

May 15, 2026

To
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051
Symbol: SAMBHV

To
Listing Compliance Department
BSE Limited
P J Towers, Dalal Street,
Mumbai - 400 001
Scrip Code: 544430

Dear Sir / Madam

Sub: Transcript of the Conference Call held on May 11, 2026

This is with reference to our intimation dated **May 06, 2026** regarding Conference Call with investors and analysts on **May 11, 2026 (Monday) 05:00 PM IST** to discuss the Audited Financial Results of the Company for the Quarter and Year ended **March 31, 2026**.

In terms of the provisions of **Regulations 30** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached the transcript of the aforesaid conference call.

This above information is also available on the website of the Company.

Thanking you,

For, Sambhv Steel Tubes Limited

Niraj Shrivastava
(Company Secretary and Compliance Officer)
Membership No. F8459



“Sambhv Steel Tubes Limited
Q4 FY26 Earnings Conference Call”

May 11, 2026



MANAGEMENT: **MR. VIKAS KUMAR GOYAL – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER**
MS. ANU GARG – CHIEF FINANCIAL OFFICER –
**MR. BIKASH AGRAWAL – ADDITIONAL EXECUTIVE
DIRECTOR**
**MR. MAYANK AGRAWAL – ASSISTANT VICE
PRESIDENT CEO’S OFFICE & INVESTOR RELATIONS –**

MODERATOR: **MR. SAHIL SANGHAVI – MONARCH NETWORK
CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Sambhv Steel Tubes Limited Q4 FY26 Earnings Conference Call hosted by Monarch Network Capital Limited. As a reminder, all

participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, 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. Sahil Sanghavi from Monarch Network Capital Limited. Thank you and over to you, sir.

Sahil Sanghavi:

Thank you, Dorwin. Good evening everyone and welcome to the Sambhv Steel Tubes Limited earnings call to discuss Q4 and full year FY26 performance. Before we begin, we would like to remind you that today's discussion may include certain forward-looking statements which should be considered in the light of the risks and uncertainties outlined by the company.

Joining us on the call today are Mr. Vikas Kumar Goyal, Managing Director and CEO; Ms. Anu Garg, Chief Financial Officer; Mr. Bikash Agrawal, Additional Executive Director; and Mr. Mayank Agrawal, AVP, CEO's Office and Investor Relations.

We would like to congratulate the whole management, the whole team at Sambhv for the very impressive set of numbers. I now invite Mr. Vikas Goyal to take us through the business outlook and key financial highlights, following which we'll open the floor for questions. So thank you and over to you, Vikas ji.

Vikas Kumar Goyal:

Thank you, Sahil. Good evening everyone and thank you for joining the earnings call, conference call of Sambhv Steel Tubes Limited. I hope you had the opportunity to review our financial results and investor presentation filed with stock exchanges. I will take you through the key strategic updates, operational highlights and financial performance of the company for the year and quarter ended FY26, followed by discussion session.

I am pleased to share that FY26 have been a landmark year for the Sambhv with a growth of total sales volume by 37%, revenue 60%, EBITDA 79% and PAT by 147%. Our performance reflects the strength of our integrated business model, disciplined execution capabilities and the continued focus on operational efficiency and value-added products.

Before turning to the financial highlights, let me update you on strategic initiatives and expansion progress. We continue to make steady progress on our capacity expansion plans. As communicated earlier, our greenfield project at Kesda and Kuthrel-2 are progressing as scheduled. The first phase of expansion having 3,60,000 ton per annum of stainless steel capacity remain on track for commissioning in quarter four, financial year 2027.

Under our brownfield expansion program, we are enhancing capacities in both stainless steel CR coils and ERW pipes and tubes to strengthen our value-added product portfolio. We have completed the debottlenecking projects for stainless steel CR coils, which will increase capacity from 58,000 ton per annum to 1,16,000 ton per annum. We are expecting to receive the consent to operate in this week.

We are expanding our ERW and tubes capacity by 1,50,000 ton per annum through direct forming technology (DFT) with an estimate capex of INR50 crores. Upon completion, our total

ERW pipes and tubes capacity will increase to 0.5 million ton per annum. Further, we have successfully completed the public hearing of our proposed 30 megawatt captive power plant at Sarora, which has an estimate capex of INR150 crores.

This project is expected to make the Sarora unit self-sufficient in power requirements and improve overall operating efficiencies. Strengthening our stainless steel strategic further, we have signed MOU with the Ministry of Steel under the PLI scheme 1.2 for stainless steel CR coils for the manufacturing of thinner gauges coils catering to higher value application.

We are also pleased to share that we have executed six additional MOUs under the co-branding for stainless steel pipe manufacturing. With these additions, a total of 10 MOUs are now live under this initiative.

Further discussion with several other partners are also in place in progress. Coming to yearly operational performance, our product mix continues to evolve towards high margin high value-added offering in line with our long-term strategy vision.

Sales volume reached all-time high of 3,96,000 ton, registering growth of 37%. Value-added product volumes increased to 3,56,000 ton, marking growth of 51%. EBITDA per ton was INR7,500 excluding sponge iron sale.

Now moving to yearly performance, revenue increased by 60% to INR2,413 crores. EBITDA increased by 79% to INR276 crores with EBITDA margin remain over 11%. PAT more than doubled to INR143 crores while PAT margin improved from 3.8% to 6%.

We have delivered ROCE of 16% despite continuous capex. Our cash conversion cycle remains stable at 17 days. Coming to the quarterly performance, the quarter marked our highest ever revenue, EBITDA and PAT performance despite the war-related crisis.

Revenue increased by 38% to INR685 crores. EBITDA grew by 91% to INR92 crores. EBITDA per ton stood at 9,500 excluding sponge iron sales. PAT more than doubled to INR56 crores. EBITDA margin improved significantly to 13% and PAT margin improved to 8%.

Looking ahead, we remain confident about our long-term growth opportunities for the company. Our ongoing expansion projects, increasing market presence penetration, strong dealer relationship, strategic focus on value-added product position as well to capitalize on the growing opportunity in India steel pipes tubes and stainless steel sectors.

With our strategic manufacturing setup, captive power initiatives, expanding distribution network and experienced management team, we believe Sambhv is well-positioned to deliver sustainable growth and create long-term value for all stakeholders.

As we always say, “Sambhv hai, toh sab sambhv hai.”

Thank you once again for joining us today. We will now open the floor for question and answer.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Miraj from Sameeksha Capital. Please go ahead.

Miraj: Thanks a lot and congratulations to the entire team for a wonderful set of results. Sir, I have a question regarding the capex plans that we have now. So on the last call, we had discussed that the capex, total capex figure was of approximately INR930 crores, out of which you had already done INR200 crores?

And in this quarter, you've announced another INR200 crores worth of capex. Now, in the balance sheet, you have INR100 crores worth of, current investments, and if I just look at the current year's OCF also, you're doing at least INR200 crores of OCF. So if you can just break down, my first part is that if you can just break down the current total capex plan and how much of it is already completed, and how much of that capex plan will be debt-funded and how much will be internal accrual funded? That's my first question, sir.

Vikas Kumar Goyal: Thank you, Miraj. I would like to explain this way. The capex that we have announced of INR930 crores, in the last quarter, in the last call, we have spent around INR200 crores, which is now increased to INR300 crores. So balance cost to be incurred is approximately INR630 crores.

We have to take around, we have planned to take around INR675 crores of term loan for the Kesda capex. So further capex will be done from the debt itself. Additional capex that we have announced this quarter is around INR200 crores.

Both are more or less debottlenecking and operational efficiency capex. Power plant will give me a power cost saving of around INR60 crores to INR70 crores, and through debottlenecking of our existing rolling mill in Sarora, we will have additional capacity debottlenecking of around 150,000 ton per annum.

So with INR50 crores of investment in my pipe mill through DFT route, I will be unlocking a value, operating value of around INR40 crores to INR50 crores. So this INR200 crores will give me an operating boost of around INR100 crores to INR120 crores.

This INR200 crores, we have planned to do investment through internal accrual and certain amount of debt. At maximum, we will be taking INR150 crores of debt and balance will be through our internal accrual. So this is the two capex that we have announced and this is the debt and equity metrics of these two capex currently.

Miraj: Perfect, understood. So, sir, now we have, we have two different captive power plants. So after the installation of both of these plants, how much of our power would be captive?

Vikas Kumar Goyal: In Sarora plant, with this 30 megawatt power plant, we will be 100% self-sufficient. In Kesda, we are doing 25 megawatt of power plant installation, which will have self-sufficient for phase one of my rolling mill of Kesda unit. Kuthrel, we still have to import certain amount of electricity from the grid, but going forward, we have planned for that to integrate with our power plant system.

Miraj: Understood. Okay, great. And sir, my last question. So we've set up a huge target that in the next four or five years, we want to reach 2 million tons of finished steel capacity. So just wanted to understand your thought process and your internal discussions on how do you plan to maintain certain debt to EBITDA level targets or restrictions, or, you know, when would you decide that you, you might need some further equity raise? Anything on the debt prudence that you guys have thought of?

Vikas Kumar Goyal: So our main purpose of IPO that we have brought is to go financial prudent and reduce our debt. So management as a whole are very prudent on raising debt capital, or debt-fuelled growth is where we are very much sceptical about.

So going forward, we have certain internal metrics upon which we will be raising debt. Let's say we, our long-term debt will not be more than 1.5 times of our net worth and, my long-term debt should not be more than 1.5 times of my forward EBITDA.

So this is the two metrics upon which we are operating. First, secondly, in terms of future growth planning of 2 million ton of finished product, we have a bifurcation of, let's say, 10%, let's say 10 million ton of MS pipe and tubes, sorry, 10 lakh ton of MS pipes and tubes, 3 lakh ton of coated product and approximately 7 lakh ton of stainless steel coil. So this is the composition of our product mix for 2 million ton of 2030 install capacity that we plan to achieve.

Miraj: Understood, sir. Got it. Thanks a lot.

Vikas Kumar Goyal: We will have 10% to 12% of MS coil & pipe market share and 10% to 12% of stainless steel flat products & coil market share in 2030. So that is what we aspire to achieve.

Miraj: That's great, sir. Thank you so much for the detailed answer and we hope to see more detailing on the capex plans, we'll discuss in the coming quarters. Thank you so much, sir.

Vikas Kumar Goyal: Thank you, Miraj.

Moderator: Thank you. Our next question is from the line of Vinit Thakur from Plus91 Asset Management Company. Please go ahead.

Vinit Thakur: Hi, sir, congratulations on great results. Sir, I would like to know what is the capex schedule for next three years as we are reaching for the Phase 2 and Phase 3 as well? Phase 1 will be complete by FY27, end of FY27, and then when do you are planning to announce Phase 2 and Phase 3?

Management: Thank you, Vinit. So as we said, we wanted to achieve around 2 million ton of finished goods product. Along with that, we want to add two to three new product line in our product portfolio. So current capex figure as a whole is very difficult to quote currently because Phase 2 and Phase 3 of Kesda, the product composition is yet to be defined. So in coming quarters, we will be giving you the exact capex figure once Phase 1 is operationalized and certain products get announced in near future.

Vinit Thakur: So could you give me the capex figure for next two years, what would be the consol capex figure for as of two years without the Phase 2 and Phase 3 expansion?

Management: So, currently, we have announced around INR930 crores for Phase 1 of Kesda and INR200 crores for internal operational efficiency, that is power plant of 30 megawatt and 1,50,000 ton of DFT line mill. And we believe by another, like by FY28, we will have another INR300 crores to INR400 crores of additional capex that we may announce, depends on this particular announced capex execution and timeline.

Vinit Thakur: And sir, we've seen a good EBITDA per ton this year, especially Q4. Could you tell me a sustainable EBITDA per ton going forward and could you explain why the EBITDA per ton was peaked this quarter?

Management: This quarter is more than our expectations, but if the market's going on this way, like the HR coil prices as of now, it depends on the HR coil prices and the raw material prices, but we still believe INR7,500 to INR8,000 for our Q1 is expected.

Vinit Thakur: So could you explain why the EBITDA per ton was quite high this year -- this quarter for us? Like what was the factor affecting us?

Management: As I told you in the last con-call as well, our raw material is iron ore and coal. The procurement of the third quarter was used in the fourth quarter, which was at a very bottom price. So what I procured in quarter 4, its price has increased a bit, say 5% to 10%, that will be used now. And in Q4, prices although suddenly enhanced in December for HR coil because the abundance of HR coil production has somewhere converted into consumption. So now there is no extra capacity today of HR coil so that they have to give some extra discount in the market.

So going forward, I think HR coil prices will be fine, so I got price improvement in finished products, on the raw material side old stocks were used, so there was a gap and we got a little more margin. But it's possible that in this quarter also and going forward as well, if HR coil retail prices remain maintained, because raw material prices reduce a bit due to our rainy season. And if finished good prices remain same, we will perform even better.

And as demand reduces due to the rainy season in quarter 2 and 3, a little difference comes, and Q1 and Q4 are always good for the steel industry. So overall, if we say, in FY27, we can expect EBITDA in the range of 7,000 to 8,000 on an average side if the market situation continues to be like this, and a volume growth vis-a-vis '26 is around 10% to 15% is what we are expecting.

Vinit Thakur: Okay, sir. And sir, could you give me a break up of the realizations for each of the products that you have, or we've still not calculating it, if you do have the numbers?

Management: So, currently, see, our system doesn't allow us to calculate because we are fully integrated and all the departments and all the plants are interlinked. So currently, the transfer pricing and all this is not happening the way it should have been happening. So the bifurcation in terms of EBITDA per ton on the product basis realization will be difficult.

But in terms of realization, I would say for Q4 2026 black MS pipe, we have achieved around 55,000 to 60,000, depends on the product and size. GP we have achieved pricing of around 65,000 to 75,000, depends on again pricing product and the size range. SS 200 series, we have

achieved pricing around 120,000 to 135,000 INR per ton. And for SS 300 series, we have achieved a pricing of around 180,000 to 190,000 INR per ton.

Vinit Thakur: Okay.

Management: So if you see the current quarter price of black pipe is in the range of 57 to 60,000 INR per ton. GP is currently hovering around 75,000 INR per ton, SS 200 is 135,000 INR per ton and SS 300 is around 200-210,000 INR ton. So that is the current price or realization going on in the market.

Vinit Thakur: And sir, if you can give me individual production volumes of the products if it's possible? If not, then also it's fine.

Management: It is in the Investor presentation for Q4. So I think you can take a reference from there.

Vinit Thakur: No an issue, sir. And sir, one last question. What would be the peak utilization of MS, SS, GP and ERW or GI pipes? Like what would be the peak utilization after the debottlenecking is gone through and the new capacity comes?

Management: So in SS segment, we are going to achieve around 60% to 65% of the utilization because as we have announced we are about to receive our consent to operate for our brownfield expansion by this week end. So with that capacity expanded, we will have 60% to 65% of capacity utilization. For MS pipe and coil, 65% to 70% MS pipes and tubes, and for GP, we can achieve around 80% to 90% easily.

Vinit Thakur: And GI pipes and ERW?

Management: So we are not currently working on GI, we are working on GP pipes and GP pipes and tubes, so that utilization we're expecting around 80% to 90%. For ERW, 70%- 75% at max. That is the utilization that we can achieve after a DFT comes in line.

Vinit Thakur: Okay. And could you sir explain the DFT and the AOD process, like what is the beneficial aspect to it, if you could explain, sir?

Vikas Kumar Goyal: DFT is a direct forming technology. There is no direct relationship or benefit, but you get some benefit from changing the size, if I get an order for a size today then immediately. For example today for us to change the size, a time of three to four hours is taken, so that doesn't happen in direct forming.

So it becomes very easy for me to execute, it becomes very easy in right time delivery and our production capacity increases by about 10 to 12 thousand tons per month from one machine, so that is a benefit. These are not very beneficial in small sizes, so we will convert all our large sizes that we are making, 4 inches and above, to DFT.

Vinit Thakur: Okay, sir. Thank you so much, sir.

Vikas Kumar Goyal: Thank you, Vinit.

Moderator: Our next question is from the line of Mahek Talati from Agility Advisors. Please go ahead.

- Mahek Talati:** Hi, hello, sir. Thank you so much for the opportunity. Am I audible?
- Vikas Kumar Goyal:** Yes.
- Mahek Talati:** So just two clarifications. We did not have any inventory gain in this quarter, correct?
- Vikas Kumar Goyal:** Yes.
- Mahek Talati:** Okay. And sir, we mentioned that we were increasing our ERW capacity by close to 1.5 million ton, so we would be increasing our backward HR coil narrow HR coil capacity as well for this DFT plant, right?
- Vikas Kumar Goyal:** No, we are just improving our HR coil manufacturing facility in-house. Just after the transfer to SS manufacturing facility to Kesda, we improved instead of 6,000 ton of SS, we can we can produce 10,000 of HR coil in-house. So we are planning to convert that material to the pipes, ERW pipes. And little bit of the market HR coil.
- Mahek Talati:** Okay, understood. And what would be your peak debt after completing all the capex's?
- Vikas Kumar Goyal:** So currently, the capex that is announced, we are expecting a peak long-term debt of around INR800 crores at max and INR200 crores to INR300 crores of working capital. So that is what our total debt figure we are looking at the peak level for the current capex that we have announced.
- Mahek Talati:** Okay. And from Q4 to current, there has been an increase in the utilization across all the product portfolios. So how much is the pass on to the EBITDA? Is the similar increase in the raw material or what are the increase in the realization will pass on to our EBITDA?
- Vikas Kumar Goyal:** Can you repeat the question because we missed certain words of your question?
- Mahek Talati:** So there has been an increase in the realization across MS, GP and SS coils, but by close to INR2,000 to INR3,000 a ton. Now, can we expect this increase in the realization to be flowed down to EBITDA, or there is a similar increase in the raw material prices as well?
- Vikas Kumar Goyal:** So you are saying whatever the price increase in terms of realization, whether it is being 100% passed on to EBITDA level or not. So I think 50% to 60% is actually passed on to the EBITDA level. Rest actually we either passed on through our credit note or we are giving certain discounts to our customers.
- And also with the raw material cost, let's say zinc has been increased many fold and certain energy cost also increased during this war time and also the other cost also being increased along with that. So pass on percentage is around 50% to 60%.
- Mahek Talati:** Okay. So we can expect similar kind of an EBITDA around 8,000 to 8,500 in Q1?
- Vikas Kumar Goyal:** So we would give you a range of 7,500 to 8,000 currently, but if the war persists and if the market anomaly still lies there, we are hoping for the best. But 7,500 to 8,000 looking at current quarter is quite achievable.

- Mahek Talati:** Okay, understood. Okay. Thank you so much.
- Vikas Kumar Goyal:** Thank you.
- Moderator:** Our next question comes from the line of Mehul Panjuani from 40 Cents. Please go ahead.
- Mehul Panjuani:** Hello, sir, many congratulations to you for giving these numbers -- robust numbers. I have a question on Slide number 9. On Slide number 9, we have presented our existing capacity and the rest is post expansion capacity. So that post expansion capacity, is it including all products, how is it, sir? Please elaborate on this slide a bit.
- Management:** Will you say the last sentence once again? We missed the last sentence.
- Mehul Panjuani:** Yes, the slide number 9, the post-expansion capacity, I am assuming that it will be in 2030, right?
- Management:** Correct, it's for 2030.
- Mehul Panjuani:** And this expansion capacity, 20,32,000 MTPA. Is it including all products or how is it, sir?
- Management:** It's including all products.
- Mehul Panjuani:** So what are we -- what are we producing right now? Because I'm new to the company. What are we producing right now? Just only one product, is it?
- Management:** So currently we are operating in two segment, that is carbon steel segment and stainless steel segment. In carbon steel segment, we have two products, one is ERW pipes and tubes and secondly is GP pipes and GP coils. And in stainless steel, we are currently manufacturing stainless steel coil of 200 and 300 series.
- Mehul Panjuani:** So our current capacity in stainless steel is 58,000, or are we expanding that as well?
- Management:** That, as I told you a little while ago, we had undertaken a debottlenecking process whose consent to operate we expect this week. So the plant's construction and commissioning completely done, so it will become 1,16,000 tons. 58 will become 1,16,000 tons from this week itself.
- Mehul Panjuani:** Okay. And for this SS, we have just -- we are this is our first unit, right? The greenfield expansion shown, it's the first time we are making SS, right?
- Management:** No, for SS we had already started with 58,000 from November 2024. We have just completed our brownfield expansion to achieve 1,16,000 and the slightly larger version that we are doing, we are adding another 3,60,000 tons capacity in the Kesda unit which is the greenfield project you are talking about.
- Mehul Panjuani:** Okay, okay. And sir what will be the milestones in this because you know 2030 and in another 4 years what-what, I mean what are the milestones we are having?

Management: Sir, as and when every progress of ours happens we will announce, but a broad milestone is that the 12 lakh tons we showed on Slide number 9 will be executed in three phases. The first phase that we have already announced of INR930 crores, that will have our 3,60,000 tons install capacity of stainless steel coil.

And similarly two separate phases Phase 2 and Phase 3 will come, but the product composition has not been finalized yet for those...

Management: But what we have targeted is that for carbon steel pipes and tubes we will do 10 lakh tons in the next four years, I mean we will develop our capacity. And around 3 lakh tons we will do in coated steel and around 7 lakh tons in stainless steel.

Mehul Panjuani: Okay. Okay, sir now that we are in this journey of expansion, will our EBITDA per ton improve or remain sustained and how will it be, I mean? Because our EBITDA margin has come out much better this year, so how will it impact our EBITDA per ton?

Management: Sir if you see last year, for example in Q2 and Q3 our EBITDA margin was at a slightly lower level because this is depending on the raw material price and the HR coil prices. The rate of HR pipe today is decided on the HR coil price, as many big manufacturing companies today that convert pipes from HR coil only, so the pipe rate is decided on the base of HR coil only.

So today you will see that if I talk about December first week, its around prices of HR coil is INR45,000 and now it is at INR56,000 per ton. So the 20% move that has come, we also gained from its pricing, of course some raw material pricing also increased, overall steel prices increased.

But now HR coil will go back to those prices, no such effect is seen going forward because we have a backup of safeguard duty for 1 or 2 years, let's say what the government does if there is any dumping from China. And besides that, earlier there was an abundance because everyone's capacity had moved together in the market and there was no consumption, now slowly you will see that consumption of flat products has increased in the market.

So because of that now production and consumption of HR coil is at par, so now HR coil price will not go very low, that's what we believe. So our EBITDA per ton as well, it will be around this only which we think we will easily be able to achieve, if I talk about next year then around 7,000 to 8,000 we will be able to achieve very easily.

Mehul Panjuani: Okay. And sir our margins will also remain steady around 13%?

Management: Sir, that also just, I mean you can take a figure of 10 to 12%, 10 has become very bare minimum if there is any problem, and if we do better we can do around 12-12.5% as well.

Mehul Panjuani: Okay. And sir about our revenues, for whatever expansion we are doing, how are we managing that we have enough market enough demand, I mean have we already captured that, whatever I mean market expansion...

Management:

We have definitely done it sir. So we have understood the whole market, that steel consumption in India is going to be high in every sector. Now for example if you see in the solar sector where today we have done 135 gigawatts and have to do 500 gigawatts, so about 4 million tons of steel is to be consumed in this.

Warehousing which we have today at 25 crores square feet and we have a target of 100 crores square feet by 2030, so 5 million tons of steel will be used in this. Similarly in railways about 1300 terminals are to be redeveloped, 400 new Vande Bharat trains are to run.

Our metro today has to go from 1150 kilometers to 3,000 kilometers, 400 new airports are to be built, so a lot of steel will be used in all of India. And today steel engineering is converted into the hollow section pipes. Hollow section in flat products. So the warehousing requirement that will come, it will be in pipes and tubes 70%-80% -- you can assume 60%-70%.

The solar products we are making, coated products, in that also 60%-70% requirement will come to us. In railways also pipes hollow section have started to be used, so there too stainless steel will be used in trains, the piping inside trains, that and the terminals that will be built new, in those too all the railings that are to be fitted have started to be stainless steel.

And the roofing has converted to pipe and tube. In metros also, whatever interior decoration or railings you see have all come to stainless steel and the railings on the side of the track are entirely in pipe and tube. So in this way our product is going to have high consumption in India now because today for public transport, you can say, there is a high requirement and it is being built. The government also has an initiative for it that we have to strengthen public transport. Just yesterday Modi ji announced that everyone should use public transport.

Mehul Panjuani:

Yes, yes. Okay sir there was one question we are...

Moderator:

Sorry to interrupt I request you to please rejoin the question queue if you have any further questions.

Mehul Panjuani:

I would like to make one request, one last question sir, about this West Asia war, what has been the impact on our quarter and going forward if this doesn't get resolved, what could be the impact?

Management:

Sir, we are totally -- mostly depending on our in-house power requirement from our captive power plants, first. Secondly, we have commissioned our LNG-based pipeline requirement. We have switched our energy requirement from LPG to LNG in January 2026.

So just before the war, we have successfully converted our line from LPG to PNG and Chhattisgarh very few people are using PNG pipe gas and also the city distribution is yet to be started. So as per the MOU with the GAIL and state of Chhattisgarh. the PNG supply is uninterruptedly being provided to Chhattisgarh based manufacturer. So we have not impacted with the shortage of PNG or LNG. So even in this war time, our plant were up and running 24x7.

Management:

And there's another thing sir, the big plants today -- they are all on coking coal, I mean their consumption is of coking coal which is imported and whose pricing has also increased quite a

bit now. But our industry is dependent on domestic coals, so domestic coal is available in great abundance and we are getting regular stock at a very good price. So we don't have import-related products as raw material, so that's why we weren't impacted by this war, but if you see a bit adversely the impact on pricing that came, we benefited from it.

- Mehul Panjuani:** Okay. Thank you so much, sir. Many thanks for answering in detail sir, thank you.
- Management:** Many thanks to you too, sir.
- Moderator:** Thank you. Our next question is from the line of Shashi Ranjan from Anandhan Capital. Please go ahead.
- Shashi Ranjan:** Thank you for the opportunity, sir and congratulations to the entire team. In Slide number 38, I see that the inventory has jumped up significantly to the tune of like 40%. Although we have increased the number of distributors by say 10% and a dealer by say around say 40%. In spite of having these increase in dealers and distributors, we see that the inventories are up by 40%. May I know the reason for that, sir?
- Management:** Sir, it is in line with the revenue. If you see the revenue it has gone from INR1,500 crores to about INR2,400 crores. So 40% revenue has increased and our stock has also increased by around 40%. Last year we had just started our two new products, stainless steel and coated product.
- So in those we didn't have as much stock of raw material or finished product or work in progress because we were able to utilize its capacity less. Now we are utilizing full capacity, so you can assume it is in line with the revenue only, that our revenue has jumped about 40% so our stock has also increased by 40%.
- Shashi Ranjan:** Okay. Thank you, sir. And again from Slide Number 38, I see investment of INR100 crores in the non-current asset. Can you just throw some light on that INR100 crores of investment that is there?
- Management:** Which slide did you say?
- Shashi Ranjan:** Slide number 38, sir.
- Management:** Yes. So we have excess funds at the March year end. So we just have parked the excess INR100 crores in the liquid fund, which is highly insignificant risk involved and since it is invested in mutual fund, so we have shown this in current investments and that can be converted into cash at any time.
- Shashi Ranjan:** I mean it is in the non-current investment if I'm not wrong, non-current asset. It's in current investment. my last question, yes, it's current investment. Now the last question if I may extract is that we are completing the entire capex by say Q4 FY27, right? So what percentage of PLI 1.2 [inaudible 0:39:20] we will be able to extract that we are going to have?
- Moderator:** Shashi, sorry to interrupt, but your line is not very clear. Members of the management, I hope you have the question?

- Management:** Yes, clearly audible to us.
- Moderator:** Okay. Shashi can you repeat the question please.
- Shashi Ranjan:** I'll repeat the question again that most capex will be over by Q4 27 and with the Greenfield expansion ending by that time, how much we will be able to extract from PLI 1.2 which the government is offering right now, which ends in 2030-31?
- Management:** So PLI scheme that for the thin gauge cold roll coil that we have received, we can avail it till 2030 or 2031 or so, but it will be capped at around INR200 crores or the install capacity tonnage production. So either of these two condition. So let's say 2027 Q4 we will be commissioning. So we will have three to four financial year to avail this capex PLI incentive from the government of India. In terms of percentage, it will be in the range of 13% to 15% depend on which thickness and which grade of steel that we are going to manufacture from the plant.
- Shashi Ranjan:** Okay. Thank you very much for the elaborate answer. Congratulations to the entire team and all the best wishes. Thank you. I'll come back in queue.
- Moderator:** Thank you. Our next question is from the line of Chandresh Malpani with Niveshaay. Please go ahead.
- Chandresh Malpani:** Yes, thank you so much sir for the opportunity or congratulations on a good set of numbers sir. Sir my first question was as you told quite well about the MS side as to what was the situation and why this EBITDA per ton expansion came, so sir what is happening on the stainless side because in one of your answers you mentioned that 300 series realization has now reached around 2 lakh to 2, 10, 000 while in Q4 it was about 1, 80, 000 to 1, 90,000. So what is the situation there, sir and together with that as you told about an import window in the last quarter, so what is the update there?
- Management:** Sir now like for us, if you see that in our last two quarters, we have done only around 10% production of 300 series and if we see on this same production line now, our plan is for only 10% to 20%. Because we are developing the P&T section strongly, that in the market, our MoUs -- now with about 10 people, we are getting our pipe manufacturing done on co-branding partnership.
- In which about 1,200 tons of our quantity has been achieved, which MoU holders are taking from us. And this year's target is that about 2,500 tons per month, we should get pipe manufacturing done in co-branding with through our MoU holders. And when we start Kesda, we have to sell some HR coil Sambhv, stainless steel HR coil as well, and do CR at the same time.
- And we have to go into the utensil section as well, and many other unfolded sectors that we have to go into, in the 400 series as well. So at that time, if you see the ratio of 300 and 400, it will improve. 30% to 40% could be 300 and 10% to 20% will be 400 series. But right now, we are - - right now we are on 200, our margins are also good and we have to capture our market in this now strongly. So right now, we will do 300 series only around 10%-20%.

Chandresh Malpani: Okay. And on the import window, what is the update there now?

Management: In the import window, as the government has now given a specified date, earlier whenever they allowed non-BIS standards, they gave timelines like 3 months, 6 months. But this time they have given a specific timeline of October 10, that after October 10, no bill of landing will be allowed in India. So this is the last timeline I think given, that those who are working on sectors related to imports, who are dependent on it by importing.

But if you see that the price improvement that has happened in India, it has also happened in China as well. The energy crisis of the war crisis, if you see the crisis, it is in China along with India. And the prices of nickel or alloy steel have increased, like nickel, chrome, and copper. So our costing in India has increased, along with that China's costing has also increased. And production cost is not more than ours from China.

So it is not possible for a lot of dumping to happen or for material to come at a very low rate. So the pricing will remain the same, material will come from there because we don't have that much capacity in India right now that we can fulfil the consumption of India. So some or the other import will happen from China now.

Right now non-BIS standard is happening, let's say, then the government which will give licenses to people from BIS standard, then BIS standard materials will come. But for us, there is no -- regarding pricing, there is no -- pricing pressure in the domestic market for us.

Chandresh Malpani: Okay sir. And sir, as you have announced DFT on the ERW side, in that basically how much will we make from in-house coil and what will be the ratio of outside, and what is it currently?

Management: Right now, if we do pipe production of about 20,000 tons per month, then we are doing 15 to 16,000 tons from in-house coil and 4,000 to 5,000 tons from outside HR coil. And going forward, when we take it to about 30,000 to 35,000 tons per month, then we will do 20,000 to 25,000 from our in-house coil and 5,000 to 10,000 tons we will do from outside HR coil. Because the large sizes we have to make, those above 7 inches.

We will be able to make from outside coil only. So our size availability, which is a bit of a -- that we are not able to make some large sizes or some special sizes available immediately today, so after DFT is installed, we will be able to make them available immediately. Our delivery will be a little faster. We think our margins will also increase a bit after that.

Chandresh Malpani: Okay. Got it sir. And sir, last question, sir, our working capital cycle, like we have maintained it very well and we are maintaining it at 16-17 days, even when you know, we are growing a lot in stainless steel which is a B2B business. So how do you see this days going forward when you know, 60 percentage contribution of revenue will come from our stainless steel business revenue?

Management: So if I see my current product mix, the 17 days that we have achieved in FY26, it has been achieved with a lot of efforts and improvements in our planning. FY27 will also remain in this range, our expectation is. But as soon as my stainless steel production goes live in 2028, at that time my cycle will be 25 to 30 days because stainless steel has an advanced raw material cycle

and the material we release in the market, its credit period is a bit more vis-à-vis our MS pipe and currently the coated products. So as soon as the product mix changes, my expected stabilized working capital cycle will be 25 to 30 days.

Management: And what it is currently, will remain same between 17 to 25, a little variation can come. So we will try to take it below 17.

Moderator: Our next question is from the line of Himanshu Shivhare with MB Investment

Himanshu Shivhare: My question is what is the percentage of inventory of raw material that you have that is bought on the old prices as of now?

Management: Actually, in this, like our basic raw material is iron ore and coal, in which there is not much fluctuation in pricing right now. If you see, NMDC has increased the price by INR250 after just one month. And before that also, they had increased the price by about INR200. So there is no very high impact of pricing as much as the price of finished product has improved. So we are defining all the work-in-progress inventory on cost basis. The price of coal has also increased by only about 5% to 10% if you see. So there is not much variation in the old level stock and new level stock.

Management: And Himanshu, if you see our financials, around 60% is in the form of raw material and 40% are in the form of finished good, stock-in-trade or you can say stores, spares and parts. So 60% raw material form in inventory, that is for us stabilized price. So there is no differentiation between old rate and new rate because the parity is there, there is no major gap in the pricing.

Management: And for us stock loss or stock profit doesn't come up because we are calculating all our WIP on a cost basis, that we value it only at our cost. And as for iron ore and coal, we calculate the stock for those based on what we real-time achieved and received.

Himanshu Shivhare: Okay. So I mean if our finished product prices remain stable then our margins will be maintained in the future?

Management: Yes, yes.

Himanshu Shivhare: Thank you, sir. Thank you so much.

Management: Thank you Himanshu.

Management: Thank you Himanshu ji.

Moderator: Thank you. Our next question is from the line of Randheer Singh with Randheer HUF. Please go ahead.

Randheer Singh: Hello?

Moderator: You may proceed sir, you are audible.

- Randheer Singh:** Sir, thanks for the opportunity, sir. Sir, I want to ask some questions regarding this seamless pipe, sir, what is the update on that now, sir?
- Management:** Sir, its approvals, I mean are expected now and for the PLI -- since you're asking about seamless pipe, our seamless long product has been approved under the PLI 1.2 scheme. But in terms of project planning and everything once full approval is there in our hand, we will be announcing that and there, sir. Before that announcement, doing announcement will not be prudent, sir.
- Randheer Singh:** Sir, from when can the production for this be expected?
- Management:** Completely depend on the approval from the government authorities, sir. Once we will have all the approvals in place to start the construction work, then we will be announcing the exact timeline for the production line, sir.
- Randheer Singh:** Sir, whatever MOU has been signed through the PLI scheme, can there be improvement in margin from it?
- Management:** PLI scheme has been designed under a certain percentage incentive of revenue. So if a situation remains such that there could be a pricing war, then that PLI scheme will work as a safety net for us sir. But yes, if we work at the same price point and with the same cost structure with PLI then there will be improvement in margin with the PLI scheme sir.
- What rest of the industry and other players are also achieving, let's say mobile electronics and the high value-added products in which other manufacturers are showing higher margin because of the PLI, we will also be having that benefit, sir.
- Randheer Singh:** Sir I missed your opening remarks a bit and missed those of the earlier participants as well, so I want to know a bit, this question may be repetitive for you, this Kesda greenfield expansion sir on this -- I mean as you were saying by Q4 FY27, is that still the expected timeline sir or is there a possibility of any delay in this?
- Management:** Touchwood no delay is expected yet, the timeline is still intact sir. With God's grace, we will be achieving by Q4 2027.
- Randheer Singh:** Thanks.
- Management:** Thank you Randheer ji.
- Moderator:** Thank you. Our next question is from the line of Avnish Kumar from Retu Fin. Please go ahead.
- Avnish Kumar:** Good evening, sir.
- Management:** Good evening, Avnish.
- Management:** Good evening.

Avnish Kumar: Sir first of all congratulations on brilliant set of numbers. Sambhv has delivered exactly as per lines, very good numbers, sir. Extremely proud to be a shareholder of Sambhv Steel. Sir my questions were like what kind of product lines are we planning to add in upcoming 2, 3 years?

Second, do we also have plans to add some value added materials like color coated sheets, the roofing sheets, I'm talking about? And third, sir what is the difference between our SS coil and Jindal Stainless SS coil?

Management: So you've asked three questions Avnish ji. First is what are the three or two four products whatever we are talking about what will be that. So one philosophy is clear that the project we launch will be in and around my current integrated setup or my current skill set with low capex.

So whatever product it is, it will be supplementary or complementary to my existing integrated setup first. So there is no specific to be quoted as on date in this call itself. Secondly, the stainless steel you're saying how it is different from Jindal, sir stainless steel is stainless steel, its chemical composition and physical properties if I'm matching the BIS standard and the Indian standard then both are same sir.

Avnish Kumar: No, no, I'm talking about quality, I'm talking about size mix. Is the size mix exactly equal to ours?

Management: Currently, sir, we are doing stainless steel of 200 and 300 series through narrow width rolling mill and cold rolling mill, whereas Jindal Stainless produces width sizes up around 2 meters to 2 and a half meters So their sizes in terms of width is much larger than what we are currently producing.

So our use case becomes a little restricted, if we talk about the width sense. And third, color coated sheet and what you said in value-added products, so currently there is no plan, but going forward, if we feel that we can achieve significant player from our own integrated facilities and penetrate the market, then definitely that is also on the table, sir, but not right now, sir.

Avnish Kumar: Okay. And sir, just one query more. What is the aspiration that we have in terms of revenue and net profit margin in coming five years? Because sir, your product mix is different, I can't compare you with APL Apollo because you have stainless steel also. I can't compare you with Jindal Stainless because you have MS also. So what kind of revenues and net profit margin we are looking at in next five years, sir? What is the aspiration?

Management: Sir, our three product lines currently, for which we have just given guidance that we will do 10 lakh tons of MS carbon steel pipes and tubes, will do 3 lakh tons of installed capacity of coated sheet and coated product, and will achieve 7 lakh tons of stainless steel capacity. So if we talk about 2030, sir, my capacity utilization will be around 60%.

And revenue profile wise, I won't be able to say, but if I look at my EBITDA level, if I do 60% capacity utilization, then my EBITDA profile should be around INR8,000 to INR9,000 per ton, the kind of product mix that we have announced. Margin wise, if I say, percentage wise, our business usually operates on a median margin of 12%, plus-minus 2% bracket in the worst-case

scenario and the best-case scenario. So this 12 plus-minus 2% margin profile will always be ours, sir.

Avnish Kumar: So sir, can I assume 10% net profit margin in bear case scenario, sir?

Management: Sir, bear case scenario, net profit margin is PAT that we are talking about. So in my opinion, if we do the margin profile of PAT, then our PAT's operating bandwidth is 5% plus-minus 1%. So 5% is a net profit margin, plus-minus 1%, worst-case scenario 4, best-case scenario which we have displayed in Q4 is 6%, sir.

Avnish Kumar: Fine, sir. Thank you so much sir for the clarity and all the best for your plans, sir.

Management: Thank you Avnish ji. Thank you.

Moderator: Thank you. Our next question is from the line of Romil Savaliya from Chemnine LLP. Please go ahead.

Romil Savaliya: Yes, hello sir. Thank you for the opportunity to ask a question. Sir, one question was on a capital allocation side. So sir, whenever capital allocation...

Moderator: The current participant seems to have dropped from the queue. We will proceed to the next question, which is from the line of Mehul Panjuani from 40 Cents. Please go ahead.

Mehul Panjuani: Sir, thank you so much for the follow-up. Sir, I had a question, the expansions we have announced, so which will be the most important and significant expansion? We are doing 1.2 MMTPA Greenfield expansion, and power captive power plants and stainless steel debottlenecking and ERW expansion through DFT route. So which one is the most significant for our guidance?

Management: Sir, every capex is significant in our opinion. We are taking every capex seriously, executing the capex and timeline by mitigating every risk, management is working on that line every day. But in terms of volume term and monetary term, in comparison to the history of our company, if we see, the Kesda plant which is 1.2 million ton finished product capacity, that is a challenge for us and an opportunity as well, and we are executing it by taking it very seriously. Rest, the capex that is announced, debottlenecking or Brownfield expansion, it is happening in an ongoing process on a very auto mode, but Kesda is where the maximum focus area is there.

Mehul Panjuani: Right. And sir what are Kesda's timelines for this expansion?

Management: Phase one which we have announced now of 3,60,000 tons of stainless steel coil, we will be able to commission that by Q4 FY 2027, its benefit we will see in FY 2028 in capacity utilization, sir.

Mehul Panjuani: Okay, of the first phase and sir second phase?

Management: Sir, once I have seen my utilization of phase one and I get a flavor of my current capex, then after that we will be able to announce the product mix and timeline for phase 2 and phase 3 sir.

- Mehul Panjuani:** Okay. And sir this time volume growth is 37%, so once this expansion is done will we I mean be almost doubling our capacity?
- Management:** Yes, sir.
- Mehul Panjuani:** Okay and that and that we will see the results in first quarter of FY28.
- Management:** So FY28 it will not be linear because any new plant will take time to ramp up capacity. So if you tell me about the capacity utilization for phase one of the Kesda unit, we will be achieving the peak at Q3 Q4. So in Q1 '28 it won't be entirely visible, but if I average out then my capacity utilization will be around not more than 40% for the first year of commissioning.
- Mehul Panjuani:** Okay. Okay sir thank you so much and all the best sir.
- Management:** Thank you Mehul ji.
- Moderator:** Thank you. Our next question is from the line of Isha from VT Capital. Please go ahead.
- Isha:** Good evening, sir. Sir, I had one question regarding how are we seeing quarter 1, is it like in tandem with quarter 4 given the prices have remained strong and the demand itself is quite strong? Obviously in Q2 we would be seeing a slowdown due to monsoon, but are we really expecting that great monsoon this time which we saw last year?
- Management:** So, if I go by public reports and El Nino publications, people in the circle are talking about a below normal monsoon this time, but last year was a phenomenally bad year in terms of monsoon because it was quite prolonged, let's say four to five months of monsoon. Monsoon resided till November-December. So this time if there is an El Nino impact and a below normal monsoon, then we believe that for us as a steel industry there could be a slight demand uptick. Even if the monsoon is normal, then demand, as it is cyclic for Q2 and Q3, will remain that way only ma'am.
- Isha:** And sir what EBITDA per ton are we expecting in Q1? Is it in line with what we saw in quarter 4 or is there any difference that we can see because of the pricing scenario change?
- Vikas Kumar Goyal:** So we would like to give you a guidance of INR7,500 to INR8,000 per ton for Q1 FY27.
- Isha:** Okay. And sir this 1,50,000 ton capacity for ERW that we have announced, when do we expect this to come online?
- Management:** By Q4 FY '27 ma'am.
- Isha:** Okay. It would and what would be the utilization in '28? Would it be like greater than 60%-70%?
- Management:** It will be around that range only that you have quoted, ma'am.
- Isha:** Okay, okay. That's it from my side. Thank you. Thank you, ma'am. Thank you.

- Moderator:** Thank you. Our next question is from the line of Vinit Thakur from Plus91 Asset Management Company. Please go ahead.
- Vinit Thakur:** Hi, sir, thank you for the opportunity again. Sir I just want to know the SS value chain that we have currently, how does it work because I was trying to figure out we have an around 58,000 tons of capacity which is going to 116 as of this weekend, but we have done we have said a 1,69,000 tons of sales in in SS. How is the working, sir, is possible in that? I'm just trying to understand? Hello, sir, am I audible?
- Management:** So, after this brownfield expansion that we have already done, our stainless steel rated capacity will be 1,16,000 tons, but if we talk about peak production, then we can achieve a peak production of 6,000 tons per month. So, if you look at our current run rate, the average for last year's stainless steel production was around 4,000, now this year in 2027 it will be around 5,500 to 6,000 depending on what thickness material I am producing more.
- Vinit Thakur:** So, sir, assuming that the saleable product is only CR coils, then the saleable product will always be CR coils, not HR coils. And we can switch either or, right? Whenever we want?
- Management:** From the existing facility, for now, we will sell only CR coil as end product.
- Vinit Thakur:** Okay. So, sir, when we talk about production of SS, which includes slab as well, can you explain the working of 1,69,000, sir? How does it happen? And how does it translate into 48,000? If you can give me the understanding of it?
- Management:** Sure. So, production number includes the intermediate product as well. Let's say, in 169, we produced SS slabs. We produced slabs worth around 60,000. We converted the slabs into HR coils. So, around 59,000 HR coils were made. And then we converted it into CR coils.
- So, if we add all three, then we reach a production quantity of around 1,69,000. But again, the saleable out of these three is only CR coils. And hence, the sale quantity is only 49,000 tons. Because the slabs and the HR coils got captively consumed, right?
- Vinit Thakur:** Correct.
- Management:** Yes. So that is why you will see a difference between the production number and the sales number because at two levels we are captively consuming everything and not selling in the market.
- Vinit Thakur:** Correct, sir. So, sir HR to CR what is the conversion ratio?
- Management:** HR to CR?
- Vinit Thakur:** Yes.
- Management:** The conversion ratio of HR to CR, I think, is around 98% recovery. So, 2% would be the rolling loss, you can say.

- Vinit Thakur:** So sir, when we talk about MS also, do we sell sponge iron also outside or only slabs and HR and CR are counted in intermediate?
- Management:** No, in SS value chain, slabs, HR are counted in intermediate because we have a three-step process. We manufacture the liquid metal of stainless, convert into slabs, so this is the first step. Then slabs get converted into HR coil, this is the second process, and the third is where we do the cold rolling of HR coil. So, it's a three-step process.
- Vinit Thakur:** And sir, for MS also it will be the same, right?
- Management:** So, in MS one step is added because before the melting we also manufacture sponge iron.
- Vinit Thakur:** Correct, sir.
- Management:** So, one step is added there in carbon steel, and in case of coated steel, there is an additional process where we also do cold rolling. So, after HR, first we do the cold rolling and then after cold rolling, we do the galvanizing of that CR coil and that galvanized coil is converted into pipes.
- Vinit Thakur:** So, sir, correct me if I'm wrong, so whatever CR we produce will be fully used in galvanized, right? In GP will be used if we make it?
- Management:** 90%-95% because some CR coil we do convert directly into pipes also, which we call it CRFH pipe.
- Vinit Thakur:** So 40%-45% would be going to galvanized, right?
- Management:** No, not 40%-45%, 90-95%.
- Vinit Thakur:** 90%-95% will go to galvanized and then whatever remains, we will put into CRFH.
- Management:** Correct.
- Vinit Thakur:** Okay, sir. Thank you so much, sir.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the management for closing comments.
- Vikas Kumar Goyal:** Thank you everyone for participating in this call. We hope that we have addressed all your queries satisfactorily during this session. However, if there are any remaining questions, please feel free to reach out our investor relationship at Go India Advisors. Once again, we extend our gratitude to all the participants for joining us today. We look forward to interacting with you again in the coming quarters. Thank you. Have a great day ahead.
- Moderator:** Thank you. On behalf of Monarch Network Capital Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.