricing sort of -- there is some pricing pressure which happens. That is why we are gradually moving towards a more sort of equalized product mix, which gives us no additional pressure on or reliance on a particular product category. That's a very strategic and prudent step that we have taken. And slowly we are confident of ramping this further.
- Vidhi Purohit:** Okay, sir. Are cheaper imports or regional supply putting pressure on margins?
- Management:** That is always a story with any large commodity business, particularly steel. Imports keep happening and they do put a pressure overall. But in the region that we operate and the product category that we operate, there aren't a lot of imports which directly impact us.
- But of course, as an overall industry scenario, if imports happen, then it puts pressure on the sort of supply side or pricing side to the main producers, which have an indirect impact on the

segments that we operate as well. But we don't see a lot of sorts of rebars or stainless-steel long products being imported and being sold in the NCR region. So, there is no direct impact, but yes, indirectly when the industry suffers, we also suffer.

Vidhi Purohit: Okay, sir. Thank you.

Moderator: Thank you. As there are no further questions from the participant, I would like to hand the conference over to Mr. Parth Acharya for closing remarks. Thank you and over to you, Parth.

Parth Acharya: Thank you everyone for joining the conference call of Rathi Steel and Power Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.

Moderator: Thank you, Parth. Ladies and gentlemen, on behalf of Kirin Advisors, that conclude this conference. Thank you for joining us and you may now disconnect your lines.
