JAI BALAJI INDUSTRIES LIMITED

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To
The Manager
Listing Department,
National Stock Exchange of India Limited
"EXCHANGE PLAZA", C-1, Block G
Bandra–Kurla Complex, Bandra (E)
Mumbai – 400 051
(Company's Scrip Code: JAIBALAJI)

To
The Manager,
Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
(Company's Scrip Code: 532976)

Dear Sir/Madam,

Sub: Transcript of the Earnings Con-Call held on 17th November, 2026

With reference to the captioned subject, please find enclosed the transcript of the Earnings Con-call for Q2 & H1FY27 held on 17th November, 2026.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Digitally signed by Ajay Kumar Tantia
Date: 2026.11.20 16:59:31 +05'30'

Ajay Kumar Tantia
Company Secretary

"Jai Balaji Industries Limited

Q2 FY'27 Earnings Conference Call"

November 17, 2026

MANAGEMENT: **MR. ADITYA JAJODIA – CHAIRMAN AND MANAGING DIRECTOR – JAI BALAJI INDUSTRIES LIMITED**
MR. RAJ KUMAR SHARMA – JOINT CHIEF FINANCIAL OFFICER – JAI BALAJI INDUSTRIES LIMITED
MR. VARUN JAJODIA – JAI BALAJI INDUSTRIES LIMITED
MR. AJAY TANTIA – COMPANY SECRETARY – JAI BALAJI INDUSTRIES LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to Jai Balaji Industries Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sana Kapoor from Go India Advisors. Thank you, and over to you, Ms. Kapoor.

Sana Kapoor: Thank you, Renju. Good afternoon, everybody, and welcome to Jai Balaji Industries Limited Q2 and H1 FY27 earnings call to discuss the results. We have on the call Mr. Aditya Jajodia, Chairman and Managing Director, Mr. Raj Kumar Sharma, Joint Chief Financial Officer, and Mr. Ajay Tantia, Company Secretary.

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. Aditya Jajodia 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.

Aditya Jajodia: Thank you, Sana. We also have Mr. Varun Jajodia with us. Thank you, Sana. A very good afternoon to everyone, and welcome to Jai Balaji Industries Limited Q2 and H1 FY27 earnings conference call. Our investor presentation and financial results have already been uploaded to the stock exchanges, and I hope that you have had the opportunity to have reviewed them. JBI delivered a strong performance in Q2 FY27, with revenue growth of 22% year-over-year and with EBITDA nearly doubling and PAT increasing threefold year-over-year.

This performance was driven by higher volumes across key products, improved realizations, and enhanced operational efficiencies. The improvement in profitability reflects the strength of our integrated manufacturing operations, disciplined cost management, and favorable realization trends across our various product portfolios. For the first half of FY27, we continued to build on this momentum with healthy growth in revenue, EBITDA, and profitability.

Coming to the industry environment, the ductile iron pipes industry continues to experience near-term demand softness, which is primarily due to slower government spending, delayed fund releases, and project executions. However, the underlying requirement for water and irrigation infrastructure remains strong, providing a favorable medium to long-term demand outlook.

Key initiatives such as Jal Jeevan Mission 2.0, which has been extended till December 2028, AMRUT 2.0, these continue to provide structural support to the industry. Their focus on strengthening rural and urban water infrastructure, transmission and distribution networks, and water treatment facilities is expected to support further demand for DI pipes over the medium to long term. We remain constructive on a gradual recovery in government ordering and project execution as the fund releases improve.

On the ferroalloy industry front, this segment continues to witness encouraging momentum, supported by the healthy steel demand and the growing requirement for specialized and high-performance steels. Ferroalloys play a crucial role in enhancing the strength, durability, and performance characteristics of steel, making them an essential input for several high-value applications.

We are particularly positive on the specialized ferroalloy segment, where demand for higher-grade products, consistent quality, and customized specifications continue to create opportunities for established manufacturers. The improvement in realizations over the past few quarters also reflect favorable industry dynamics.

We believe the medium-term outlook for this segment remains very encouraging. Moving to our strategic initiatives, our broader objective under Jai Balaji 2.0 remains focused on strengthening our position in specialized and value-added products, enhancing integrated manufacturing capabilities, and maintaining a strong balance sheet.

We have successfully expanded our DI pipes capacity to more than 5.5 lakh tons per annum, positioning ourselves very well to capitalize on the recovery in demand as the market conditions improve. In parallel, our specialized ferroalloys capacity is being enhanced from 1.66 lakh tons to 1.9 lakh tons per annum. We are also expanding our blast furnace capacity from 6.3 lakh tons to 7.5 lakh tons per annum and our sinter capacity from 9 lakh tons to around 12 lakh tons per annum.

These announcements will strengthen our production capabilities and provide greater operating leverage. On the capex front, we have nearly completed our overall investment program of INR1,112 crores, with the entire amount predominantly being funded through internal accruals. During Q2 FY27, we deployed the balance INR36 crores towards the program, with the capex completion targeted by the end of November to January of 2026-2027.

The enhanced blast furnace, sinter, and specialized ferroalloys capacities are progressing very quickly towards commissioning by the end of Q3 FY27. These investments align with our objective of improving operational efficiency, strengthening backward integration, and increasing the contribution of higher-margin products. Our integrated operations are further supported by three dedicated railway sidings, which provide significant logistical advantages, efficient movement of raw materials and finished goods while helping reduce transportation and turnaround time.

On the balance sheet front, we continue to maintain a disciplined approach towards debt management and strengthening our financial position. Our net term debt stood at INR145 crores only at the end of HY 2027, compared to INR169 crores at the end of FY26.

Further strengthening our liquidity position, we have secured sufficient working capital limits to the tune of INR395 crore, along with an additional INR137 crores facility sanctioned by HDFC Bank towards working capital and term loan requirements. These enhanced banking facilities will strengthen our working capital limits, help optimize financing costs, and support

our growth operational requirements. We remain focused on sustained debt reduction while maintaining adequate financial flexibility to support our next phase of growth.

Coming to our operational performances, production improved across key commodity products, particularly pig iron, billets, and TMT. Production across other product categories remained broadly stable. Sales uptake during the quarter was supported by all these products, reflecting the contribution of our diversified product portfolio. Specialized ferroalloys continued to be an important growth driver for the company.

Our high-grade product portfolio, established export presence across more than 40, 45 countries, and long-standing relationship with the domestic and international customers provide us with a strong competitive advantage. Our specialized products command a premium over benchmark ferroalloy prices, reflecting their quality and customized specifications. We remain focused on improving the product mix, strengthening customer relationships, and leveraging our enhanced capacities to capture the growth demand in this segment.

Across our broader steel and commodity portfolio, our integrated manufacturing model provides us with the flexibility to optimize production and manage costs effectively. With increased capacity and backward integration, we expect to derive further benefits from improving operation by improving operational efficiencies, better resource utilization, and cost optimization.

On the DI pipes front, while near-term demand continues to remain subdued, our expanded capacity of 5.5 lakh tons per annum is readily available to support higher volumes as the market conditions improve gradually. We will continue to monitor the pace of government ordering and project execution while maintaining operational and cost discipline. Coming to our financial performance, Q2 FY27 witnessed a greater improvement with revenue from operations growing 22% year-on-year.

Adjusted EBITDA nearly doubled, registering a growth of 93% year-on-year, and the adjusted EBITDA margin improved to around 9% from 5% in the corresponding quarter of last year. Profit after tax also grew by 150% year-on-year, while PAT nearly tripled, registering a growth of nearly 192%. The PAT margin also improved significantly to 5% from 2%. For HY 2027, revenue from operations grew by 23% year-on-year.

Adjusted EBITDA increased by approximately 64%, with margins improving to 9% from 6%. PAT also registered a growth of approximately 67%, while PAT margins improved to around 5%. Overall, the improvement in profitability reflects better realizations, particularly in ferroalloys and pig iron, improved production across our commodity portfolio, and our continued focus on operational efficiency and cost management.

To conclude, we remain encouraged by the opportunities across our key business segments. Our focus will continue to be on sustaining the growth momentum in our specialized ferroalloys, strengthening our broader steel and commodity businesses, and progressively improving the contribution of value-added products. We remain committed to disciplined execution, strengthening of our core businesses, and continued improving operational efficiencies.

With a strengthened balance sheet, enhanced capacity, and a clear focus on operational excellence, JBIL is very well positioned to unlock its next phase of growth, enhance profitability, and create sustainable long-term value for all its stakeholders. I would like to thank all our investors and analysts for their continued trust and support. With this, we can now open the floor for the question-and-answer session. Thank you, and over to you, moderator. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Priti Shah with Equity Research Analyst. Please go ahead.

Priti Shah: Good afternoon, sir. My question to you is, with a INR1,200 crores capex nearing completion, what is the expected timeline for the enhanced capacities to reach optimum utilization, and what is the incremental revenue and EBITDA that we are expecting over the next two to three years?

Aditya Jajodia: See, in terms of the actually, two major modules are pending completion. Other ancillary facilities, they are operational, but two, three major modules are there. One is the, on the blast furnace, where we expect that with that, the cost will be cut down substantially. EBITDA accretion, I do not want to make a much forward-looking statement, will be enhanced substantially in that.

Whatever EBITDA we are generating right now in the current blast furnace, that should improve by around 25%- 30% with the enhanced module. As far as the ferroalloy module is concerned, it will not only add to some capacity, it will also integrate some part of our operations which are at the moment slightly not fully integrated. So there also we should see a reasonable, I would say, upside.

Priti Shah: All right, got it. Also now that the capex is almost over, how do we see free cash flow generation improving? What will be our strategy for that?

Aditya Jajodia: Sorry, your voice was not clear, madam. Can you please repeat?

Priti Shah: Now that the capex is almost nearing completion, how do we see the free cash flow generation happening?

Aditya Jajodia: Madam, the free cash flow generation will be happening, already it is happening. Initially, whatever we are generating, this will be utilized for working capital purposes mainly. Also, when we announce the next phase of our growth plans, which will be coming out with soon, it will be utilized for that purpose, madam.

Priti Shah: All right. Thank you, and all the best to you sir.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Vaibhav Somani with Systematix Group. Please go ahead.

Vaibhav Somani: Yes. Hello, is my voice audible?

Aditya Jajodia: Yes, please.

Vaibhav Somani: Yes. Hi, sir. Thanks for the opportunity. So first question is, sir, can you provide

Aditya Jajodia: Can you please mute?

Moderator: This is the operator. Sorry for interrupting. There is a lot of noise in your background. Can you just move to a place which is not noisy?

Vaibhav Somani: Yes. Is it better now?

Moderator: Yes, better. Can you speak a little louder? Thank you.

Vaibhav Somani: Okay. Sir, just wanted to understand, as the board had mentioned that they are exploring investment opportunities in the state of West Bengal. Just wanted to understand this, are we focusing on setting up new facilities in specialized alloy and steel for railways? Can you please entail more details on this? That is the first question.

Aditya Jajodia: See, the investment plans which are being made, they are still on the drawing board. We have proposed some investments in West Bengal at the group level, where not only Jai Balaji Industries, but some of our other engineering companies also will be making investments. The concrete plans are still being made. As I just mentioned in the first question, when the first question was put to us, is that the plans have been finalized. Now with this phase of capex being completed, we will give a small, as I say, hiatus of around one quarter from here on. After that, maybe when we meet next, by that time, the next phase of investment plan will be announced.

Vaibhav Somani: Okay, sir. That is helpful. Sir, second question is on the demand and the pricing outlook of DI pipes over the next two to three years. What are your expectations regarding order inflows if JJM ramp-ups way in advance?

Aditya Jajodia: Over the next two to three years you said or no? Okay.

Varun Jajodia: As we know that the outlay of JJM has been extended from 2024 to 2028, and there is still a lot of spending left. The projects, seeing the project, pending projects, and the slow disbursement upon the last two years is expected to increase. We can expect the next two, three years to be better than the current and the last year. So, there will be a growth of demand for ductile pipes, plus there is AMRUT and other areas also where the pipes demand will be there in irrigation and other river linking projects. So demand has to increase and will be there compared to the last two years.

Vaibhav Somani: Okay, sir. That's it. Yes. That's it. Thank you.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Rishabh Bora with AB Advisors. Please go ahead.

Rishabh Bora: Good afternoon, sir. My first question is, trade payables and other liabilities and provisions resulted in a cash outflow of around INR290 crores during H1 FY27. Could you explain the key reasons behind this movement and how should we look at the working capital cycle going forward? Hello?

Raj Kumar Sharma: Hello. Can you repeat your question?

Rishabh Bora: Okay, so I will repeat it. Trade payables, other liabilities and provisions resulted in a cash outflow of around INR290 crores during H1 FY27. Could you explain the key reasons behind this movement and how should we look at the working capital cycle going forward?

Raj Kumar Sharma: You would be also seeing that the inventory levels have increased.

Rishabh Bora: Okay.

Raj Kumar Sharma: It was just looking at trade payables and creditors, and this thing will not. Approximately INR70 crores, INR60 crores of debt payment has been done. Then the inventory levels have gone up by approximately INR200 crores. I do not have the figure. In front of me. That is the problem with the reason.

Rishabh Bora: Okay. Got it. My second question is, with the net term debt declining to INR145 crores as of H1 FY27, what is the company's targeted net debt position over the next 12 to 18 months? Do you expect further meaningful deleveraging following the completion of the capex program?

Raj Kumar Sharma: Well, as per the repayment chart that we have, it should come down to the net. The gross debt present in the second quarter was INR188 crores. The net debt was INR145 crores, that thing. Going forward till March, the gross debt from INR188 crores, it should come down to INR140 crores.

Rishabh Bora: Okay.

Raj Kumar Sharma: Depending on the cash surplus, which is available in the system, it should come down to INR100 crore, INR110 crore.

Rishabh Bora: Okay. That's quite clear. One last question. The company has sanctioned working capital facilities of INR395 crores and an additional INR137 crores from HDFC Bank. How will these facilities improve liquidity and reduce the overall cost of borrowing? Also, what is the expected utilization of these limits?

Raj Kumar Sharma: The expected utilization previously was 70%. It should come down. Second, we have started availing packing credit facilities from HDFC. That will reduce the cost from 12%, whatever we were availing earlier. It will come down to 7%. The utilization level will also come down. Second, we also have to position ourselves. Once this ductile iron production and the sales pick up, we have to position ourselves so that we are able to cater to the working capital requirements for the enhanced production and sales.

Rishabh Bora: Okay. Got it.

Raj Kumar Sharma: Second, it was also an intention of the management that previously we had facilities, if I'm talking about one and a half years ago, it was mainly NBFCs. Once we had come out of ARC, it was NBFCs. So, we had best of NBFCs, Tata Capital, Aditya Birla, Piramal, and these things. Going forward, we have later on the best of private sector banks, Kotak Bank and HDFC has joined. So the family is spreading. Whatever the working capital requirement, we are also talking

to some of the PSU banks. Probably next quarter or something, you'll see one or two good PSU banks also joining into our lenders list.

Rishabh Bora: Okay. That is it from my side. Thank you very much for the opportunity.

Raj Kumar Sharma: Thank you.

Moderator: Thank you. A reminder to all the participants, press star and one to ask a question. Next question comes from the line of Shyam Garg with Neeyovan. Please go ahead.

Shyam Garg: Hi, thank you so much for the opportunity. Congratulations for the good set of number. My first question is regarding with the ferroalloy capacity expected to increase to 1.9 lakh TPA. What kind of utilization levels are you targeting over the next two years, and how much incremental revenue potential can this expanded capacity unlock?

Raj Kumar Sharma: For 1.9 lakh tons, the additional capacity will be 25,000-30,000 tons, which our current utilization will be above 90%. What was the second part of the question, please?

Shyam Garg: What kind of utilization are you targeting over the next two years? What is the utilization and revenue potential?

Raj Kumar Sharma: 90%.

Shyam Garg: Utilization potential? 90%. How much incremental revenue potential can this expanded capacity unlock?

Raj Kumar Sharma: The revenue potential will be more around 32%-33% of the turnover rate. But it depends on what will be the ductile iron pipe sales as a mix. No, no, 27% of the sales I'm talking about.

Aditya Jajodia: Revenue potential will be approximately INR400 crore-INR500 crores from Ferro facility.

Shyam Garg: Okay. My second question regarding the specialized ferroalloy currently contributes to around 28% of the Q2 FY27 revenue. Going forward, do you expect this segment contribution to increase further? What EBITDA margins can the business sustain as a volume scale-up?

Aditya Jajodia: See, the ferroalloy percentage of share, it will increase definitely from 28%, it will move to 30%, 31%. We must keep in mind also that we are enhancing our blast furnace capacity also. So there also revenue will be increasing. As a percentage of total turnover, there will be a proportionate increase. The absolute numbers will be approximately INR400 crore, but in terms of percentage, it will be around 30%, 31%. Because other products production is also increasing gradually. As far as the margin is concerned, we are doing a margin of 15%-16% in ferroalloys, which we expect to continue to carry on this.

Shyam Garg: Okay. On an overall business basis, what kind of sustainable EBITDA margin can we expect?

Aditya Jajodia: See, whatever we have achieved so far, this is a very normative margin. Now, the next upside will come with the new blast furnace coming in. The absolute numbers will increase. Also, marginally, from 9%, we should be hitting around 10%- 10.5% in terms of EBITDA margin,

number one. Number two, the absolute numbers of EBITDA will be increasing because of the enhanced volumes.

Number two is that the next kicker would definitely be coming. Currently, the ductile iron pipe market is very, very subdued. We are expecting that over the next one or two quarters, three quarters, the demand should keep on increasing. The moment this starts to improve, automatically there will be a jump in the margins also and the absolute numbers also.

Shyam Garg: Okay. Sir, DI pipe capacity has been expanded to 5.5 lakh tons per annum, but the segment continues to face near-term demand softness. What is the current enquiry pipeline, and by when do you expect a meaningful recovery in order inflow and capacity utilization?

Aditya Jajodia: I missed your question because the volume was too low. Can you please repeat the question, sir?

Shyam Garg: Yes, sir. DI pipes capacity has been expanded to 5.5 lakh TPA, but the segment continues to face near-term demand softness. What is the current enquiry pipeline, and by when do you expect a meaningful recovery in the order inflow and capacity utilization?

Aditya Jajodia: See, what we see right now is that in the next one quarter or two quarters, we do not see a very huge or humongous jump because the government spending is still very low. At the same time, the Jal Jeevan Mission scheme, it has an outline of March 2028 to finish. Naturally, the funds will have to be utilized by then. So, we expect that in the next financial year, or just prior to that, we should be seeing an uptick in the demand.

Shyam Garg: Okay. Sir, what is the expected order inflow or the capacity utilization for the next year?

Aditya Jajodia: The expected or inquiry pattern is still there only. As far as the inquiry pattern is concerned, there are still inquiries of more than 2 lakh tons. But what is happening is that due to the non-releasing of funds at the right pace by the government, most of the contractors who are executing the contracts, they are right now not very willing to put in more money to execute the contracts till the time the funds are actually fully released.

Shyam Garg: Okay. Sir, another DI pipe production declined from 41,000 tons in Q1 FY27 to 37,000 tons in Q2. This was primarily due to subdued market demand, or it was planned production adjustment or any other operational factors or maintenance likewise?

Aditya Jajodia: No, this particular quarter was due to monsoons. Demand whatever was subdued, had already been subdued around since the last four quarters, five quarters. There is no further reduction in demand. But in the monsoons, naturally, because of the people were not being able to carry it out on the open area or the rural area, that is why the monsoons are always slow periods.

Shyam Garg: Okay. This answers my question. Thank you so much for answering my question. All the very best for the next quarters.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes on the line of Junaid Motiwala, an Individual Investor. Please go ahead.

Junaid Motiwala: Thank you for your opportunity, sir. With all this geopolitical uncertainty around, how are we seeing the raw material costs shaping up in the second half, and how are the realizations holding up against that?

Aditya Jajodia: The raw material cost in terms of thermal coal and coking coal, they have already gone up. The negative impact of that will be visible in the third and fourth quarter. But the good thing is that the prices of finished products, they are also with a slight lead lag of one or two months, they are also going up. Whatever adjustments we are making in terms of the margins, we are seeing is that whatever the cost increase will be there, majority of that we will be able to pass on to the customers. That's what we believe.

Junaid Motiwala: This pass-on will be with like a quarter lag. Is that a correct understanding or?

Aditya Jajodia: You see, for the commodities, since we are selling the commodities more on a spot basis or 15-20 days, there the pass-on is immediate. But for products like ferroalloys and pipes, where we contract them quarterly or whatever, but most of the...

Moderator: Speaker, sorry for interrupting. Speaker, your voice is breaking.

Aditya Jajodia: My voice is breaking?

Moderator: Yes, your voice was breaking. Can you just speak once again? All right, thank you.

Aditya Jajodia: As far as the commodities are concerned, they are passing through the price where the time lag is only 15 days or 20 days because we are selling on spot. As far as the value-based products like ferroalloys or ductile iron pipes are concerned, there it takes around two to three months to pass the price. But already the process has started, and even from last month onwards, we are seeing that we have been able to successfully hike the prices and pass it to the customers.

Junaid Motiwala: Okay, got it. On the realization front only, this specialized ferroalloys have seen quite a significant jump in their realizations. Do we see this sustaining or how is it?

Aditya Jajodia: You see, we don't see the realizations improving further. Already the demand scenario what we are seeing, it is very robust. We'll be hoping that these particular prices and these particular margins sustain. We are not looking at expanding the margins of yet to say five points or 10 points more. If we are able to maintain this, we'll be pretty happy.

Junaid Motiwala: On the ferroalloy volume, sir, what led to the decline in this quarter? How do we expect the second half to go? Should we be expecting a pickup or something?

Aditya Jajodia: No, there has not been much decline. It is a 3%- 4% decline, which normally happens in the monsoon months, because we also undertake some capital repairs of the units in these particular months only.

Junaid Motiwala: H2 should be better, I would expect.

Aditya Jajodia: Just to repeat. The decline is only 4%- 5%. As I mentioned, we took a capital repair in one of the furnaces in the monsoon period.

Junaid Motiwala: Got it, sir. Thank you so much.

Aditya Jajodia: Thank you.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Rajesh Agarwal from Moneyore. Please go ahead.

Rajesh Agarwal: Sir, what is the current DI order book? DI pipes?

Varun Jajodia: The current DI order book is around 80,000 tons-90,000 tons.

Rajesh Agarwal: Okay.

Varun Jajodia: Out of that, around 50% of the orders are index-based, with the PV clause.

Rajesh Agarwal: Okay. Are we exporting DI pipes also, sir?

Varun Jajodia: We are exporting a little of DI pipes, not much.

Rajesh Agarwal: Not much. Okay. How is the export market outlook?

Varun Jajodia: Due to the geopolitical situations and all, currently the freights have been increased a lot.

Rajesh Agarwal: Okay.

Varun Jajodia: It is not that good to export currently. But in the near future, the freights have started coming down, and once the geopolitical situation pacifies, the export market for DI will start once again.

Rajesh Agarwal: Facing any cost escalation?

Aditya Jajodia: Yes. Looking for like coking coal, there will be a cost escalation, but this cost escalation, as I just answered in the last question, is that the majority of these coke prices, they are already passed in the commodity, they are already passed to their customers. In the finished products also, the process of passing on these enhanced costs to the customers, they are already in place.

Rajesh Agarwal: Okay. Sir, in the river linking projects also, DI pipes will be required. So any tender or any activity there?

Aditya Jajodia: They will be required, but so far what is happening is that the DPRs have been made, work on a couple of projects have started. Eventually, they will have to first have to make the tunnels, and they will have to make the pathways where the water can be transported. So right now, no major tenders, no big tenders have been awarded.

Rajesh Agarwal: Awarded. How much time it will take?

Varun Jajodia: Ken-Betwa project has kicked off out of the river linking projects.

Rajesh Agarwal: Okay.

Varun Jajodia: Now they have started the DPR. We are expecting the inquiries to come maybe from the next quarter or somewhere. Once they fund the tied-up and the contractors get their own payments, I think then only they will be starting the work on the ground.

Rajesh Agarwal: Okay. The requirement will be huge like Jal Jeevan, or it will be less in river linking?

Varun Jajodia: No, it will not be nothing like Jal Jeevan. It will be a comparatively smaller requirement.

Rajesh Agarwal: Smaller. Okay, sir. Thank you, sir.

Moderator: Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Shreya, an Individual Investor. Please go ahead.

Shreya: Hello. Hi. Am I audible?

Varun Jajodia: Yes.

Shreya: Yes. Just kind of expanding on the question that the previous participant said. The company has sort of established export presence in 40+ countries, right? Are you witnessing any changes in the demand from the key international markets that you are present, especially since the global trade uncertainties are pertaining? Are there any other opportunities the company is exploring to expand the export base of the customers?

Varun Jajodia: For the export business, we are seeing in the last two, three years that India is becoming one of the good options for the customers, and they are relying more on us. We are being the old player in this specialty ferroalloy segment. The customers are willing to give us long-term orders and come into an agreement. We are also keeping stocks around in different continents, like Europe and U.S., and maintaining our market leadership there for these products.

In the same 40+ countries, we have a reputed customer base and a well-connected logistics to give just-in-time service to all our customers. This number of countries and the volumes will be expanding in the near future as we are increasing our ferroalloy capacity from 1.6 lakh tons to 1.9 lakh tons. Surely the export will be increased further.

Shreya: Okay, got it. My next question is, given the current softness in the DI pipe market, how is the company balancing their production with demand, to avoid the inventory buildup and also obviously protecting the margins? The second part of the question is, what utilization level would make the expanded DI pipes capacity economically attractive?

Aditya Jajodia: See, madam, let me first answer your question. Number one-

Shreya: Yes.

Aditya Jajodia: Currently, whatever output we are producing, which we are not able to sell as DI pipes, we are selling as pig iron, where there is a reasonable margin, number one. But then to be economically very attractive, we will be looking at a capacity utilization of more than 60%-70%. Currently, we are not near that. But if the demand improves, then we are very well positioned to do that.

Shreya: Okay.

Aditya Jajodia: Currently, we are doing around 30%-40%. So, with a little uptick in demand, there will probably a challenge to do this.

Shreya: Right. Understood. My next question is, how much of the anticipated DI pipes demand recovery is dependent on these government-led initiatives? Example, like Jal Jeevan Mission 2.0 and AMRUT 2.0. Are you already seeing an improvement in tender activities or order visibility? Can you just give some more color to it?

Varun Jajodia: This DI product is basically a government-backed product only, where the government spending plays a major role. In the tenders, there are already old tenders which are still pending from the contractors when we placed. They have well inquiries and placed tenders already there with them already. They don't want any new tenders floating in for this supply. What the contractors and we want is that they start getting their old dues and the JJM, whatever promise, they start spending.

As per this year's budget, annual budget, out of INR67,000 crores, in H1, till now only INR16,500 crores have been spent. As soon as this fund starts coming in from the government, I believe the rotation will be much faster. Whatever the tenders and inquiries which has already been awarded to contractors, this will be coming into procurement.

Shreya: Okay. Understood. Got it. My last question would be, DI pipes realization have remained relatively soft compared with the other products categories. What is the outlook for pricing and margins in these segments over the next?

Varun Jajodia: There were a lot of stocks in the industry earlier this year. Now the stocks have been liquidated, and I believe as soon as the demand starts coming up, the prices will also improve a bit. Since this coking coal prices and other raw material prices are increasing, the cost push will also support to increase the prices of ductile iron pipes.

Shreya: Okay.

Aditya Jajodia: The bloodbath in pricing has already happened.

Shreya: Sorry, I did not catch you. Sorry.

Aditya Jajodia: See, madam, the bloodbath in the pricing has already happened over the last quarter or so, because there was too much of inventory and demand had stopped very suddenly. So that part is over, and most of the manufacturers, they have now rationalized their capacities and cost structure, keeping in view that we have to be more, I will say, demand elastic.

So, keeping that in view, we do not see any further bloodbath in prices. In fact, we see marginal prices improving, where most of the manufacturers will now actually recalibrate their production plans and not to operate at 90% or 100% or 80%, and be realistic at 60%-70%.

Shreya: Okay. Thank you so much for taking my questions, and all the best.

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

Aditya Jajodia: Thank you everyone for joining the call today. We trust that we have addressed all your inquiries to your satisfaction. In case of any other remaining unanswered questions, please do not hesitate to contact our investor relation agencies, Go India Advisors. They will be more than happy to assist you further. Thank you once again.

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