Date: **10.08.2026**

To,
BSE Limited
Listing Department,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Scrip Code: 504028 Symbol: GEE Ltd

SUB: Transcript of Post Earnings Conference Call for Q1 FY 27

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, the transcript for the Post Earnings Conference Call held on Friday, August 07, 2026, on Unaudited Financial Results of the Company for the Quarter Ended June 30, 2026, has been uploaded on the Company's website and can be accessed through the following link: -

https://www.geelimited.com/uploads/gee_reports/63b134cfe2269a591bec74dc040efb58.pdf

You are requested to take the above information on record.

Thanking you,

For GEE Limited

SUMEDHA MAHESH MORE
Digitally signed by SUMEDHA MAHESH MORE
Date: 2026.08.10 16:02:47 +05'30'

Sumedha More
Company Secretary & Compliance Officer
Mem. No. 69980

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SEAL OF TRUST

GEE Limited

Q1 FY27

POST EARNINGS CONFERENCE CALL

August 7, 2026 3:00 PM IST

Management Team

Mr. Umesh Agarwal - Joint Managing Director
Ms. Payal Agarwal - Chief Financial Officer

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Moderator: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27 Post Earnings Conference Call of GEE Limited. Today on the call from the management, we have with us Mr. Umesh Agarwal, Joint Managing Director, Ms. Payal Agarwal, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also, this is a reminder that this call is being recorded.

I would now request the management to detail us about the business performance highlights for the period ended June 2026, the growth perspective and the vision for the coming years, post which we will open the floor for Q&A. Over to the management team.

Payal Agarwal: Thank you so much Mohsin. Good afternoon, everyone and warm welcome to everybody, all the investors who have taken out their time post-lunch to join us on this earnings call. I will give a quick brief overview to of course, a few of you who have joined for the first time who are probably tracking the company.

So, GEE Limited is a leading, one of the leading welding consumables manufacturing companies. We manufacture welding consumables with presence not only in India but across the globe. The company is more than six decades old with plants in strategically located in both West Bengal in the East and Maharashtra in the West. So, that ways we have a pan-India presence supplying to all the critical areas. We have a very strong R&D team which actually caters and develops tailor-made products for the key engineering sectors which really build the infrastructure in any economy. We work very closely with all the leading B2B companies like BHEL, L&T, JCB, Adani, ONGC.

So, all the sectors actually primarily, I will just give quickly that any and every sector that employs -- uses metal, be it steel, be it any other metal has to use welding consumable and that is exactly where we play our part. So yes, all these are, of course, we have been trusted by all the industry leaders. We work closely with all of them. And the first name that is featuring over there on the top left icon that is there of NPCIL, I would just like to give a brief update about that. This is a fairly recent development that has taken and the company has secured a very, very strategic approval from Nuclear Power Corporation of India Limited. Now, as you all would know that India is, as across the globe, this objective is to move towards cleaner energy sources. And energy as such is also a very, very, very hot sector because there's a lot of work happening in that sector. Now nuclear power, of course, India today has a capacity of around 8.8 gigawatts of nuclear power capacity, which is expected to triple by 2031-'32, but eventually go up to 100 gigawatts by 2047. And to even achieve these numbers, the government of India has not only outlaid around 14 lakh crores for this CapEx, but has also opened this sector to the private players like Adani, Reliance, Jindal. So, a lot of private players are also going to be working in this. In this context, securing this approval at this stage, at such an early stage is not only corroborates the company's technical and technical strength and expertise, but also gives a very strong barrier to entry because this is a highly regulated nuclear sector. So, this is going to unlock a huge market growth for the company because there's almost as I mentioned, a 14 lakh crore outlay in this. So, that's a very big transformative sector that is going to play a huge role. And securing this strategic approval, of course is a big milestone for the company in its growth journey.

So, that was one of the, of course, key developments that took place in this quarter. I think what Mohsin is showing on the presentation is some of the key sectors -- and these are just some of the key five to six sectors where we are very deeply entrenched, where we are working very, very closely with all the leading players of the sector. So, infrastructure, of course, the entire infrastructure strength, be it the bridges, the roads, the industrial corridors that are being built by the government, they all require welding consumables. And we are empanelled with L&T, Tata projects, Afcons, NCC, KEC International, BHEL, Thermax, even with railways, of course, as you would all agree that there is a lot of CapEx lined up in railways, not only for building metro railway lines, for building freight corridor, for building station redevelopments, also for re-fixing the old electrical railway electrification projects and the rolling stock modernization.

So we are, of course, working with RDSO, so we are empanelled with Indian railways for more than 10 years. Defence, of course, there was also a recent, very significant milestone for the company, where the company was very closely associated with the commissioning of the three naval warships, which the Prime Minister of India also announced and GEE is proud to say that we were supplying the welding consumables for those naval warships.

So, yes, these are the few sectors, the INS Dunagiri yes, INS Agray and INS Sanshodhak. And it was a proud moment for us to be a part of this defence ramp-up journey that the country has taken. So rather than being import dependent now India is actually going ahead to not only being self-sufficient in this sector, but also exporting for the first time in its history since independence, it has started exporting to countries also in the defence sector. So, that again is a proud moment for us to participate in.

I'll give, of course, having spoken about the business, I'll give a brief overview of the key financial highlights in this quarter. The turnover, of course, went up by 30% year-on-year from INR 79 crores to INR 103 crores Q1 FY27. EBITDA again went up by around 77% from INR 4 crores, INR 4.5 crores to INR 8 crores. And the EBITDA margin going up by 204 basis points from 5.7% to 7.8%. Again, the PBT went up drastically from INR 1 crore to INR 5.5 crores. 318% of year-on-year growth. And the PBT margin again going up by 365 bps from 1.6% to 5.3% of turnover.

The adjusted PAT again going up by 223% year-on-year from INR 1 crore to INR 3.2 crores. And the adjusted PAT margin going up from 1.2% to 3.1%, a growth of 183 bps. So, that was the quarter one in a snapshot.

The growth strategy, I'll just quickly recap and say that, of course, the company looks at growing to INR 1,000 crores by 2029-'30. And that growth is going to be very organic coming from its existing product basket. Of course, adding a few product verticals which we have done in this quarter and will be doing in the Q2 as well.

Target margins are to stabilize and take the EBITDA margins to a sustainable double digit, grow it from a 10% to 11% and going up to 13% and keep it sustainably consistent at those levels. The holistic vision of the company and your management, the management of the company is to really evolve the company into comprehensive welding solutions provider. So, not only welding consumables, not only welding equipments, safety accessories, welding gear, it has to be a complete one-shop solution that we are looking at.

And not only the domestic, but we are looking at a global footprint is what is the vision that is there for the company. And outlook is, of course, as we mentioned that we are very, very closely empaneled and we are empaneled with almost, I would say, all the leading players across sectors, be it defence, be it infrastructure execution, oil and gas, power, energy, defence. Apart from that, we also have a very, very strong retail presence in the eastern and central of India.

So that is another feather in the cap where we want to leverage both these channels of distribution and take the growth forward. So yes, this is a brief overview on how we look at improving the margin and how this roadmap of going from an 8% to 9% and slowly going up to 12% to 13%. So of course, as the turnover and as the volumes will increase, there will be an economy of scale and there will be reduction in material cost as well.

Improved sourcing strategies, of course, helps and there is always going to be a better optimization level when there are higher levels of procurement. And improved formulations. So, formulations, of course, in this industry are the key recipe to success. So, the R&D team always works extensively on optimizing the cost levels. And apart from that, of course, there's very, very strict and kind of a conservative take on maintaining and reducing the operating cost. All these three and multi-fold actions is going to take forward and bring about a better margin in the future.

Apart from this, a very big activity which is going to -- event, which is going to happen for the company in which we've already, work is already underway for it is the monetization of the Thane land. So, there is a huge parcel of land that belongs to the company in Wagle Industrial Estate in Thane. The company already in the last financial year has signed a JD with a known developer, with a key developer in Thane itself, who's going to build commercial real estate on that plot of land. By this action, the company intends to unlock the value of that parcel of land and monetize it. So, the cash flow is coming from it approximately INR 400 crores over the next five years is where the company looks at going ahead and doing some inorganic growth and taking the company's growth journey forward from 1,000 to another 2,000.

So, yes, this slide of the presentation shows that what are the verticals that we are looking forward to expand in the organic, via the organic methodology is the stainless steel wires, which the company already has production capacity, also expand that vertical. Saw wires and saw flux, we've already started with commercial production in this quarter. Flux core wire is another vertical which is there. So again, all these are different technologies, different methodology to do welding. Ultimately, they're all welding consumables, just done through different methods. So, flux core wire is one of the newer -- I mean, relatively newer compared to stick electrodes. So, flux core wire technology is also another vertical that we have added and we have already set up capacity for that.

We'll be starting with commercial production in Q2. And going ahead for speciality products already we are doing on a smaller scale like nickel and exotic alloys or maintenance wire welding and also add to the product basket overall. So, this is going to be the organic expansion route and that's how we are expanding up to INR 1,000 crores. Apart from that, what I mentioned earlier in the previous slide that the cash flows coming from real estate of Thane and deploying of that those cash flows, that is where we are looking at inorganic growth opportunities in the welding space itself.

So, welding equipments and systems is going to be a key product category that we have already enlisted and we have already earmarked for acquisitions. We're also looking at speciality and hard facing electrodes that are high margin consumables and that will improve the overall product mix of the company. And going ahead with complementary consumables at cutting engaging electrodes and gas cutting accessories, the safety equipments. So, these are few of the inorganic growth opportunities that are already there on the radar and we are looking at optimally incorporating that in the product basket as well.

So, yes, I think the industry tailwinds that actually support and I will not only say support but corroborate our theory going forward, corroborate the growth that we are envisioning for the company primarily comes from the fact that there is a huge -- there is a tremendous infrastructure boom that is impending in India. So, the per capita steel consumption today also of India lies far below even the eastern Asian economies which have developed like China. I'm not even comparing with the western economy. So, that itself is a very important significant marker of where exactly our numbers are going to go, where exactly the infrastructure boom is coming. And wherever there is steel consumed, a welding consumable will have to be consumed to join, just join those two pieces of steel and that exactly -- so, the infrastructure growth, of course, with the government's imperative on infrastructure growth with 1.4 trillion national infra pipeline, metros, power, railways, that is going to, as I mentioned in the previous slide also on the key sectors the growth in the steel, the oil and gas defence and energy. These are going to be very, very important sectors which will see a huge transformation in the next four to five years.

If I even talk about railways, there are already thousands of Vande Bharat trains, bullet trains, dedicated freight corridors and station redevelopment that is happening already on ground that requires welding consumables. And of course, these sectors and their transformational growth is definitely going to be the torchbearers for this industry, but also the industry itself today is at around crores INR 12,000 crores to INR 13,000 crores and with a huge chunk of it in the unorganized sector, which more and more with time it is shifting towards the organized sectors with certified players supplying because there's a huge reliance on high integrity structures to be built.

So, that is why that is the role where certified and where all these organized players are going to have a bigger role in the infrastructure development in the story of India. The technological shift, of course, going forward, stick electrodes still today commands a huge percentage of the industry, but going forward, new technologies are coming up. There is going to be later on more rise in robotic also, precision welding and that demands for high performance welding consumables. The industrial automation, of course, so these are going to be key tailwinds that are going to -- that corroborate the story and corroborate what I'm talking about the growth in the company because with all these sectors growing, it's imperative that welding consumer industry only grows. So, yes, this means -- yeah.

Moderator: Thank you, ma'am. We will now begin the question-and-answer session. All those who wish to ask a question, please use the option of raise hand and we'll invite you to ask a question. You can also put your question in the Q&A box.

We'll take the first question from Mr. Darshil Pandya. Please go ahead.

Darshil Pandya: Hello. Am I audible? Yes.

Moderator: Yes, yes.

Darshil Pandya: Yeah. Hi, thank you, Payal ji, for explaining us your business in a very detailed manner in such short notice. Madam, I have one question regarding to our recent announcement on being empanelled at NPCIL. Just one thing is that who are the other partners who are also empanelled and I understand it's a rigorous process to be in, but who are the other players in this and what is the current, if we have any bid or something that we that will be this year or the next year?

Payal Agarwal: Yes. So, currently, I would say with NPCIL, I think it is D&H Sécheron and Ador who are certified and GEE. It's only these players who are certified by NPCIL and hello?

Umesh Agarwal: I would like to come in between. As far as we have already started the process, for example, like L&T, ISGEC, BHEL, NPCIL themselves, they have all visited our factory and inspected our factory and already the process has started. Even we are also expecting an inquiry from MEIL Hyderabad. So, there are 7 or 8 good potential vendors. They are in process to inspect our plant and start the work. We have already received orders also from 3-4 major players.

Darshil Pandya: Okay, understood. And sir, since we are guiding for this INR 1,000 crore mark for FY '29 and '30, just to understand, this demand has been there since last 1, 2 or 3 years and I understand that we are now entering into this CapEx phase, but our revenues in last 2-3 years have been very stagnant on this behalf. So, what gives us this confidence for this year to grow at 30% mark?

Umesh Agarwal: See, last 2-3 years was a rough patch for the management as it is known, and it is all known to everyone. Now we have overcome that and that's why we are very confident, not overconfident, but confident that we will be able to achieve this figure what we are giving. And this is something we are not giving which is, I would say, unimaginable figure. These are very achievable figures and it is going as per the market. And we have a capacity and we have a capability, both we have.

And as far as in India, we have got one of the most strongest R&D team with us at present and we are very confident we would be able to achieve this figure.

Darshil Pandya: So, these EBITDA margins, are we planning to take it to 10%, 11% this financial year?

Umesh Agarwal: See, that we are not 100% but of course, we are trying as we have already explained in our slide also. Once we increase our sales revenue, the economies of scale and we are taking also further more steps so that we can reduce our cost. So hopefully, yes, we can go up to -- we are trying to get into 10% this year.

Darshil Pandya: Understood. I'll fall back in the queue again. Thank you so much for answering my questions.

Moderator: Thank you. We'll take the next question from Praneeth Bommisetti. Please go ahead.

Praneeth Bommisetti: Hi, thank you for the opportunity. So, first thing I wanted to understand in terms of the management mentioned that you'll increase our utilization of capacity. So, I just want to understand because in your previous annual report and presentation, you mentioned that your electrode capacity is far unused compared to your wire capacity. So, does that mean you can inter use these capacities or how does it work? Could you just give some guidance on that?

Umesh Agarwal: No, we cannot inter use these capacities. Both are independent. Electrode capacity is partly unutilized. So, we are planning to maximize the sales of electrodes which we have already done. That's why you will see there is a jump in sales. Our MIG wire capacity is almost exhausted. We are planning for further expansion this year itself.

Praneeth Bommisetti: Got it.

Umesh Agarwal: Both product lines are different.

Praneeth Bommisetti: Understood. So, the distribution and clients are different for both of them or how is it different?

Umesh Agarwal: No. See, these are different process of welding. So, what happened the same customer also use the different process to do the welding. Even they use MIG wire, electrodes and even the flux code wire also. Might not be true for all customers. For those who are large customers, it holds true for them.

Praneeth Bommisetti: Understood. And is exports an opportunity for electrodes or is it too early to see or is it not feasible to export?

Umesh Agarwal: No, no, no. Actually, this year you will see we are actually targeting export market and we are getting good feedback. This year we have already received orders from various countries. From Vietnam, Saudi and Russia also. Russia already our distributor is trying to get the NAKS approval. If that is successful then it will be great achievement for the company. And even Middle East, you can say Bahrain, Muscat and Dubai as well. So, I think this year we will be getting a good sales figure in exports.

Praneeth Bommisetti: Understood. So in terms of competition, so who are we exactly competing with when we are exporting outside to all these Middle Eastern and other Vietnam and South-East Asian countries? Who are we competing with? Is it China or someone else?

Umesh Agarwal: Well, it's both China and even there are a few Indian manufacturers as well. And this year for even for electrodes and for wires, stainless steel wires, you've seen one of the slides which we are planning to expand our capacity. And we are also taking approval from German Rail via TUV. And as far as the trade agreement, I think our product is also included. So, from next year onwards, there will be a 0% duty on that. So, I think we will be getting a good footwork in Europe market as well.

Praneeth Bommisetti: Understood.

Umesh Agarwal: And stainless steel is the only product where India is actually competitive than China.

Praneeth Bommisetti: But why are we more competitive than China in stainless steel?

Umesh Agarwal: Because of the raw material pricing.

Praneeth Bommisetti: Yes. Got it. And the raw material pricing is based off having our own ores or like why is it better, more competitive?

Umesh Agarwal: See, I would say because of the ores and all those facilities which India has it, we do not manufacture wire rods. It's all being made by steel mills. And stainless steel, they are far more competitive. It's because of their own ores and everything available over here.

Praneeth Bommisetti: Understood. Got it. So, and you mentioned that you also want to increase capacities. So, what kind of outlay do we have right now? And what kind of asset turn do we usually get in terms of in MIG wires versus electrodes, when we are expanding capacities?

Umesh Agarwal: I didn't hear your last question.

Praneeth Bommisetti: So, sir, you mentioned that you want to expand capacity. So, I want to understand asset turn. So, for every crore of investment we might put, is it in terms of the revenue generated, is it different from electrodes and wires? And if it's different, what is the difference?

Umesh Agarwal: Payal, will you take that?

Payal Agarwal: Yes. So, I think you're trying to ask about the utilization of the asset and the revenue generating capacity. Is that correct?

Praneeth Bommisetti: No, I was asking about the incremental capacity, not the existing capacity. Incremental capacity, what you have in mind. So, how much do we want to spend and what are the potential revenue we might be able to generate from this?

Payal Agarwal: So, the incremental capacity that the company intends to spend upon is primarily, of course, ramping up the wire, continuous wire, wire rods facility. The SAW wire and SAW flux, which already the expansion has been done. And the flux cored wire, which, again, the company is expanding in as a vertical.

So, these are the three apart from, of course, setting up ancillary machinery to facilitate higher production levels. And today if we are at around INR 400 crores, going up to around INR 500 crores, INR 550 crores this year, we are looking at around another INR 30 crores to INR 40 crores capex and going up to INR 1,000 crores over the next three to four years.

Praneeth Bommisetti: Understood. So, we are mostly focusing on increasing capacities on wires. And is there a future where we will increase electrode capacity also or we'll see how it goes? Because where do you see the opportunity going forward?

Payal Agarwal: That is going to be a little distant future. I would say the next three to four years, we're not looking at expanding electrode capacity because primarily that is the place where there is an unutilized capacity that we have. So of course, taking up that production by only installing ancillary machines like packaging lines or some other drawing facility lines, but not looking at expanding that up to 2029-'30.

Of course, after that, once the capacity actually reaches around 90% to 95% of utilization levels, then there will be an electrode capacity further expansion. Not in the immediate future.

Praneeth Bommisetti: So, most of the opportunity still lies with wires as far as the company sees it?

Payal Agarwal: No, no. I won't say the most of the opportunity lies with wires. It's that the company's wire capacity is utilized up to the 100% right now. That is the case. That is why we're looking at expanding that. Electrode, fortunately, the company has ample unutilized capacity and that is how we are being able to tap the growing market and serve that demand immediately.

Praneeth Bommisetti: Got it. And in terms of margins, how different are the electrodes versus wires?

Payal Agarwal: So, both electrodes and wires have a product mix where there are high commodity products as well as, of course, high margin and niche product ranges as well. Even an electrode, it could be a silver brazing alloy or it could be a nickel alloy wire or some other product like I would take the GETIG series or whatever. So, they, of course, demand higher margins. And of course, then there is a range of the commodity products also which go in for general fabrication purposes on a regular basis, on an almost 24 by 7 churn basis. In wire and wire rods also, there is a mix of both of these kinds of products. So, both of them have these kinds of product baskets.

Moderator: Praneeth, may I request you to rejoin the queue, please?

Praneeth Bommisetti: Yeah, sure. Just one last question. In the cash flow wise, I just wanted to understand, you mentioned monetization rate. In the next year or two, do we expect any cash flows to come or will it be at the end of second or third year?

Payal Agarwal: No, we are expecting cash flows to start accruing.

Praneeth Bommisetti: Okay. And this will only be based on sales. It will not be based on the developer giving you a little bit before or nothing like that?

Payal Agarwal: We are looking at, we are taking, it is a purely this thing, area sharing revenue, area sharing model. So, of course, the area that the company gets in disposal or enter into agreements that will be the revenue coming from that.

Umesh Agarwal: That's what it's through sales.

Praneeth Bommisetti: Got it. Understood. Thank you.

Moderator: Thank you. We'll take the next question from Nishita Sanklesha. Please go ahead.

Nishita Sanklesha: Hi, am I audible?

Moderator: Yes, Nishita.

Nishita Sanklesha: Yeah. So, I just want a few clarifications. So, you mentioned that we need to incrementally spend INR 30 crores to INR 40 crores only to reach up to the revenue of INR 1,000 crores. Is that understanding, correct? So, like in the next three, four years, our CapEx will be INR 30 crores to INR 40 crores only, major CapEx.

Payal Agarwal: So, the major CapEx also INR 30 crores to INR 40 crores, of course, also comes from the fact that not only we'll be adding two new vertical product category lines like SAW wire, SAW fluxes, which we've already added onto, but also adding flux cored wire. So, I think a primary chunk of the CapEx comes from there. And then, of course, ancillary machines also in shifting of the Thane plant to another location. And that is where we are looking at the CapEx.

Nishita Sanklesha: Right. So, what our current capacity from the presentation, I understood that its 59,000 metric tons, right?

Payal Agarwal: Yes.

Nishita Sanklesha: And then we are increasing it up by 20,000 metric ton to 70,000 metric tons. So, that 20,000 metric ton is majorly going to be the wire capacity addition that you just spoke about. And for that, we'll need INR 30 crores to INR 40 crores of CapEx.

Payal Agarwal: No, no, no. I think there might have been a disconnect in this. No, the 12,000 metric ton wire capacity is not going to require INR 30 crores to INR 40 crores at all, actually. That's a very small quantum. That's going to be some quantum, but that's not going to be INR 30 crores to INR 40 crores. When I mentioned INR 30 crores to INR 40 crores, I was actually talking about shifting of the Thane facility to another location, setting up increasing wire capacity, setting up SAW wire, SAW fluxes, vertical product line, and flux cored wire, all this together.

Nishita Sanklesha: So, in these INR 30 crores to INR 40 crores, the addition of 20,000 capacity CapEx also includes?

Payal Agarwal: Yes. Yes. Yes. Absolutely. That is a small part of it. Yes.

Nishita Sanklesha: Right. So, what will be the CapEx around this year that we will incur this year in FY27?

Payal Agarwal: This year, I think we're looking at around INR 5 crores to INR 7 crores, because as I mentioned -- or going up to INR 10 crores, because as I mentioned, we've already set up two product vertical lines, and we're also looking at expanding the MIG wire product line.

Nishita Sanklesha: Understood. So, from the 71,000 metric ton capacity, you mentioned that we expect to reach 91% utilization by FY29? So, what is our peak revenue from the 100%? I'm assuming we can reach 100% utilization in the facility?

Payal Agarwal: Yes. 100% utilization really doesn't happen, because see what happens, obviously, in practically the placard capacity and actually utilizable capacity always will be different, because when you're changing different sizes and different dias and everything, diameters of the wire, obviously, the production, actual production capacity goes down. That is why I mentioned that once we reach up to 90% to 95%, and that is the time that we'll obviously, and before that only, we'll start looking at now growing the electrode capacity also.

Nishita Sanklesha: Okay, understood. So, what will be the peak revenue from this complete 71,000 metric ton capacity?

Payal Agarwal: So, from this itself, we are looking at around INR 850 crores of revenue.

Nishita Sanklesha: So, then if it's INR 850 crores of peak revenue, then how do we expect to reach INR 1,000 crores by FY29?

Payal Agarwal: Yes, it's fair enough. I understand and probably I think you're getting a disconnect in the product vertical lines. As I mentioned, I'll just say again that we are also adding SAW wires, SAW fluxes and flux cored wire. That capacity we've not added right now, because those are completely new verticals product, vertical range itself. So, because once we add those also into our product basket, we are expecting to go up to around INR 1,000 crores.

Nishita Sanklesha: Okay, understood. So, what will be the capacity for those saw wire and flux core wires?

Payal Agarwal: Umesh, can you just come in here? Okay. So, I think right now see SAW wire and SAW fluxes and flux cored wire, both we have set up one one lines. Going forward, as soon as the commercial production of each of these lines actually is a success, we'll look at expanding that. So, probably it'll be too early on stage to say that what exactly capacity we've set up, but that is what we are envisaging.

Umesh Agarwal: I would like to comment over here, right now we have already set up a production line of flux cored wire around 300 metric tons. Our plan, once it is properly set, our plan is to go up to 1000 tons.

Nishita Sanklesha: So, this 1000 metric ton will reach by FY29. Hello.

Umesh Agarwal: Hello.

Nishita Sanklesha: Yeah, the 1000 metric ton that we plan to reach up to, do we expect it to reach by FY29?

Umesh Agarwal: Yes, yes, absolutely.

Nishita Sanklesha: Okay, understood. So, INR 850 crores from the 71,000 metric ton capacity and then the rest we expect to come from this 1,000 metric ton capacity.

Umesh Agarwal: Yes, this 1000 metric ton itself will give you more than INR 150 cr. turnover.

Nishita Sanklesha: Okay, okay, understood. And the margins in this SAW flux and flux cored wires and SAW wires are the same as our current products?

Umesh Agarwal: Yeah, actually as Payal told you, the margins are similar. It depends upon the product lines. Each category has got a commodity and as well as special alloys. We will be manufacturing both mix of it. So, depending upon the commodity, of course, it will be a little lesser margin and the special produce like the stainless steel, low alloy, nickel alloy will be giving you a higher margin. So, on an average, it will be more than 10.

Nishita Sanklesha: Okay, understood. And my last question would be, so the current line that we have set up, when do we expect the commercialization to start?

Umesh Agarwal: The first line is already in process. I think by within by September end or early October, it should start the production.

Nishita Sanklesha: Okay, understood. Yeah. Thank you. Thank you so much.

Moderator: Thank you. We'll take the next question from Tanisha Sonkia. Please go ahead.

Tanisha Sonkia: Hi, can you hear me?

Moderator: Yes, Tanisha.

Tanisha Sonkia: Okay, so looking -- I just had one question. So, looking at the quarterly trend, we can see that this year's revenue was slightly lower than last quarter. So, is there any seasonality in GEE's revenue, maybe due to some monsoon related slowdown or construction? And do we expect this variability to become more pronounced in the future or will it smooth out?

Payal Agarwal: So, in this case, the industry itself, of course, a very pertinent question, Tanisha, but the industry itself is slightly seasonal in nature, because of course, the first quarter and the second quarter, because of the onset of monsoons, the construction work is likely stalled or delayed, I would say. So, there is a bit of seasonality. So, that is why, of course, in Q4, I don't, I think we would all agree on this call here that Q4 is always a -- irrespective of seasonality of nature of industry or not, Q4 is always higher for all industries, be it FMCG, be it FMEG or industrial products. So, of course, this industry, of course, does depend and monsoons does affect the work, the nature of work that is there, monsoons affect it. Comparing it with Q4, it wouldn't be really a very fair apple to apple comparison.

And to your next, the last latter part of your question, whether it will be more pronounced, I don't think it will become more pronounced or less pronounced, really. It is just about a bit of the work getting delayed or spilling onto the next quarter.

Tanisha Sonkia: Okay, understood. Thank you.

Payal Agarwal: Yes.

Moderator: Thank you. We'll take the next question from Nishant Bhat. Please go ahead.

Nishant Bhat: Yeah. Am I audible?

Moderator: Yes, Nishant.

Nishant Bhat: Yeah. First of all, I want to congratulate the management for a good set of number. I think the intent is really visible right now. I think business, we already had a lot of potential, inbuilt potential, but the intent was not visible. Now, it's very good to see that intent in the promoters. Majority of my questions have been answered, but I wanted to ask regarding the product mix right now, you mentioned that like we are into both commodity and specialized products. So, can you just give me a mix of how much is the percentage of specialized products in the basket as of now and how much revenue usually comes from the commodity side of the business?

Payal Agarwal: So currently around 27% to 30% would come from the niche product category. And of course, the larger chunk coming from the commodity products. Again, in the commodity products also, it's not like that those commodities products only go to dealers or distributors. They also go to B2B clients also who use these commodity products for general regular fabrication purposes also.

Umesh Agarwal: And I would like to further add on now after this NPCIL approval and all this infrastructure development which is going on in India, are this niche product or special product percentage is going to increase for sure. Like therefore, yesterday only we got an order, very prestigious order from BHEL Trichy team for P91 steel, where electrode goes for 30,000 hours of tensile testing or creep testing, which means for three and a half years. So, such special orders will also add to the basket. And we are very definite that percentage is going to increase.

Nishant Bhat: Got it, got it. And you also mentioned that the management is more focused on the R&D side of the business also, which is a very positive advantage. I think already we can see some of products have got really good use cases. Regarding this, do we have any new products in the pipeline in the future which will be coming?

Umesh Agarwal: As we said, flux cored wire is coming, submerged wire and flux is coming. And even in electrodes also we are in very close discussion with the various organizations. They want to do import substitute. That's the mandate by the Indian government. So that is one. And especially the new steels which is coming up both for defence, submarines. So, they are also discussing with us to develop consumables for that.

Nishant Bhat: Got it. And my last question will be, you mentioned that INR 1,000 crores is your North Star figure as of now. So, majority of the CapEx which will be doing, it will be all Brownfield CapEx, I'm assuming, right?

Payal Agarwal: No, this will be primarily Greenfield actually, because up to INR 1,000 crores, which is the current North Star for the company, is coming only from organic growth. So later on, from the journey from INR 1,000 crores to INR 2,000 crores are primarily coming from Brownfield, where we are looking at inorganic growth opportunities and acquiring few of the tier 2 players.

Nishant Bhat: Got it. Got it. That's it. Thank you so much.

Payal Agarwal: Yes.

Nishant Bhat: Thank you.

Moderator: Thank you. Sir, we'll take one question from the Q&A box. What is the company's debt reduction plan and by when do you expect leverage to come down to a comfortable level? This question is from Soham Pullul.

Payal Agarwal: So, the company's debt reduction plan and you will be pleased to know that already from Y-on-Y numbers, the debt, the interest costs have actually come down from last year from around 2.2% to 1.8%. So, from 2.4% to 1.8%. So that is the debt reduction that has already taken place by optimally utilising the assets of the company and by optimally utilising the cash flows of the company. Apart from that, just a reduction.

So, there is no existing term loan on the company's books. There's only a working capital limit that the company utilises, which also we have a fairly comfortable headroom space with the banks.

Moderator: Thank you, ma'am. Another question is from Jai Maru. He is asking, what is the status of Thane plant shifting? When will it be vacated and handed over to the developer?

Umesh Agarwal: Oh, we are already in process. I think by end of September, it will be completed.

Moderator: Okay, sir. And one question is from Garvita Jain regarding that capacity. The specific question is that, is this capacity expansion included within the broader 71,000 metric tonnes per annum? And she's talking about the flux cored wire expansion.

Payal Agarwal: No, so the flux cored wire and the SAW wire line is not included, that capacity is not included in the 71,000 metric tonnes. I hope that makes this -- I hope that makes this confusion, this brings clarity to this confusion. As Umesh ji pointed out, the SAW wire line and the flux cored wire capacities are separate, has not been included in the current numbers that have been given.

Moderator: Okay, we'll take the next question from Harshad T. Please go ahead.

Harshad T: Hello, am I audible?

Moderator: Yes, Harshad.

Harshad T: So, my question is, what is the incremental working capital required to achieve the INR 1,000 crore target that we have? I mean, what's your estimates for it?

Payal Agarwal: So currently, the working capital limits are around INR 100 crores. The company, as I mentioned, has comfortable headroom space in that area. So, we are not looking at incremental working capital limits in the next one year. Also, the cash flows coming from the real estate project are going to be also put to internal accruals apart from brownfield expansion opportunities. So right now, we're not looking at a major incremental working capital facility from banking institutions.

Harshad T: So, you don't envisage taking that or any dilution or anything like that?

Payal Agarwal: No, we're not looking at taking further debt, considering the fact that there's a huge cash flow accrual also coming in to the company.

Harshad T: Okay, understood. Thanks. Second question is, what percentage of your revenues are currently from shipbuilding and nuclear currently? And then how much would it be when you say achieve your INR 1,000 crore target about three, four years down the line?

Umesh Agarwal: See, at present, from nuclear, as we said, recently, we just got the nuclear approval. So, there will be there's no such percentage for nuclear, but then coming in the coming years, it should be having a, I think a good chunk number. At least I would say, we should be doing at least 10% of our business from nuclear. This is what we envisage. And from shipbuilding now, shipbuilding business will also be going to start take up for which the major consumption will come from flux cored wires. So once that should also will take care of around 3% to 5% of our revenue.

Harshad T: Okay, and when we say shipbuilding, it is mainly naval shipbuilding, right? Or is it also including the commercial?

Umesh Agarwal: No, what I told you is about commercial shipbuilding.

Harshad T: Okay.

Umesh Agarwal: Difference, it's very difficult to say at the moment, because there's all an order basis of the government and very difficult to project. But what is good for us that we are one of the major vendors. So, if there any such opportunity will be coming, we'll be getting a larger share of business.

Harshad T: Okay, got that. Yeah, thanks. That's all.

Moderator: Thank you. We'll take the next question from Parimal Mithani. Please go ahead.

Parimal Mithani: And thanks for answering the questions. So, I just have one thing. Your percentage of shares are pledged. What is it regarding, sir? Can you tell me what the timeline for the entire thing?

Payal Agarwal: So, the pledge has been done for personal, regarding the settlement of personal loan that the promoters had to take. And the timeline for the same or another three to four years, we'll be slowly reaping and freeing the share pledge.

Parimal Mithani: What's the personal loan amount, if I can just clarify that? The personal amount that you're taking?

Payal Agarwal: It's INR 40 crores.

Parimal Mithani: Okay, and it's for towards the business or what is towards the entire thing?

Payal Agarwal: Yeah, it is towards the business, towards the promoter settlement that actually took place.

Parimal Mithani: Okay, thanks for the clarification. Thank you.

Moderator: Thank you. We'll take the follow up question from Praneeth Bommisetti. Please go ahead.

Praneeth Bommisetti: Hi, thank you for the follow up. So, I just wanted to understand in terms of, you mentioned that you want to grow aggressively, but you had to also displace probably some of the players in the market. So how was the management exactly doing that in terms of business or price reductions? Could you just explain because growing at the rate you want is not really the industry goes in, it's far beyond it. Could you explain the strategy of how management was achieving that?

Payal Agarwal: I'm sorry, could you just repeat your question because your voice, the connection, your voice was lost in between.

Praneeth Bommisetti: Hello, I'm audible now?

Payal Agarwal: Yes, yes, you're audible now, Praneeth. Would you please repeat your question as I lost your voice in between?

Praneeth Bommisetti: Right. So basically, I'm just asking, when you want to grow at 20% to 30% growth rate, industry is not growing that fast. So, you have to displace some people. Just trying to understand how is the company exactly doing that? Is it unorganized, organized, or price correctiveness? I just want to understand what is the company employing right now to grow at that rate and how feasible is it in terms of margins or for us to do it?

Payal Agarwal: So, when I say that growing at a 20% CAGR vis-à-vis a 6% to 7% CAGR which the industry is witnessing today. So primarily, you have to understand that today if you are at occupying only 6% of the market share, if I say when I'm going up to INR 1,000 crores, which is the current North Star, we're only going to acquire 10%, 12% of the market share, which really, there is so much work today. And as I shared the shift from the unorganized sector to the organized sector is only going to increase the organized sector's market.

And with the fact that we have the major technical approvals backing us, and a very key flagship brand, which places us in deeply in the retail segment. So, these two things are going to ensure that the growth from a cap getting a 6% to 7% market share to a 10% to 12% market share will not be very, very disruptive.

Praneeth Bommisetti: But you just talked about market share, I understand that if you see in a broad picture, 6% to 12% might be easy. I'm just trying to understand because the existing demand is being satisfied by someone, the competent players that continue to be happening. Just trying to understand, is it easy to do that to begin with? What is exactly different?

Payal Agarwal: I think, Praneeth, when you say competent players are already doing that, actually you have to keep in mind the shift that is happening from the unorganized to the organized. So, when that shift is happening, really, there are no competent players, there is this market which is opening up. So that is one market which opens up.

The flux cored market wire -- market line also, the SAW wire, SAW fluxes line also, as I mentioned that these are relatively newer technologies compared to stick electrodes. So as these markets also open up and with the amount of infrastructure work that is happening, so it's about gauging and capturing that market. So, with the increase in the infrastructure work, if there are only two to three players or one or two key players who are going to be certified, of course, the early entrants are going to back the growth and going to ride on that growth.

So, we are looking at capturing all these three tailwinds, the unorganized to organized shift, the key approvals and being certified players at early entrance into this. Like, for example, as I mentioned, nuclear power capacity expansion from 8 gigawatts to around 22 gigawatts by 2000 -- tripling this thing. So, the early entrants are only two or three, one or two. So that helps the growth to come in double digit numbers also. Visibly the industry's growth. Thank you. Yeah.

Moderator: Yeah. Thank you, ma'am. We'll take the follow up question from Nishita Sanklesha. Please go ahead.

Nishita Sanklesha: Yeah. Am I audible?

Moderator: Yes, Nishita.

Nishita Sanklesha: Yeah. So sorry if the question seems repetitive. So, we just wanted to understand the 71,000 metric ton does not include the SAW wire facility, right?

Umesh Agarwal: Yes.

Nishita Sanklesha: But the INR 1,000 crore revenue target that we have that is inclusive of both the 71,000 metric ton capacity and the SAW wire capacity.

Umesh Agarwal: Yes.

Nishita Sanklesha: Okay. Okay. Understood. And my next question is that you mentioned our niche product contributes around 27% to 30% to the top line. So just wanted to understand how much incremental margin does the niche product category enjoy than the compared to the commodity products?

Umesh Agarwal: Oh, it's very, they are very different spectrum of products in the niche. So, each enjoys their own. It's very difficult to give you a specific number on it. But what we will do next time we will try and take average of it and we'll make a chart of it.

Nishita Sanklesha: Yes, that would be helpful. Thank you so much.

Moderator: Thank you. Thank you. We'll take the next question from Nishant Bhat. Please go ahead.

Nishant Bhat: Yeah. So just last one question from my side. So, you mentioned that you're looking for M&A opportunities, right? So, while evaluating these M&A opportunities, is the primary objective to add manufacturing capacity and market share in high volume building consumables? Or are you more focused on acquiring specialized product capabilities, proprietary technologies, or application know-how that can basically improve your product mix and margins?

Umesh Agarwal: So rather, I would say you have answered yourself. There's the last part, which you have said, we are more interested towards acquiring the different product verticals, or which will all second is the different technologies.

Nishant Bhat: Got it. Thank you. Thank you. That's all from my side.

Moderator: Thank you. Since there are no further questions, Umesh sir and Payal ma'am, would you like to give any closing comments?

Payal Agarwal: Yes, I think, thank you, everyone, as I said, for your time today. And thank you for the trust and support. Of course, we look forward to leveraging our capacities, our strengths, core strengths and expertise, and taking forward the company in a high growth, aggressive manner with sustainable margins.

Moderator: Yes, Umesh sir.

Umesh Agarwal: Hello, actually, thank you, everyone, for the trust and the support, as Payal said. And we are very definite, whatever we are claiming, we will be able to achieve that. And with all your trust and confidence, we are pretty confident. Thank you.

Moderator: Thank you to the management team. And thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.