Manaksia Coated Metals & Industries Limited

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Sec/Coat/0041/FY 2026-27 **Dated: 18.07.2026**

The Secretary
BSE Limited
New Trading Wing,
Rotunda Building,
PJ Tower, Dalal Street,
Mumbai- 400001
Scrip Code: 539046

The Manager
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block "G"
5th floor, Bandra Kurla Complex,
Bandra East,
Mumbai- 400051
Symbol: MANAKCOAT

Dear Madam/Sir,

Sub : Transcript of the Earnings Conference Call on Unaudited Financial Results of the Company for the quarter ended June 30, 2026

In continuation to our Letter dated 6th July, 2026 and pursuant to Regulation 30(6) and Regulation 46(2)(oa) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Conference Call on Uaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2026 is available on the website of the Company at *www.manaksiacoatedmetals.com*.

We request you to take the same on record.

This is for your information and for public at large.

Thanking you,
Yours faithfully,
For Manaksia Coated Metals & Industries Limited

SHRUTI AGARWAL Digitally signed by SHRUTI AGARWAL Date: 2026.07.18 10:54:24 +05'30'

Shruti Agarwal
Company Secretary & Compliance Officer
Membership No. : F12124

“Manaksia Coated Metals & Industries Limited

Q1 FY27 Earnings Conference Call”

July 15, 2026

MANAGEMENT: **MR. KARAN AGRAWAL – WHOLE-TIME DIRECTOR – MANAKSIA COATED METALS & INDUSTRIES LIMITED**
MR. MAHENDRA BANG – CHIEF FINANCIAL OFFICER – MANAKSIA COATED METALS & INDUSTRIES LIMITED
MR. TUSHAR AGRAWAL – SENIOR VICE-PRESIDENT – MANAKSIA COATED METALS & INDUSTRIES LIMITED

MODERATOR: **MS. SANA KAPOOR – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and w0elcome to Manaksia Coated Metals & Industries Limited Q1 FY27 Earnings Conference Call. 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 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 Ms. Sana Kapoor from Go India Advisors. Thank you, and over to you, Ms. Kapoor.

Sana Kapoor: Thank you, Renju. Good afternoon, everyone and welcome to Manaksia Coated Metals & Industries Limited Earnings Call to discuss Q1 FY27 financial performance. Today, we are joined by Mr. Karan Agrawal, Whole-Time Director; Mr. Mahendra Bang, Chief Financial Officer; and Mr. Tushar Agrawal, Senior Vice President.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the company faces. May I now request Mr. Karan Agrawal to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

Karan Agrawal: Thank you, Sana. Good afternoon, everyone, and a warm welcome to our Q1 FY '27 earnings call. I, Karan Agrawal, Whole-Time Director of the company, sincerely thank all our analysts, investors and stakeholders for taking the time today to join us. Today, we will take you through our financial and operational performance for the quarter ended 30th June 2026.

Following my opening remarks, Mr. Tushar Agrawal will provide updates on our operational progress and strategic progress, after which we will open the floor for questions. Our financial results, investor presentation, and press release have already been uploaded on the company's website and the stock exchanges.

Q1 of FY27 has been a strong quarter for us and honestly a rewarding one after the challenges of the second half of FY26. Those of you who were on our last call will recall that Q3 saw a planned month-long plant shutdown for the Alu-Zinc technology upgrade and Q4 was hit by a sharp cost escalation from the Middle East conflict. Fuel, freight and everything related to petrochemicals moved up very quickly, and there was very little time to adjust prices.

All of these were real headwinds. This quarter, the plant ran without any disruption. Fuel supply was fully restored and the new Alu-Zinc line has settled into stable production. What's equally important, and we'll come back to this, is that all the new orders in Q1 were priced to fully cover the current cost environment with the margin buffer on top.

That shift in pricing has made a significant difference to our unit economics, and you'll see that in the numbers. Performance highlights for the quarter: revenue and realization. Consolidated revenue for the quarter was INR263 crores, up 15% quarter-on-quarter and about 3.6% year-on-year.

The more interesting number though is our price realization per ton, which improved to INR88,597 per ton from INR79,180 per ton in Q4 of FY '26, nearly 12% higher. That's partly mix, more Pre-Painted and Alu-Zinc, and partly better pricing on new orders. EBITDA and margins.

EBITDA came in at INR29.08 crores, up 86% quarter-on-quarter with margin recovering 422 basis points to 11.06%. The number we are most pleased about is EBITDA per ton, where at INR10,400 per ton is the highest we've ever recorded better than last year's Q1. This tells us that when business is running normally and pricing is right, the unit economics are very healthy.

Bottom line, PBT was INR18.93 crores recovering 197% quarter-on-quarter. Profit after tax was INR14.10 crores, up 163% quarter-on-quarter. PAT margin improved 301 basis points to 5.36% and EPS grew 102% quarter-on-quarter to INR1.31 per share. Cash profit, which is PAT plus depreciation was INR17.40 crores, up 115% quarter-on-quarter, which gives us comfort on the actual cash generation side.

On finance costs, we brought back down 11.8% year-on-year to INR6.86 crores, a good outcome given the higher asset base from our Alu-Zinc investment. The most notable point here is that all new orders placed during Q1 are priced to fully cover today's raw material and freight costs with a buffer margin built in. This is not something we could do as quickly in Q4 given how suddenly the cost moved up.

The fact that this is now in place gives us reliable and predictable EBITDA guidance going into Q2 and the rest of the year. Operations and exports. On the production side, Alu-Zinc output was 27,941 tons for the quarter, which is 8% higher quarter-on-quarter. With the new line at 62% capacity utilization and ramping up steadily, Pre-Painted production was 20,510 tons and ran at 95.4% utilization, essentially full capacity, which is a strong demand signal.

Total sales were 27,938 metric tons with 74% contribution from Pre-Painted Steel and 26% contribution from Alu-Zinc. Our exports were a standout, 65% of the total volume, which is 18,221 metric tons for the contribution from exports, with export of Pre-Painted Steel growing at 25% year-on-year and export revenue growing 20% year-on-year.

We also entered 4 new international markets during Q1: Latvia, Brazil, Jamaica, and Somalia, and this broadens our global base considerably. I would like to now hand over the opening remarks to Mr. Tushar Agrawal to speak about our strategic projects and future outlook. Thank you very much.

Tushar Agrawal: Good afternoon, everyone. I'll be taking you through the strategic projects taken up by the company. The second color coating line. This is in advanced stages of production and commissioning with Q2 FY '27 as our target. It takes our total Pre-Painted capacity from 86,000 tons to 236,000 tons per annum, a 174% increase.

Given our existing line is at near full capacity utilization, the demand is already waiting for this capacity. This is the most significant near-term revenue catalyst for us. The 7-megawatt captive solar power plant also targeted for Q2 FY '27, once commissioned, it offsets 50% to 55% of our grid power consumption at Kutch, a permanent structural reduction in energy cost per unit.

It also reflects our commitment to greener manufacturing, which matters increasingly to our international customers. Salesforce CRM. Implementation is underway. This gives us centralized visibility of our customer base, inquiries, orders, after-sales across both domestic and export markets.

As we grow in scale and geography, having this infrastructure in place is important for maintaining quality of service and customer relationships. I'd like to take you through the outlook. Looking ahead, there's quite a lot to be positive about. Q2 FY '27 is shaping up to be a particularly significant because of two major investments that we've been building for a while and both of them are coming online in the same quarter.

The second color coating line and the solar power plant. The color coating capacity addition directly translates to incremental revenue from a Pre-Painted segment that already has waiting demand. The solar plant takes away a meaningful chunk of our energy cost on a permanent basis. Both happening together is a genuine step change in our operating profile.

The Alu-Zinc ramp-up is another source of confidence. At 62% utilization, there is substantial headroom to grow. As volumes build, the incremental revenue comes in at strong Alu-Zinc realizations with very little additional fixed cost overhead. That's a favorable dynamic for margins.

On exports, the trajectory is encouraging, 20% year-on-year revenue growth and a robust order book going into Q2. We see meaningful untapped potential of increasing our share of business with our existing long-term customers and addition of new customers in newer geographies. And underpinning all of this is the cost pass-through discipline we've established.

With all new orders carrying full cost coverage and a margin buffer, we go into Q2 with confidence on EBITDA delivery, putting together capacity additions, Alu-Zinc ramp-up, solar savings, and export momentum. These are multiple independent drivers of earnings growth, and we're optimistic about where FY '27 takes us.

I would like to now hand over to Karan for the closing remarks.

Karan Agrawal: Thank you, Tushar. Before concluding, I would like to thank our Board of Directors for their guidance, our employees for their dedication, our customers for their continued trust, and our investors for their unwavering confidence in the company. Q1 of FY '27 represents a strong beginning to the year.

While the external environment continues to remain uncertain, we believe the company is better positioned than ever before to capitalize on emerging opportunities and deliver sustainable long-term value. With that, let me hand over to the moderator to open the floor for questions. Thank you very much.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Jayam Birawat with Yes Securities. Please go ahead.

Jayam Birawat: Thank you for the opportunity. Firstly, congratulations on achieving the highest ever EBITDA per ton. Can you please explain -- let me know if the same is sustainable? And to what extent the same can increase once solar projects are complete?

Karan Agrawal: Thank you for your question. Yes, and I accept your congratulations. The EBITDA per ton that we have achieved in Q1 of FY '27 was basically on the lines of our ramp-up of Alu-Zinc capacity utilization and strong export delivery in terms of the overall tonnages and the higher price realization per ton.

And I think that as and when we keep ramping up the capacity utilization of the Alu-Zinc line with the addition of the second color coating line and the addition of the solar power plant; essentially all of this is going to contribute to strengthening of the EBITDA margin profile. And if everything goes well and we execute well, I think there is potential to strengthen the EBITDA margins even further.

Jayam Birawat: Okay. Secondly, how are you planning to fund the announced capex? And also, project-wise, can you please let me know how much capex is done and how much is left?

Karan Agrawal: Well, the announced capex that we have basically planned to do on account of a backward integration of cold rolling and capacity expansion of Alu-Zinc by adding the second line and the total capex is currently estimated at INR350 crores, which would be funded by a mix of internal accruals, debt, and equity. The other question of yours was the capex that we have already concluded is about INR140 crores, including the Alu-Zinc technology upgrade, the second color coating line, and the solar power plant, which largely today is in CWIP and will be capitalized very soon within Q2.

Jayam Birawat: Okay. Just to follow up on that. What level of debt does the company plan to raise to fund the capex? And what is the expected peak leverage?

Karan Agrawal: Look, as you stand today, our debt-to-equity ratio is somewhere just a notch higher than 1. And basically, that means that the company's balance sheet is quite unleveraged and has the potential to accommodate more leverage to fund the capex. And I feel that the debt that could be required apart from the internal accruals and equity should be somewhere on the lines of INR100 crores, more or less. But this is again an estimate. We will need to wait and find out the exact numbers as the time of the project approaches. And even with that, we feel confident that our leverage should not exceed more than 1.25x in terms of debt-equity ratio.

Moderator: Next question comes from the line of Shlok Bhartiya with Svan Investments.

Shlok Bhartiya: Sir, continuing with the earlier participant questions in terms of the debt, so as of now, we have a debt of INR115 crores, does that debt includes the capex that we have spent for second color coating line and the solar power?

Karan Agrawal: Yes. The current debt is about INR115 crores, which does include the term debt that we have availed for the capex. I hope I've answered your question.

Moderator: We have lost the line of the participant. Next question comes from the line of Ashwani Agarwal with CASA Capital.

Ashwani Agarwal: Yes. So volume in Q1 FY '27 were about 27,900 metric tons versus 29,000 metric tons approximately in Q1 FY '26. It's a marginal decline. So, is this attributable to the Alu-Zinc line still ramping up or to a softer demand environment?

Karan Agrawal: Yes, you are right, that the volume of Q1 FY '27 was around 27,900 metric tons, and which is a tad bit lower than the same quarter last fiscal. And this is 100% attributable to the pace of ramp-up of the Alu-Zinc line. As you would have seen in our investor deck, that we are actually having a very strong order book to actually execute. And we are running behind on those execution plans. So demand or ability to sell is not a concern for us at all. It is the state of gradual ramp-up, which will change, and you will be able to see the visible growth of Alu-Zinc quarter-on-quarter.

Ashwani Agarwal: So is there like any specific bottlenecks which are coming in ramp-up? And also when -- by when do you expect the new Alu-Zinc plant to reach the optimum utilization?

Karan Agrawal: The bottlenecks -- I would not call them bottleneck, actually, they are just teething troubles, which any new line of this nature, which is a modern state-of-the-art highly automated line would naturally have in the early stages of commissioning. And this is also something that we are facing, and it is very natural and expected to have this kind of teething troubles in the first 3 to 4 months of commissioning.

And really, there is no bottleneck in terms of any other reason to ramp up. It is a process that is happening. And every month, we are seeing an improvement, which is going to, I would say, probably another 3 months, one can expect the capacity to be upwards of anywhere between 75% to 78%, you would call a healthy capacity utilization, 75% to 80% in that range.

Moderator: Next question comes from the line of Shlok Bhartiya with Svan Investments.

Shlok Bhartiya: Sorry, sir. I got disconnected. So continuing the earlier questions in terms of the current capex that you are going to do in terms of the using of second line -- color coating of second line and the power project, solar power project, how much we have actually spend it? And what sort of debt that will come on the book because of that?

Karan Agrawal: As I mentioned, the total capex that we have done for the Alu-Zinc technology upgrade, the second color coating line and the solar power plant is totalling to about INR140 crores. And quite a large portion of the capital, which included equity and debt has already been, let's say, used or deployed, only a residual portion of debt which could be roughly in the range of between INR15 crores to INR20 crores would be remaining to be utilized or deployed. I think this would complete the entire deployment against these projects.

Shlok Bhartiya: So is it fair to assume that current debt of INR115 crores and the existing debt of the current project will probably take a debt to INR140-odd crores, right?

Karan Agrawal: Well, I think we are also reducing the debt every month and every quarter because the repayments have also started. So the peak debt may not touch INR140 crores. I think potentially somewhere between INR125 crores to INR130 crores could be a ballpark number you can estimate.

Shlok Bhartiya: And you also alluded that to complete the entire capex along with CRM, additional debt that will be raised will be INR100 crores, right?

Karan Agrawal: That is something that we have not firm about. You see, today, we are still in the blueprint stages of the fresh capex plans that we want to execute in future. But the funding pattern and the mix of equity, debt, and internal accruals are yet to be completely frozen. So it completely depends on what kind of earnings we are seeing in this fiscal, which will determine the contributions from internal accruals. And that would also determine whether the debt requirement, the debt component would be 100 -- below 100 or slightly over 100. So it was just an estimate number that I could share.

Shlok Bhartiya: And in terms of the working capital, what is your current working capital cycle? And once your CRM comes into operation, how do we see the working capital improvement in the working capital cycle?

Karan Agrawal: Well, as far as our working capital goes, today, our working capital cycle is slightly long because we are having to deal with a lot of inventories in various stages of raw material pipeline, raw material, WIP and finished goods in the shop floor, plus some other working capital elements of debtors. All-in-all, I think the working capital cycle is coming to about 75 days after considering the creditors, the tenor that we get from our creditors.

But after the implementation of a cold rolling unit, it will give us the required flexibility to reduce the inventory drastically and make it close to half, because today, we are having to procure a lot of SKUs -- hundreds of SKUs and stocking for various customized orders from export customers and domestic customers.

And after the cold rolling mill is commissioned, we will be able to buy much lesser number of SKUs and have the flexibility of running it ourselves at the time of execution, thereby bringing down the total inventory drastically and shortening or compressing the working capital cycle to probably in single-digit numbers in terms of number of days. So it would be a very drastic reduction in working capital cycle.

Moderator: Next question comes from the line of Deepesh with Maanya Finance.

Deepesh: Yes. Sir, yes, the company is expanding aggressively its capacity, like 2x to 3x across segments. What gives you this confidence that the demand will keep pace, especially in the export market, where 80% of our order book is concentrated?

Karan Agrawal: Well, I think the exact statement that you made, Deepesh, that our order book is where it is today gives us the confidence that the demand will be sustainable. Today for us to have an order book of upwards of INR400 crores is something of an exceptional -- I would call it an exceptional situation where we are enjoying continued orders from our long-term customers, and our pipelines are quite full, and we are running behind on execution.

And the fact that gives us confidence is that we are potentially one of the smallest supply chain partners to these long-term customers of ours, who are export customers or even domestic OEM customers. And there is a lot of headroom to grow in terms of the share of business that we can gain from these customers.

And I think overall, beyond this, the fact that we are currently operating in a segment that is 100% directly proportionate to the growth of the economy, which is infrastructure, building material, spending by the middle class in home appliances, automotive, new homes, new warehouses, new airports, metros, bullet trains.

So the consumption and demand for steel is slated to grow for sure, and I don't think anybody can doubt this fact. And for us, we are probably one of the smaller players in the industry and have a lot of headroom to grow and contribute to this demand environment, both domestically and for export.

Deepesh: Right. What is the order book right now? And what is the timeline for these order books to be executed?

Karan Agrawal: If I'm not wrong, our order book currently should be somewhere around INR450 crores plus or minus -- plus or minus INR20 crores, INR25 crores, in that range. And I think the time line that we will take to execute this is potentially about 4.5 to 5 months.

Deepesh: So for the next 2 quarters, you are having full order book. So how is the order intake going forward, like, especially for FY27 and '28?

Karan Agrawal: I did not understand your question. What do you mean by order intake?

Deepesh: Order intake, as in how many orders you expect in the next 2 quarters? Because right now, you're having full -- for the 2 quarters, you're having full orders. I'm saying that for -- how much more orders are you expecting for execution and for performance of FY27, especially?

Karan Agrawal: So Deepesh, I think what we need to understand is that we get our orders or our revenues from most of our long-term customers and these orders are repetitive in nature, where our customers place quarterly orders on us, which are for export or for -- from domestic OEMs. So they are not like stand-alone orders based on a project that is one-time.

So I think there is good visibility in terms of the demand forecasting that our customers have given us, both from the European side and the Indian market side. And we feel quite confident that we should be in a position to have an order book of anywhere between 3 to 5 months on a continuous basis going forward as well. This is the kind of visibility and demand visibility that we have received from our customers.

And also, we have MoUs signed with our customers to kind of give us an indication of the annual lifting or the annual offtake that we will be doing. So we are quite confident of having this kind of order book continuously going forward for the rest of the year anywhere between INR350 crores to INR450 crores.

Deepesh: That's a great visibility. Now with the shift from galvanized to Alu-Zinc, what is a sustainable EBITDA upside? And is this driven by pricing power or cost efficiency?

Karan Agrawal: The answer is both, actually. The incremental EBITDA from galvanized steel to Alu-Zinc steel could be anywhere in the range of INR1,000 to INR3,000 per ton, depending on the demand environment, cost environment, all of these things. But it is for sure that it will be contributed by both the savings in cost of production of Alu-Zinc as well as the premiumness of the product, the Alu-Zinc product, which commands a higher price in the market.

Deepesh: Right. And my last question is about LPG. Now since LPG is a key input for galvanization process, is the company facing any supply issues due to the Hormuz closure or lower -- I mean, the government policies? If yes, the company -- is the company exploring any alternatives or substitutes for LPG?

Karan Agrawal: Well, I think in the past 2 decades of our operations, we never faced any problems with respect to supplies of fuel, whether it is liquid fuel or gas fuels like LPG or propane, which is what we are using currently. But in this particular time of the Iran war and closure of Strait of Hormuz, there was definitely a patch where there was bigger disruption in terms of fuel availability.

Because I think, none of the PSU oil marketing companies or private traders also could forecast something like this and the whole country was basically saw a supply side shock in terms of the availability of LPG and propane. We too were affected by this supply disruption.

But I think the good news was that we had enough buffer stock to ensure that the plant ran nonstop, and we also could diversify our buying strategy from only PSU companies to both private and PSU. Although we had to bear a cost for it, but we could maintain nonstop operations of our plant.

And going forward, I think we are definitely planning to derisk by adding a pipeline by the state distributor in Gujarat for natural gas, which is GSPC, where we are in the process of signing the agreement for the pipeline and related infrastructure for supply of natural gas.

Deepesh: That's great. But in this quarter, it you faced any pressure, how much of the cost increase was seen, if you can quantify it? And also with the renewal of the war, do you see any cost pressures in this quarter or the next, especially in this quarter? Let's not talk about the next.

Karan Agrawal: I think in my view, the cost impact on fuel was quite visible, not only for us but for any kind of end user who is using liquid or gas fuels for their processes, where I think the prices for LPG shot up from INR60 a kilo up to INR200 a kilo. And this is the kind of spike that had an impact on EBITDA margins during Q4, one of the contributors.

But today's situation is that the prices have cooled down drastically. Like I mentioned, the price from INR60 had gone up to INR200 has now come down to INR80, more or less. So we are just about 25% higher than the pre-war levels.

And I think the public sector OMCs and the peers in the oil and gas industry did a good job in diversifying their buying strategies of gases where India is completely import dependent. And now India is buying gas from various sources like U.S.A., Canada, Australia, Venezuela, Russia, sometimes on and off, etcetera, which was earlier not present and we were heavily dependent on the few countries in the Middle East.

Secondly, I think the government of India's intervention during this stage where they heavily propagated the switch from LPG to natural gas has also helped to reduce the dependency on LPG -- imported LPG. And a lot of domestic end users, industry end users, commercial end users have shifted to pipe natural gas, which has also led to price cooling down of imported LPG and increase in availability.

So I think today, irrespective of the war being intense or, let's say, not intense in terms of the state of fuel availability, we have a good visibility and comfort from the suppliers that there is no problem, and there is ample availability of stock with prices in favor of the buyer.

Moderator: Next question from the line of Moksh with Shriram Family Office.

Moksh: Sir, I just want to ask one question regarding -- according to you, which the major decisions in, let's say, you -- in coming quarters you take?

Karan Agrawal: Hi, Moksh. Can you please elaborate more on that question? I found it difficult to understand.

Moksh: Regarding operations.

Karan Agrawal: I'm sorry, your question was, which decisions we need to take regarding operations?

Moksh: Which major decisions in, let's say, in coming quarters, you will take regarding operations?

Karan Agrawal: Well, I think our business is quite predictable and repetitive, Moksh. We don't have to deal with a lot of exigencies or a lot of varied decision-making. It is about usual buying, selling, optimizing costs, building in efficiencies, ramping up capacity utilization, trying to sell the value-added and premium products to its fullest potential.

These are the subjects that we keep working on and our decision-making and day-to-day tasks are all around the subject. And I don't know it's if you wanted to ask this question or was there something else in your mind?

Moksh: Sir, please give me some guidance on the EBITDA margin.

Karan Agrawal: The EBITDA margin, as you must have already seen in our results and our press release, we have achieved a INR10,400 per ton for Q1. And we feel quite optimistic that these margins are sustainable and also can be grown by bringing in the capacities that are scheduled to bring in Q3, which is the second color coating line and the solar power plant. So we are quite optimistic that these EBITDA margins are sustainable and also due for further growth.

Moderator: The next question comes from the line of Nishita Shanklesha with Sapphire Capital.

Nishita Shanklesha: Sir, I just wanted to understand, so in the previous call, you've mentioned that at peak utilization of around 80% to 85% in the Alu-Zinc capacity, we can have a revenue of INR2,500 crores to INR2,700 crores. So how fast can we ramp up to that?

Karan Agrawal: Thank you for your question, Nishita. I mean, this was probably not the question that I was asked. I think the question would have been the potential peak revenue after the commissioning of Phase 1 of the complete capex plan. I think, the Phase 1 -- sorry, Phase 2 of the complete capex plan, which is the backward integration and the second Alu-Zinc line.

So as I have been talking to other participants that we are currently drawing the blueprint of the Phase 2 expansion plan with the capital outlay being projected of INR350 crores, plus the sources of capital are being discussed and being narrowed down upon.

So once this Phase 2 project of the backward integration plus the second Alu-Zinc line is complete and we achieved the capacity utilization at an optimum level, we should be able to see tonnages which are close to 3 lakh tons or slightly above 3 lakh tons, resulting in the revenue that you are mentioning. So this is definitely forward-looking numbers and outlook post the completion of Phase 2.

Nishita Shanklesha: Okay. Okay. Understood. So our second color coating line will be commissioned in Q2 FY27. How fast can we ramp up that? And like at around 236,000 metric ton per annum of capacity, what will be the peak revenue and peak utilization in just the color coating line?

Karan Agrawal: Yes, you're right. Second color coating line is due to be commissioned in Q2 of FY27, which is sometime very soon. And this line is not as complex as the Alu-Zinc line. Hence, it is fair to assume that the ramp-up of capacity utilization would be faster as compared to the Alu-Zinc line capacity ramp-up.

So one can assume that sometime during H2 of this fiscal, maybe 2 or 3 months after the commissioning, one can see a very healthy capacity utilization. And at peak utilization once again, I think hypothetically, if we are doing peak utilization, the revenues could be somewhere around INR1,600 crores to INR1,700 crores.

Nishita Shanklesha: Okay. So like in H2 FY'27, can we expect the utilization to reach 50%?

Karan Agrawal: H2 of FY27 would be passing in 2 stages. One stage would be of initial commissioning ramp-up of capacity and then there would be a stage of stable capacity utilization and coming to peak capacity utilization. So I think, overall, if you talk about H2, it is fair to assume that we can do somewhere around the 50% to 60% capacity utilization.

Nishita Shanklesha: Okay. Okay. Understood. And if you could just give some sense on how much revenue growth can we expect in FY27 and FY28?

Karan Agrawal: I think, I have already answered that question, madam.

Nishita Shanklesha: Okay. If you could reiterate that, maybe I missed it.

Karan Agrawal: On the basis of the increased capacities that are coming on stream during Q2 and assuming that we are doing 50%, 60% capacity utilization of the new capacity, we should be in a position to touch a number of about 150,000 tons for FY27. And with that, potentially, as said, the product pricing, one can assume that the potential revenue could be somewhere around INR1,300 crores -- INR1,350 crores for FY27.

FY28 is a different story altogether because we would have access to the higher Alu-Zinc capacity, the full capacity of the second color coating line. And hence, I think, tonnage of close to 1,80,000 to 2,00,000 tons in that range can be forecasted for -- or targeted, let's say, for FY28, which has the potential of giving somewhere between INR1,700 crores to INR1,750 crores of revenue.

Moderator: Next question comes from the line of Bhavya Shah with 3A Capital Services Limited.

Bhavya Shah: Congratulations on the great set of results. So my question is, how should you look at normalizing EBITDA across the steel cycle? What should be -- what should be your strategy to normalize our EBITDA per ton across the cycle?

Karan Agrawal: Thank you for your question, Bhavya. See, the steel cycle or the commodity cycle is something that cannot be predicted. Therefore, we have tried to build a business model where the -- we are insulated as much as possible from the external factors of commodity price risk where we are trying to achieve back-to-back business model, where we are selling our finished products in advance with our advanced order book, followed by procurement of raw material.

And most of the raw material that we have in stocks or in pipeline are already booked with orders in hand, which are priced in. So this eliminates the commodity prices. And I think the more and more we can capture in this fashion and increase the percentage of back-to-back business, the more we can predict and insulate ourselves from the steel commodity prices.

Bhavya Shah: And about our export orders, do all orders have passed through commodity price pass-through under hedged contract or is it not?

Karan Agrawal: Every quarter we negotiate fresh orders with fresh prices with our customers. And the changes in the prices of raw materials or freights or energy will be recalculated and pass-through whenever the new orders for the next quarter have been negotiated and finalized. So yes, there is a pass-through mechanism that happens with our export customers, which is basically resetting every quarter.

Moderator: Next question comes from the line of Avinash Nahata with Parami Financial Services.

Avinash Nahata: So a couple of questions, starting with, can you give me on tonnage, galvanized Alu-Zinc and coating production for both Q4 and Q1 FY27 -- Q4 FY26, and Q1 FY27?

Karan Agrawal: Hi, Avinash. I can give you those numbers. I think in terms of our Alu-Zinc production for Q4 of FY26, we had done a production of 25,870 metric tons. And in terms of our Pre-Painted Steel, we had done a production of 19,735 tons, whereas in Q1 of FY27 for Alu-Zinc, we have done a production of 27,941 tons, and for Pre-Painted Steel, we have done a production of 20,510 tons, respectively.

Avinash Nahata: Okay. And is it possible to share energy cost on an absolute basis or on absorbed in the production during Q4 and Q1?

Karan Agrawal: Well, I think the energy cost during Q4 and Q1 underwent a lot of changes, where it was stable during first 45 days of Q4 and then underwent a large spike due to the war. And again, in Q1, it was at its peak level during the beginning of the quarter and then underwent a normalization or cooling down during the second half of the quarter.

So I can pull out some numbers and share it with you later, but I think immediately, I may not be able to answer this. Since, it was a lot of volatility during both the quarters. But I will surely have it shared with you. If you could reach out to our IR agency, to Sana, then we will pass on that information through her.

Avinash Nahata: Okay. I'll do it. Okay. My second question is when we met last, you had said that 6,000 to 7,000 on the galvanized side and the -- on the coating side, from INR10,000 to INR11,000 EBITDA per ton. So on a blended basis, it would be a ballpark between 9 and 9.5 on a steady-state basis. So this quarter, we have done 10.5, closer to INR10,400 per ton. So is this the peak EBITDA?

Karan Agrawal: I think, from what I recall those numbers that you're talking about could have been with our previous product, which was the galvanized steel and pre-painted galvanized steel. But when we are talking about the newly upgraded technology where we are producing Alu-Zinc Steel and pre-painted Alu-Zinc steel, the EBITDA margin profile improves considerably, which is -- and shade of which you are experiencing and seeing in Q1 of FY27.

Answering your second question, we would like to believe that this is not the peak EBITDA margin profile that we can achieve. With the increased capacities that are coming in with the impact of the renewable energy coming in and with the ability to sell a higher tonnage of the pre-painted steel in terms of the percentage of revenue, we've seen that there is further headroom to grow the EBITDA margin profile.

Avinash Nahata: And how much did we did only -- how much we sold only galvanized steel during the quarter, Q1 FY27?

Karan Agrawal: So galvanized steel was 0. It was all Alu-Zinc during Q1. Because we had already shifted to Alu-Zinc during Q4.

Avinash Nahata: So incrementally, we would be doing only Alu-Zinc. There's not going to be galvanized?

Karan Agrawal: Correct. No. Correct. Correct.

Moderator: Next question comes from the line of Ankit Shah with Fusion Capital.

Ankit Shah: Yes. So my question was regarding like for the previous call, there was a guidance of about 10% to 12% for consolidated FY27 with H1 recovery in place and which we saw on the result like in

Q1, our EBITDA margin is close to 10.8%. So like can we assume it would be like improving from here, and it would be more on the 12% side on the consolidated FY27?

Karan Agrawal: Yes. See the numbers that we have delivered in Q1 of FY27 are definitely reflecting the recovery that we had earlier spoken about in the previous call. So you're right about that. And like I said before, and I would like to reiterate that we definitely are very optimistic for further improvement in the EBITDA margin profile on account of the upcoming capacities and the renewable energy plus the ability to sell more value-added products in the market would definitely give us headroom to improve the margin profile from the levels that we have seen in Q1.

Ankit Shah: To note it like can we assume it would be like around 12% in FY27 consolidated basis?

Karan Agrawal: It'd be very difficult for me to put a very precise number to it, Ankit. But, I think, as you have seen that our margins have grown some 8%, 9% to now close to 11% and the improvements that we are currently doing should help us build further EBITDA growth, which could be anywhere in the range of 1% to 2% in that range. So how soon we are going to achieve it and whether it will fully reflect in FY27 or not is something that we need to wait and find out.

Moderator: Next question comes from the line of Prateek Shrivastava with Nivesh Wisdom.

Prateek Shrivastava: First of all, congratulations on a great set of numbers. So what I'm hearing in the call, I just have a few follow-up questions to the earlier questions which were asked by the panelists. Sir, I see that you do have multiple different levers for the improvement in the margin, right? So you are guiding at least the top line -- what I see, you are guiding around 45%, 50% growth in the top line for FY27.

Now one of the -- of course, levers which I see is your color coating line 2, which is going to come up. It's not just capacity you are adding what I understand, it's also some sort of a premiumization coating segment, right?

So if that is right, my question is that, am I -- because this is still going to be a ramp-up phase, am I going to see some sort of a temporary margin dip before it starts accelerating? Or you're saying that you'll be able to maintain the margin even in Q2 as the ramping up of CCL2 starts? And then if that happens, then what are your other levers to maintain or improve the margin in the Q2, Q3 timeframe?

Karan Agrawal: Thank you for the in-depth analysis and the question, Prateek, I appreciate that you have gone through our deck quite well. And so like you explained, the addition of the second color coating line capacity is not just a capacity addition, but a premiumization of our products and which enables us to sell more of the highest value-added products in our export and domestic markets. And this ability will surely help us to elevate the EBITDA margin profile that we are optimistic about.

The question about whether there will be a dip before surge, I don't see any immediate reasons or I can't forecast any immediate reason, which could bring in a dip because as soon as the second CCL or let's say CCL2 starts, we will be able to consume more of the captive Alu-Zinc produce and sell more in the value-added form. So there does not seem to be any reason for a dip in EBITDA because Q2 order book is quite visible, quite clear. And I don't see any such reason to validate that.

Prateek Shrivastava: My second question again is on the follow-up from the previous questions on the order book. So currently, you're saying you have around 450 order book. But I think what we want to know is the rate of change, the growth rate of order book, right? So sir, can you highlight what has been the growth rate of order book from the past in this quarter?

Karan Agrawal: Sure. It is basically the growth of order book or the growth rate of order book comes gradually as we are able to communicate to the market, to the customers that we have built in higher capacities and we are capable of delivering higher volumes and executing larger orders in a shorter time span. This does not come overnight.

So in the last couple of years, we have seen improvement of order books from lows of INR100 crores, INR120 crores to now highs of between INR400 crores to INR450 crores. And this was a process and a gradual process, where we were able to deliver and prove to our customers that we have the ability to service larger orders and thus gradually we were beneficiaries of those larger orders.

And going forward as well, I think one can expect that healthy order book can be defined as something anywhere between a quarter's order book to 1.5, I would define as quite healthy. And this is what we feel that we can achieve even going forward.

Prateek Shrivastava: Got it, got it, sir. And sir, my last question, again, is on the cash flows. So with the inventory and receivables build up further in this Q-on-Q. So given we are also looking at, again, scaling our revenues to around INR1,350 crores for FY27, how do you see this playing out in coming quarters?

Karan Agrawal: I think that the cash flows have definitely been directed mostly towards, number one, capex; and number two, towards the working capital that is required for this scaling up of revenues and capacity utilization. And this would continue till the time we are achieving a stable state of capacity utilization.

And -- but we are fully geared up for that with our internal accruals contributing to the required capital and the bank facilities or working capital that we have where, by the way, you have the access to our financials, and we are using a very low percentage of the working capital limits from the bankers. So we have enough room to basically or fire power to address the needs of working capital for the ramp-up of capacity.

Prateek Shrivastava: And that includes the cold rolling facility. And I think that's coming up in FY28, if I'm right?

Karan Agrawal: No, no. Cold rolling facility is part of a completely new capex phase, which is Phase 2, which would be started in FY28. And it would take its required time for the installation, commissioning, etcetera. So whatever I'm talking about is for the current capacity, not for the cold rolling.

Moderator: Next question comes from the line of Ajit Sethi with Eiko Quantum Solutions.

Ajit Sethi: I just need some clarification. You said you will be doing 1,80,000 to 2,10,000 volumes in FY28. This is from the new color coated line, right? And this can generate INR1,700 crores to INR1,800 crores revenue?

Karan Agrawal: You're right.

Ajit Sethi: Okay. So how can we see the new capacity which we -- which is going to come in FY28 for Phase 2 Alu-Zinc? How can we see the capacity ramp up in the year 1?

Karan Agrawal: You are talking about the second Alu-Zinc line in Q2?

Ajit Sethi: Yes. Yes, Phase 2 capacity.

Karan Agrawal: Yes. See, Ajit, I think it's a little far to be estimated at this point of time because once we finalize the nitty-gritties and the capital tie-up and the project really begins with money in the ground. At that point, would be the right time to estimate the time of commissioning and the time line for capacity utilization. But I think right now, it would be premature for me to estimate these far-fetched numbers.

Ajit Sethi: Okay. So and at peak utilization, the Alu-Zinc capacity can alone generate INR2,400 crores revenue, right, both Phase 1 and Phase 2?

Karan Agrawal: You are about right. I mean, peak revenue could be somewhere around anywhere between INR2,500 crores to INR2,700 crores at your absolute peak capacity utilization after commissioning of Phase 2.

Ajit Sethi: Okay. And sir, the existing capacity of Alu-Zinc Phase 1, you said that you aim to reach 75% to 80% utilization in next 3 months. Right?

Karan Agrawal: Correct.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Karan Agrawal: Thank you, everyone. I would like to thank the analyst community, investors, and all the stakeholders for taking the time to join us. And I hope we were able to answer all the questions and queries that were posted to us. And please feel free to reach out to our IR consultants to post any other queries, we'll be happy to answer them for you. And we look forward to having you on the next earnings call for Q2. Good day, and thank you very much.

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