Manaksia Coated Metals & Industries Limited

Corporate Identiy Number: L27100WB2010PLC144409

Regd. Office :
8/1, Lal Bazar Street, Bikaner Building
3rd Floor Kolkata - 700 001, India.
Phone : +91 33 22435053 / 54 / 6055
Email : info@mcmil.in
Website: www.manaksiacoatedmetals.com

Sec/Coat/0072/FY 2026-27 **Dated: 04.11.2026**

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 ans Half year ended September 30, 2026

In continuation to our previous Letter dated 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 and half year ended September 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: 2026.11.04 14:58:15 +05'30'

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

“Manaksia Coated Metals & Industries Limited Q2 FY '27 Earnings Conference Call”

November 02, 2026

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

MODERATORS: **MS. SANA KAPOOR – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Q2 H1 FY '27 Earnings Call for Manaksia Coated Metals & Industries Limited hosted by Go India Advisors LLP.

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 "*", then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Sana Kapoor. Thank you and over to you.

Sana Kapoor: Thank you. Good afternoon, everyone and welcome to Manaksia Coated Metals & Industries Limited's Earnings Call to discuss Q2 and H1 FY '27 financial performance. Today, we are joined by Mr. Karan Agrawal - Whole-Time Director and Mr. Mahendra Bang - Chief Financial Officer.

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 Q2 and H1 FY '27 Earnings Call. I, Karan Agrawal – Whole-Time Director of the company, would like to thank all the analysts, investors and stakeholders for taking the time to join us today.

We will take you through our financial and operational performance for the quarter and half-year ended 30th September 2026 and we will discuss updates on our strategic project and future outlook. We will then 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. I hope you have had the chance to review the same.

Q2 FY '27 has been a strong quarter for the company with record revenue, EBITDA and profit after tax for both the quarter and the half-year. We have continued to build on the progress made on Q1 with improved realizations, a stronger contribution from value-added products and sustained demand across our export markets. The operating environment remains challenging with geopolitical uncertainties and elevated costs of raw materials and freight costs. Our focus has therefore remained on pricing discipline and ensuring that new orders adequately reflect the prevailing cost environment. We also adopted break-bulk shipping for large-scale exports to Europe to mitigate the impact of high container freight costs. These

measures along with improved realizations and our focus on value-added products have supported our performance during the quarter.

Financial performance:

Total income for Q2 FY '27 stood at Rs. 321.55 crores registering a growth of 22.2% quarter-on-quarter and 43.8% year-on-year. For H1 of FY '27, total income increased 22.4% year-on-year to Rs. 584.62 crores. Realization per ton improved to Rs. 95,291 per ton during the quarter, an increase of 7.6% sequentially and 8.3% year-on-year. This improvement reflects our continued focus on product premiumization, favorable product mix and disciplined pricing. EBITDA for Q2 FY '27 increased by 26.9% quarter-on-quarter to Rs. 36.91 crores while EBITDA margin improved to 11.48% from 11.06% in Q1.

For H1 FY '27, EBITDA stood at Rs. 66 crores, registering a growth of 13.7% year-on-year. EBITDA per ton increased to Rs. 11,536 per ton in Q2 of FY '27, which is an increase from Rs. 10,411 in the previous quarter. This reflects the contribution of our upgraded Alu-Zinc technology, better realizations and growing acceptance of our value-added steel products throughout our export and domestic customer base. Profit after tax increased 32.9% sequentially to Rs. 18.73 crores and a total comprehensive income rose to Rs. 19.02 crores for the quarter while H1 FY '27 PAT grew 17.4% year-on-year reaching Rs. 32.83 crores. Cash profit for half of the year also increased by 22.2% year-on-year reaching Rs. 39.46 crores reflecting improved earnings and cash generation.

Finance costs for H1 of FY '27 declined to Rs. 15.34 crores from Rs. 16.03 crores in H1 of FY '26, a reduction of approximately 4.4%. Interest coverage ratio improved to 3.88x from 2.85x as of 31st March. Finance costs increased sequentially to Rs. 8.48 crores in Q2 from Rs. 6.86 crores in Q1. On the operating side, our product mix continues to move towards higher value-added products. Pre-Painted Steel accounted for 69.19% of total sales in Q2 of FY '27 while Alu-Zinc steel contributed 26.48%. Our special Alu-Zinc products are gaining traction in applications such as drywall systems, metal ceilings and premium metal roofing across domestic and international markets.

Exports remained a key growth driver:

Export revenue increased 33.4% and 21.2% year-on-year to Rs. 227.07 crores contributing 71.25% of the total revenue in Q2 of FY '27. For H1 FY '27, export volumes reached an all-time high of 40,561 metric tons, generating revenue of Rs. 397.28 crores up 20.7% year-on-year. Domestic revenue for H1 FY '27 increased 30.3% year-on-year to Rs. 183.55 crores. The company also expanded its Alu-Zinc business with domestic sales increasing 22.1% quarter-on-quarter and export sales increasing 457.2% quarter-on-quarter, supported by entry into new markets such as South America and Central America. Our total order book currently stands at Rs. 525 crores of which Rs. 420 crores comprises export orders scheduled for execution over the next 5 months. This provides us encouraging visibility on demand as we continue to expand our presence across international markets.

I will now take you through few updates on our strategic projects and future outlook:

The Second Colour Coating Line, the project is currently in the final stages of trial and pre-commissioning, with commissioning targeted within Q3 FY '27. The new line will add 1,50,000 metric tons per annum of capacity, taking our total Pre-Painted Steel capacity from 86,000 tons per annum to 2,36,000 tons per annum, an increase of approximately 174%. This expansion will significantly enhance our ability to cater to larger customer requirements and increase our contribution from the highest value-added product. With encouraging demand among our existing customers, the additional capacity is an important part of our growth plans. The 7 MW Capital Solar Power Plant is nearing readiness and grid connectivity, with commissioning targeted for Q3 FY '27. Once operational, the plant is expected to offset approximately 50%-55% of our grid power consumption at Kutch, helping us improve energy cost efficiency and reduce our dependence on grid power.

Alongside these capacity and energy initiatives, we are progressing with our digitization plans. Salesforce CRM implementation is targeted for Q3 FY '27 and will provide centralized visibility of customer interactions, enquiries, orders, after-sales activities across domestic and export markets. Manufacturing Execution System or MES, we are implementing an MES software at our Kutch facility with a go-live targeted for Q1 FY '28. This system will strengthen production planning, process control, quality management, and dispatch coordination, supporting greater operational efficiency as the business scales up.

Outlook and Growth Strategy:

Looking ahead, we see multiple opportunities to strengthen our operating performance over the coming quarters. The Second Colour Coating Line will provide additional capacity in the Pre-Painted Steel segment, allowing us to cater to larger orders and increase the share of premium products. At the same time, the Captive Solar Power Plant is expected to improve our energy cost structure. Our upgraded Alu-Zinc portfolio continues to gain market acceptance as we see further opportunities to expand our business with existing customers while entering new markets.

Our export order book provides encouraging visibility and we remain focused on timely execution and maintaining strong customer relationships. We will continue to prioritize disciplined pricing, product premiumization, cost optimization, and operational excellence. Our focus remains on ensuring the capacity expansion, backward integration translate into sustainable revenue growth and improved profitability. These initiatives form an important part of our broader FY '29 vision to triple output revenue and EBITDA. We believe that the combination of increased capacity, stronger value-added product portfolio, and improved energy efficiency with a wider international presence will support our long-term growth ambitions.

With this, I would like to open the floor for questions and answers. Thank you and over to you, Sana.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sunil from MCS Investment. Please go ahead.

Sunil: Sir, congratulations on a good set of numbers and thank you for providing me the opportunity. Sir, I just wanted to ask one thing. We have the aim of tripling the revenue by FY '29. And I think we did around Rs. 896 crores of revenue in FY '26 and we have done already Rs. 584 crores of revenue in H1. How confident are we in meeting the target first of all? And what is the guidance for FY '27?

Karan Agrawal: Yes, good afternoon, Sunilji. Thank you for your question. It is true that we are having strong ambitions to triple our revenue volumes and profitability by FY '26 and with the upcoming commissioning of our Second Colour Coating Line, I think a good part of this target would be achieved because we are aiming to increase our total output by roughly 175% from the existing output of our Pre-Painted Steel products. So, naturally, you can imagine that a large part of that target could be potentially fulfilled by this Second Colour Coating Line which is coming on stream in the existing quarter while we speak. Beyond this, we have been transparently sharing our growth ambitions by investing in backward integration and a second Alu-Zinc facility in Kutch which would make us reach a potential level of 360,000 tons per annum which is in a way three times of what we are doing today. So, if we are able to execute the projects on time, we are quite confident that this target of 3x revenue with the reflection in the growth of bottomline as well should be possible by FY '29.

Sunil: Sir, will it be possible for you to attribute a number for FY '27 and FY '28 in terms of revenue?

Karan Agrawal: Look, FY '27 is already 50% completed and you have seen our revenue for FY '27 H1 surpassing a number of Rs. 500 crores and obviously with part of Q3 having the benefit of the Second Colour Coating Line and the full Q4 having the benefit of the Second Colour Coating Line, I think we are on track to achieve our targeted revenue which should be anywhere in the range of in a way, you can say, close to anywhere between 35%-55% increase over last fiscal.

Sunil: And sir, one more thing I wanted to ask is, sir, there was a steady case regarding the company back in 2014 or something. So, will you be able to throw some light on that, sir?

Karan Agrawal: I am not sure what you are referring to, Sunilji. We will need to take exact details of what you are referring to, without which I cannot answer.

Sunil: Sir, I am just reading it out, sir. SEBI issued an adjudication order dated 21st of October, 2024, concerning putting a credit in the amount totaled by the share trading investigation?

Karan Agrawal: I will ask our Company Secretary to provide you with a detailed update. As on date, I can assure you there is no case which is pending for settlement or a query being answered from our side to SEBI and no case remains pending as on date. Pertaining to this particular case that you are referring to, I will need to take an update from the Company Secretary on exactly when the

case was resolved and settled. And I can assure you that you may write to Ms. Shruti and she will respond to you very promptly.

Sunil: And the final question is, any number, any guidance for FY '28 as well?

Karan Agrawal: I think for FY '28, Sunilji, it will be difficult for me to give any numerical guidance. I can tell you that if FY '27, we are looking at between 35%-55% increase over FY '26, naturally with a full year of the Second Colour Coating Line, the full capacity of Alu-Zinc Line being operational, we can look at volumes increasing from, let us say, in FY '26, we did just over a lakh ton in volume in production and sales. In FY '28, with a full year of these new capacities being commissioned, we should have access to a volume of close to between 1,75,000 ton and 2,00,000 ton in that range. And that could be a potential reflection on the revenues for FY '28.

Sunil: Thanks a lot. Thank you very much, sir. Good luck.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is from the line of Lovish Soien from Burman Capital Management. Please go ahead.

Lovish Soien: Hi. Thank you for the opportunity and congratulations on the great set of numbers. I actually wanted to get a better understanding of the mix of our export business. How much of it would be Pre-Painted versus Aluminium Zinc and what are the key geographies for us in the export market?

Karan Agrawal: Yes. Good afternoon, Lovishji. Thank you for your question. Predominantly, when it comes to our export business, we are exporting the larger part of the Pre-Painted Steel as the dominating product to gain the export revenue. If you were to ask a particular number, I think, Mahendraji, can you please comment on this? What was the percentage of Pre-Painted Steel export versus Alu-Zinc export?

Mahendra Bang: Yes. One minute.

Karan Agrawal: I found it. I can tell you in quantitatively, Lovishji, Pre-Painted Steel exports were just over 20,000 tons for the quarter, whereas Alu-Zinc exports were close to 2,000 tons for the quarter. So, you can see that it is roughly 90% and 10% in terms of data.

Lovish Soien: Understood. Thank you, sir, for this understanding. And what about the geographies? Which will be the key geographies for us in the export market?

Karan Agrawal: At the moment, the geographies that are dominating our export profile is dominated by the European market. But we are gradually making inroads into South America, Central America and the Caribbean regions for increasing our exports and also diversifying our regional mix.

Lovish Soien: So, would it be fair to say that 90% would currently be exports to Europe as of today?

Karan Agrawal: Lower than 90%, not 90, but lower than 90, yes.

Lovish Soien: But still a large part is Europe only?

Karan Agrawal: That is what I told you.

Lovish Soien: So, actually, I wanted, the reason for asking is that recently, I think in Europe, the India's quotas for organic coated sheet was reduced from 79,000 metric ton per quarter to 54,000 metric ton per quarter. So, I just wanted to understand how does that impact our volumes in the European market? And have we seen any signs of increased competitive intensity on account of this?

Karan Agrawal: You are right that the quotas from Europe have reduced. But what you have missed on sharing is that India has been the largest beneficiary while Europe has rejigged its import quotas, where India has been the biggest beneficiary of the quota adjustments, where the reduction from other competing countries like Turkey, Vietnam, Korea, Taiwan has been extremely sharp, where their quota reductions have been anywhere in the range of between 50%-80% of the previous quota entitlements. Therefore, giving India a very strong edge over its competition, which comes from other countries like Turkey, Vietnam, Korea, Taiwan. The other thing is that India has been a big beneficiary of the FTA that it has signed with the EU, where apart from the standard quota, India has gained access to FTA quota, which is eligible or accessible only with the FTA countries that are exporting to the EU, which is over and above the number that you have shared. So overall, I would say, although there is a reduction in the overall quota, but in terms of the competitive advantage to export to Europe, we are still having the biggest edge or the advantage as compared to any other competing country while exporting to the EU.

Lovish Soien: Agreed, sir. Agreed that India is relatively in a better position as compared to other countries. But if I see that the quota earlier was 79,000 and even if we include the FTA portion, it is going to be somewhere around, I think, 65,000. Am I right?

Karan Agrawal: Potentially. I need to read the figures again. I cannot comment offhand.

Lovish Soien: Sure. So my question actually is that given that we are doing roughly 18,000-20,000 ton of quarterly volumes to Europe, and given that the quota for us is going to come down and beyond the quota, there is a 50% duty. So will we be able to maintain our volumes to Europe even after the current change?

Karan Agrawal: Look, the change of quotas came in July and you can see that even post that we were able to maintain a growth rate and with the order book that we have disclosed, it is quite clear that the export momentum is quite strong. And I do not see many headwinds to maintain this statement. Once again, I am repeating that Europe as a block of more than 27 countries needs to import

products to maintain its supply to its user base. And it cannot be fulfilled by the captive producers that are producing steel within the European Union, especially after it stopped entire imports from Russia and Russian-affiliated countries. So this part of the deficit between the indigenous products versus the demand has to be met by imports. Now, who is going to meet this deficit, which will be the country that has the biggest benefit in terms of quota and the cost and acceptance of products? And India is at number one position to meet all those criteria. And this is why we are gaining. Number two, the tax rate is again something that has to be paid by the importer, not by the exporter. So obviously, it gets adjusted commercially in the entire negotiation. But I do not see any big challenges to maintain our growth rate when it comes to export.

Lovish Soien: Understood. Thank you, sir, for such a detailed answer. My second question is that what is our competitive edge when we are, let us say, exporting from India versus other Indian exporters? You said that India is in a beneficial position. But within India, what would be our competitive edge against other exporters?

Karan Agrawal: Well, number one is the proximity to port. We are located in Kutch, which is literally at a distance of 40-50 kilometers from the largest ports in the country, which is Kandla and Mundra, giving us a very low cost access per ton for any FOB for carrying the goods from our factory to onboard the vessel, whether it is by bulk or by container. We are facing one of the lowest costs per ton in the industry. So that is definitely one of the biggest competitive edges. Secondly, I think the product profile that we are focusing on is designed to cater to requirements by niche customers, value added customers who want customized products in thinner gauges, a variety of which in customized colors specific to their end products. And obviously, the specification in terms of the grade, hardness, elongation, and the performance of overall product has to be suitable to their production line. And all of these criterias are being fulfilled very well from our production line. And that is the reason why we are seeing great amount of repeat business from our long-term customers throughout our export markets. And I cannot comment on other competitors' advantages or disadvantages, but I can definitely tell you that these are a few of our strengths when it comes to meeting the demands of very demanding export customers.

Lovish Soien: Understood. Sir, my last question is that since we are increasing our capacity to almost 236,000 metric ton in our Colour Coated Line, so I want you to understand what was our strategy to ramp up utilization for this new line? Which are the geographies that we will be targeting? And have we onboarded any anchor customer for this new line?

Karan Agrawal: Look, I would refrain from disclosing our strategy publicly, which would be obviously available for everyone to hear, including our competitors. But I think we have done reasonably well to sell our existing capacity successfully and to be in a position where we have a strong order book giving us very robust visibility of revenues, both domestic and export for the next 4-5 months. And the strategies adopted by us include a very balanced mix of export and domestic sales to OEMs and the trade markets, which will ensure the maximum utilization of capacity that we are coming up in the coming few months.

Lovish Soien: Sir, would it be right to say that with this expanded capacity, we will be targeting exports even more or would we go towards the domestic market more without getting into--

Karan Agrawal: Like I said, I would refrain from sharing our selling strategies on the call.

Lovish Soien: No problem. Thank you for answering the questions. All the best.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Thank you. Sir, congratulations on a quick set of numbers. Interestingly, bare Zinc and Pre-Painted volumes, the percentage increase in bare Zinc quarter-on-quarter is higher. But at the same time, EBITDA per ton has also gone up. So is this some structural change which has happened in this quarter or how should we analyze this number?

Karan Agrawal: Yes, good afternoon, Ankurji. The reason for a sharp increase in bare Alu-Zinc export is because we have started the line only in December-Jan. And in the preceding quarters before this, we did not have Alu-Zinc export which was worth sharing. It was a very minuscule number. But starting from last quarter, we have ramped up our export and caught the momentum with few large customers overseas which have accepted our product and given us repeat business. That is why you are seeing a sharp increase in Alu-Zinc export. Number two, the EBITDA per ton margin becoming higher overall has multiple elements that have contributed to that situation which are, like I said on the call that we have shifted a good portion of our export from container to bulk. This is one big reason. The second reason is obviously the overall improved efficiency on our production where we are doing a higher production every month giving us a better chance of amortizing our fixed cost over a higher tonnage. And thirdly is the focus on premiumization and value addition of the product and to serve with niche customers in the OEM segment. I would say EBITDA per ton realization which has got elevated is due to a combined reason and not just one particular reason.

Ankur Gulati: Sir, I am guessing Alu-Zinc export realization and EBITDA per ton is considerably higher. And I am also, I think you won't be able to share that number on this call because of competitive reasons. So maybe if you can connect with the IR team and get it later if that is correct, fine with you?

Karan Agrawal: Sure, we will be able to help you with that separately.

Ankur Gulati: Fine. And second, the QIP document which got filed and let us say, it goes through, is it fair to assume that after this fundraise, the debt will be 0 at least for next 2-3 quarters?

Karan Agrawal: The QIP document that we have filed is naturally going to impair the debt that we have currently on our books. So, for the next couple of quarters, you will see reduction in the debt utilized by the company for sure.

Ankur Gulati: And one thing which kind of stood out in the QIP document, it says that 60% is from top 10 customers. So if you can help us, how does that work in Europe? Do you have distributors there? And that is why the concentration is high and the end customer is diversified or does the end customer is also highly consolidated?

Karan Agrawal: We do not have distributors, Ankurji. We are selling to large OEMs in Europe and in other geographies which are increasingly giving us a larger wallet share of their supply chain or of their requirement of their raw materials upon our company which is leading to this kind of a momentum in export sales and also increasing our share in their overall purchase supply chain. So, the fact that most of our business is coming from repeat customers and from long-term customers who have also signed MoUs with us is something that we are quite proud of.

Ankur Gulati: Interesting. And sir, again going back to the mix part, Alu-Zinc volumes jumped 45%, right? So is this a strategy where if you are getting export of Alu-Zinc versus domestic of Colour Coated, is export in Alu-Zinc more profitable at EBITDA part of level and that is why we are seeing this trend?

Karan Agrawal: Well, for the last quarter, the situation was quite simple. We had constrained capacity of Pre-Painted Steel and much higher capacity in Alu-Zinc steel. Therefore, the opportunity to sell anywhere which gives us a handsome EBITDA per ton realization was exploited.

Ankur Gulati: Fair enough. And sir, let us say, once the new painted plant is up and the new zinc is up, will the percentage of domestic increase in total mix? And if yes, then should we work with a slightly lower EBITDA per ton versus domestic EBITDA per ton is lower?

Karan Agrawal: The answer to first part of your question is yes that the percentage of domestic sales overall will increase because we would like to have a right balance of our export and domestic revenue mix with a chance to service a big opportunity in the domestic market as well where the demand and consumption is growing at an enormous pace, double digits per annum. Number two, the expectation of EBITDA per ton to decline may not be totally correct because overall EBITDA per ton realization or margin will improve since we will be selling more of value-added products, Pre-Painted Steel and lesser of Alu-Zinc product as compared to the percentage mix that we are doing today.

Ankur Gulati: Fair enough. And the last thing, just to be clear, the Second Colour Coated Line is starting in this quarter, correct, if I heard you, right?

Karan Agrawal: Absolutely right. Yes.

Ankur Gulati: And are we cutting the entire 2,36,000 or is it phased out, sir?

Karan Agrawal: It is one single line. So once we press the go-live button on the line, the entire capacity becomes operational. However, the ramp up of capacity utilization will be gradual and will be done over the next 60-90 days gradually.

Ankur Gulati: But let us say, Q4, if we were to look at it, what utilization do you expect for the incremental Colour Coated Line in percentage terms? And let us say, you guys are doing roughly 25,000 plus minus per quarter. So is it fair that somewhere in Q4 or Q1, we will start hitting 48,000-50,000?

Karan Agrawal: I think it would be, although speculative, we can imagine that every quarter, we should be in a position to achieve 50,000 tons plus minus 10% in a stable state which should be definitely achievable.

Ankur Gulati: And assuming time permits, the Rs. 350 crores CAPEX, the funding plan for that is still on the drawing board or do you foresee some equity dilution in the next 12-24 months?

Karan Agrawal: The QIP that we have launched that would bring in a good amount of equity in the balance sheet. Therefore, I think the balance needs to tie up this entire project would be dependent on internal accruals and probably, a portion of debt which should not be a challenge to tie up at all.

Ankur Gulati: That is great. I will fall back in the queue. Thanks.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is Dhruvin Doshi from NV Alpha. Please go ahead.

Dhruvin Doshi: Hi, sir. Thanks for the opportunity. Sir, just wanted to understand how are we able to pass on the increase or decrease in the HRC prices or the CRC prices? Sir, what I have seen is that the prices have shot up significantly in the last 3 quarters. So, I wanted your view and understanding is this significant EBITDA improvement is some portion of it also because of inventory gains or we pass it on fully and we try to maintain the EBITDA margins on the volumes that we do. So I just wanted your view on that?

Karan Agrawal: Hi, good afternoon. Well, I think number one, our mechanism for a pass-through of all kinds of costs is quite clear. When we have long-term customers, we are typically having pricing for the quantities every quarter both in the export market and the domestic market. So, every time, we are repricing our upcoming quarters shipments, we are capturing the increase decrease of the costs faced on account of raw material or energy or freight, etc., and obviously attempting to achieve 100% pass-through, now, the situations could enable us to achieve 100% pass-through or 90% pass-through or 85% pass-through, that depends on the situation that we are in and how hungry we are and the situation of the market etc., but this is how the mechanism works. But largely, we have been successful in achieving a situation where we are passing through between 90%-100% of the cost fluctuation. And secondly, your second part of the question regarding the EBITDA margins in Q2, no, it is not correct that the EBITDA margins have got

elevated due to an inventory price gain. In fact, most of the inventory that we have in our factory floor or in transit are already locked in by way of back to back orders from customers. So, therefore an increase a quarterly up and down of steel prices does not impact our EBITDA margins too much, extremely marginally, but largely the elevation of EBITDA margins have come due to the fact that we have been able to enjoy higher capacity utilization, sell a higher value added product to more niche customer base which has allowed us to earn a higher EBITDA realization.

Dhruvin Doshi: That is great, sir. That is good to know. Sir, would you be able to give us split between domestic and exports, the difference in EBITDA per ton, a ballpark figure more or less Rs. 1,000, Rs. 1,500?

Karan Agrawal: Look, again, very difficult to put a number to it because it keeps fluctuating quarter to quarter, like you said, the last couple of quarters have seen significant increase in prices in the domestic market which is not true for the export market. So this kind of comparison can be done for every quarter and you will see a different result for every quarter. What matters is what we are achieving at the end in a blended manner, which is the blended EBITDA margin is stable and only increasing which is the most important statistics.

Dhruvin Doshi: Got it, sir. Sir, my last question would be on the CRM integration that will probably come in FY '29. So sir, is it, what sort of EBITDA per ton benefit we can get from that? And I think sir, you also mentioned that one of the reasons for that would be to get a better control on the inventory also? Would we see inventory days then reducing, say from 130-140 currently, yes, just your sense on that?

Karan Agrawal: You are absolutely right. Number one, the reason that we are doing a backward integration project is to expand our EBITDA margin by way of higher value addition going one leg backward. So, the potential expansion of EBITDA margin due to the backward integration can be anywhere between Rs. 1,500-Rs. 1,700 per ton potentially. Further, the gains on account of inventory reduction is outcome that is very certain. It could be gains on account of interest cost that we are incurring on inventory or the overall working capital deployed could be far lesser as compared to today due to the backward integration.

Dhruvin Doshi: Any idea on the inventory days by how much they can get reduced because of lower SKUs?

Karan Agrawal: Because of lower SKUs, the inventory that we will need to maintain would be potentially anywhere between 60-90 days, not more than that.

Dhruvin Doshi: That is a significant reduction.

Karan Agrawal: Yes, correct. That is what I mentioned before that we will see a drastic reduction in inventory.

Dhruvin Doshi: That is great, sir. That is it from my end. Thank you.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is from the line of Kumar Saurabh from Scientific Investment. Please go ahead.

Kumar Saurabh: Hello, sir. Congrats on a great set of numbers and great to see the FY '29 vision picking up. But there is one more thing I saw in the PPT. I think we have an order book of Rs. 525 crore to be executed in the next 5 months, which means broadly we are at Rs. 100 crores plus monthly run rate, which means in the next 6 months, we might do a Rs. 600 crores kind of sales number, which is like a 50% kind of growth path in H2 over, interpretation correct?

Karan Agrawal: Yes, Saurabhji. You are right that we have an order book of Rs. 525 crores, but this is only reflecting the orders from our long-term customers and not capturing the orders from the spot customers that keep getting executed and it gets recycled every month. That would be over and above this naturally. So, I think the potential for H2 would be slightly higher than the order book that we have on our hand today.

Kumar Saurabh: Great, sir. Very heartening to know. And also, I think the previous participant asked questions around the increased HRC prices and backward integration. So, I have one similar question there. Given the kind of shortage we are seeing on the HRC, CRC and increased prices, if let us say we are growing sales at X%, do you see EBITDA also growing proportionally or at, let us say, X% sales, we can grow at 90% of sales growth? Like if sales growth is 40%, the EBITDA could grow around 30%. Do you see some kind of that pressure coming? Despite of, I know you have told, we have the ability to pass the raw material pricing pressure. But do you see any chances of EBITDA growth being proportionally lesser than sales growth rate?

Karan Agrawal: See, Saurabhji, this is a theoretical question. So, I can give you a very theoretical answer because in today's world, there are so many factors that are beyond our control, because of the geopolitical situation, due to energy costs, due to freight costs, due to metal costs, which is all very unpredictable. I think the biggest gurus and the wizards may not have predicted the levels of commodity prices, fuel prices and freight prices that we are facing today. Therefore, to predict what might happen in future to our growth rate of EBITDA is very difficult. But I think if we are able to maintain a very disciplined way of doing our business, when it comes to the cost pass-through, and when it comes to a healthy capacity utilization, it is fair to assume that at the worst case, we will be able to maintain the EBITDA margins of what we are doing today, which is anywhere between 10.5%-11.5%. And with much higher sale, if we are able to achieve 11% EBITDA, the numbers or the vision that we have for FY '29 is automatically going to become true. If we are able to do better than that, by way of optimizing our costs, or by diversifying our raw material procurement strategy and selling strategy, then you will see the EBITDA growth better than the sales growth. So, it is a very theoretical question, which has a theoretical answer, unfortunately.

Kumar Saurabh: Sure. Great, sir. We are keeping our eyes on the long-term vision, but just being aware of the short-term challenges. One last question, sir. The CRC complex backward integration, when it

is expected to go-live and from like which Financial Year, the benefits of that Rs. 1,000 crores per ton benefit could flow in?

Karan Agrawal: So, the backward integration project, which is Phase-2 of our investment plan, is going to start immediately after we commission the Phase-1 projects, which is the Second Colour Coating Line and the Captive Solar Power Plant. And potentially with the execution timeline between 15 odd months plus minus a couple of months is something that we can envisage for the go-live or commissioning of the backward integration project.

Kumar Saurabh: Thanks. And I wish you all the best, sir. I will come back in the queue.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is from the line of Sunil from MCS Investment. Please go ahead.

Sunil: Sir, thank you for providing me the opportunity again. Sir, I just wanted one clarification. I guess we as CFO, cash flow from operations is negative in FY '26. So, what was the reason behind it? And are we in H1 positive?

Karan Agrawal: Look, the cash flow being negative is only on account of inventory buildup, nothing else. So, we have been steadily profitable and the rate of profitability has also increased. But due to the upcoming Colour Coating Line getting started, earlier we were predicting end of Q2, now it is Q3. We were focusing on buildup of inventory for the new line, which has resulted in the negative cash flow. There is no other reason.

Sunil: Sir, are we H1 CFO positive?

Karan Agrawal: In H1, I, cash flow side, let me have a look. Operating cash flow is positive as on 30th September. That is what I can see. The cash flow from investing activities remains negative because we are in a CAPEX stage right now.

Sunil: That is fine.

Karan Agrawal: Operating cash flow is positive.

Sunil: So, we expect the same CFO to be positive by FY '27, till March FY '27, right?

Karan Agrawal: Well, of course, that is what we all are targeting. Yes.

Sunil: Thanks a lot, sir. Thanks a lot. Wish you good luck.

Karan Agrawal: Thank you.

Moderator: Thank you very much. The next question is from Lovish Soien from Burman Capital Management. Please go ahead.

Lovish Soien: Hi, thank you for the follow-up question. Sir, I think you mentioned that you are signing MoUs with your customers. So, just wanted to understand how are these MoUs working, if you can give us any color on this? Are there any committed volumes that you are getting from these customers?

Karan Agrawal: Yes, we have in fact started the practice of signing MoUs with our long-term customers, both export and domestic. We started this one year back and we are witnessing that each year, we are able to repeat these kind of MoUs with the same customers and add a kitty of new customers that are becoming MoU customers each year. And it is giving us a very good visibility of the approximate tonnages that the customer is committing or at least, let us say, providing for with a target to buy from our company. So, this is how it works. And yes, it is giving us a ballpark approximate number of quantity in terms of tonnage that the customer is potentially going to buy throughout the fiscal.

Lovish Soien: Sir, are these yearly MoUs or quarterly MoUs?

Karan Agrawal: Yes, they are yearly.

Lovish Soien: So, is the order book that we have, part of the order book that we have, is it reflecting the MoUs that we have signed or is that order book completely different from these MoUs?

Karan Agrawal: The MoU is not an order. It is a commitment from a customer and a commitment from us towards doing business for the year for targeting a certain quantity, targeting a certain kind of product and targeting a certain period. The order book reflects firm contracts and orders that the company has via its existing customer base, both export and domestic.

Lovish Soien: Got it. Sir, given that we are significantly increasing our capacity, can we see that order book going up from next quarter onwards?

Karan Agrawal: Well, I think the order book that we have currently captures between 4-5 months of our capacity. And I think as we keep growing our volumes and the extent of engagement with our long-term customers keeps increasing, potentially the order book could increase. But I think, the overall period of the order book would continue to remain between 3-5 months and not beyond that, because that is how the business runs, where the price fixation does not happen beyond 3-4 months or 3-5 months at most with any long-term customers. Beyond that, there is new pricing which gets renegotiated every quarter.

Lovish Soien: Got it. Sir, also, since we have commercialized our new Aluminum and Zinc line, I see that our EBITDA pattern has significantly improved. Sir, just I wanted to get an understanding of what is the differential between the EBITDA per ton for our Aluminum Zinc, which is non-painted and for our Pre-Painted portfolio. If you can give any color on this one?

Karan Agrawal: Honestly, it will be difficult for me to calculate outrightly on the call and tell you, but offhand, we can potentially do this breakup because we have the blended number in front of us right now. But the product wise number, we will need to get back to you on, sir.

Lovish Soien: Sure, sir. I will connect offline. And sir, just one last question. I see that we are doing a QIP. So, how much money are we planning to raise and what is the intended use of that money?

Karan Agrawal: Look, the QIP has been floated in the market for a raise of up to Rs. 150 crores for an equity investment in the company. To basically strengthen its balance sheet, the immediate end use of this proceeds would be impairment of debt, but long term, it would help us also build the required funding for the upcoming projects due to the strengthening of balance sheet and ability to raise term debt for the required project.

Lovish Soien: Understood. Thank you, sir. All the best for the future.

Karan Agrawal: Thank you.

Lovish Soien: Thank you very much. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Sir, just one small observation, 80% of order book is exports, whereas in Q2, exports was close to 70%-72%. So, can we assume that given this composition, Q3 EBITDA per ton can be slightly higher than 11,500, given that export is a higher percentage of order book?

Karan Agrawal: So, the order book, Ankurji, for exports would always be higher than domestic because we are having long-term MoUs with export customers more than the MoUs with domestic customers since historically our focus has been to export as much as possible. Now, whether the coming quarter would end up being 80-20 or not, I think that it will not be. I think the total export contribution would be somewhere in the range of between 60%-70% only and the balance would be domestic because the nature of domestic orders is more spot than long term. Therefore, the orders would be booked every month for the month and therefore, the order book for domestic gets built up as we go. Now, commenting on the EBITDA per ton number, once again, I think the access to the greater capacity of value addition by way of the Second Colour Coating Line definitely gives us potential to improve the EBITDA per ton realization for sure and this is something that we are optimistic about and we are targeting for sure.

Ankur Gulati: Sir, what is the increase in quarterly depreciation once this Colour Coating Line kicks off? Steady state quarterly depreciation or annual depreciation?

Karan Agrawal: Mahendraji, would you be able to comment on the increase in depreciation that we can foresee after the capitalization of Second Colour Coating Line and the Solar Power Plant, let us say, for Q4?

Ankur Gulati: Increase in depreciation?

Karan Agrawal: Yes, increase in depreciation. Mahendraji, can you please comment on the potential increase in depreciation in Q4 once the CAPEX towards Second Colour Coating Line and Solar Power Plant has been capitalized?

Mahendra Bang: The incremental would be nearby Rs. 4.25 crores, sir.

Karan Agrawal: Per quarter?

Mahendra Bang: No, per annum.

Ankur Gulati: Right. Thank you. Thanks all the best.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to management for closing comments.

Karan Agrawal: Before we conclude, I would like to thank our Board of Directors for its guidance, our employees for their dedication and customers for their continued trust and our investors for their continued confidence in the company. Q2 and H1 of FY '27 have been encouraging period for us with record financial performance, improving realizations and continued progress across our strategic initiatives. While external uncertainties remain, we are focused on executing our expansion plans, strengthening our product portfolio and improving operational efficiencies to support sustainable long-term growth. Wishing you all a very Happy and Prosperous Diwali. Thank you once again for joining us today.

Moderator: Thank you very much. On behalf of Manaksia Coated Metals & Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.