13 August 2025

BSE Limited
The Manager
Corporate Relationship Department
1st Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.
BSE Scrip Code: 500243

National Stock Exchange of India Limited
The Manager
Listing Department
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.
NSE Scrip Code: KIRLOSIND

Sir / Madam,

Subject: Updates of material subsidiary

We wish to inform you that Kirloskar Ferrous Industries Limited (KFIL), a listed material subsidiary of the Company, has intimated to the stock exchange, where the shares of KFIL are listed, an intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Listing Regulations), a copy of the intimation (which is self-explanatory) filed with the stock exchanges by KFIL is enclosed for your ready reference.

You are requested to take the same on your record.

Thanking you.

For Kirloskar Industries Limited

ashwini vijay mali
Digitally signed by ashwini vijay mali
Date: 2025.08.13 14:21:57 +05'30'

Ashwini Mali
Company Secretary

Encl: a/a

Ref No. 3220/25 12 August 2025

The Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai 400001
(Scrip code : 500245)

Dear Sir / Madam,

Subject : Transcript of the conference call

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of earlier communication vide letter No. 3217/25 dated 5 August 2025; this is to inform that the transcript of the conference call for investors and analysts held on Tuesday, 5 August 2025 is enclosed herewith and has been available at the website of the Company viz. www.kirloskarferrous.com

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Kirloskar Ferrous Industries Limited

MAYURESH VINAYAK GHARPURE

Digitally signed by MAYURESH VINAYAK GHARPURE
Date: 2025.08.12 17:15:51 +05'30'

Mayuresh Gharpure
Company Secretary

Encl : a/a

"Kirloskar Ferrous Industries Limited Q1 FY '26 Earnings Conference Call"

August 05, 2025

MANAGEMENT: **MR. R. V. GUMASTE -- MANAGING DIRECTOR, KIRLOSKAR FERROUS INDUSTRIES LIMITED**
MR. R. S. SRIVATSAN -- EXECUTIVE DIRECTOR (FINANCE) AND CHIEF FINANCIAL OFFICER, KIRLOSKAR FERROUS INDUSTRIES LIMITED

MODERATOR: **MR. PALLAV AGARWAL -- ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Kirloskar Ferrous Q1 and FY '26 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 this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pallav Agarwal from Antique Stock Broking Limited. Thank you. And over to you, sir.

Pallav Agarwal: Yes. Thank you, Hamshad, and good afternoon, everyone. Welcome to the 1st Quarter FY '26 Earning Call of Kirloskar Ferrous.

We have the Senior Management of the Company, represented by Mr. R. V. Gumaste – the Managing Director, and Mr. R. S. Srivatsan – the Executive Director (Finance) and CFO.

So, I would now like to hand over the call to Mr. Gumaste for his Opening Remarks. Over to you, sir.

R. V. Gumaste: Yes, good evening and welcome to the Kirloskar Ferrous Q1 Quarterly Call.

Quarter 1 of Financial Year '25 - '26 has gone, I would say, reasonably well, in spite of the headwinds. We continue to have commodity price pressures, especially in pig iron and steel. Whereas casting, we are able to experience increased demand position with tractor industry doing well. So, all our foundries are loaded to full capacity to deliver to our valuable customers. On the seamless tube sector, I think, the demand position continues to be good with our various product offerings.

For Quarter 1, looking at the sales for Quarter 1, so we closed Quarter 1 with Rs. 1,685 crores of sales against last year Quarter 1 of Rs. 1,554 crores, a growth of 8.5%. With EBITDA at Rs. 214 crores against last year's Rs. 187 crores, a growth of 14%. And PBT at Rs. 130 crores against last year's Rs. 104 crores and PAT at Rs. 96 crores against Rs. 76 crores last year.

With respect to polymetric, I would say that we are more or less similar with respect to pig iron, together with Koppal, Hiriyur just a difference of about 1%. We have a growth in the casting of 6%. And whereas tube, both Ahmednagar and Baramati put together a growth of 32%. This is against the last year's subdued Quarter 1. So, I would say that the growth subsequently is picking up, and we expect better numbers in the coming quarters.

Whereas, the production of steel was down because of the maintenance shutdown, whereas sales continue to be with the inventories what we carried. So, pig iron sales down by 2%, whereas casting sales is up 4%, and steel and tube sales with respect to last quarter is substantially improved. We see a 42% growth over the last year's 1st Quarter, whereas steel is an improvement of just 4%.

As I mentioned, the casting sales improvement is 6%, whereas pig iron sales improvement overall is 5%. Whereas in money terms, we have lost because of the commodity prices, especially in pig iron and also in steel and tube.

Sales realizations, we hope that especially pig iron will stabilize at these levels, because it has come to very-very low margin levels. Whereas tube, we are yet to start the high value sales starting with oil and gas orders, yet to start deliveries.

Overall, I would say that the start of this Quarter 1 has been good, and we look forward to improve further based on the improved performance in Quarter 1. Going forward, we are experiencing very strong demand for the castings and tube mills, especially have started performing. We are ramping up the volumes both in terms of production as well as sales. Also, we have been able to enhance the output in steel. We are yet to see a pick-up improvement in steel, but we look forward to improving sales in the coming quarters.

Thank you very much for joining, once again, and I look forward to your questions, so that those could be addressed. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aman from Augmenta Asset Managers. Please go ahead.

Aman: Hi, sir. Thanks for the opportunity. Sir, first of all, can you let us know, like, what kind of power cost are we incurring as a percentage of sales for the tubes division? Because previously we used to highlight that the power cost was very high.

And secondly, what kind of benefits can we expect post-commissioning of the mini blast furnace at the Koppal for the tubes division?

R. V. Gumaste: Yes. First of all, at the company level, last year 1st Quarter the power cost was 8.9% and this year the overall company level, the power cost is 6.1%, this is power and fuel put together. So, we have substantial improvement mainly because of the fully commissioning of the 70 megawatt power plant and which is in operation now and we are in the process of erection and commissioning of the windmills, the additional benefit will come after the commissioning of this.

Aman: So sir, again on a follow-up on this thing, so like for the tubes division, what is like stopping the margins, like what is hindering the margins to grow from here, maybe a single-digit EBIT margins that we are reporting, so like, what can lead to growth in the margins?

And secondly, we were listening to some of the companies in the tube division, they were highlighting of the increased Chinese dumping. So, could you please highlight on that too?

R. V. Gumaste: No, I think, there has been continuous dumping of the Chinese seamless tubes. We have been taking up with the government, but I think actions are awaited. And we hope that those actions will be taken. But there is rampant dumping of tubes in different forms and there is nothing to stop right now, at least till date. So, we have to compete in spite of that situation and definitely items like line pipes, we have lost the margins, substantially, because of the price war and Chinese dumping.

Aman: Okay. So sir, you did not highlight that thing, what kind of benefit can we expect post commissioning of the blast furnace at Koppal for the tubes division?

R. V. Gumaste: No, I think, I understand that we have the plan to convert one of the mini blast furnace pig iron into steel and thereby feed the Baramati plant with steel manufactured in Koppal. And we expect substantial value addition improvement with that and of the order of about Rs. 12 per kg and we have already gone ahead and taken the MoF clearance and pollution clearance. And we are starting the project work shortly. And it will take 2 years to 2.5 years to operationalize the steel bloom manufacturing in Koppal. That is our next plan of mitigating the higher cost of manufacturing the steel at Jejuri.

Aman: The CAPEX for the same is around Rs. 700 crores odd, right?

R. V. Gumaste: Around Rs. 700 crores to Rs. 800 crores is the expected CAPEX on that.

Aman: And sir, for the tubes division, like what kind of margin benefit can we expect? Like are all the things that we are required to do, be it on the power cost side, be it on the integration with the existing structure. So, like what kind of margins can be expected or everything is done from our end, it is just that the industry headwinds are that, that is why we are not able to report the margins?

R. V. Gumaste: No, I think, if the steel manufacturing cost, if it is taken care well, we expect that the tube division will continue to operate at 15% - 16% EBITDA. But if we take the iron ore mining to manufacture it, the EBITDA levels, overall consolidated EBITDA margins will be much better than 15% - 16%.

Aman: But this benefit is not coming at this time? Okay, but this benefit is not coming for the next two years is not coming.

R. V. Gumaste: Yes, it will not be. But in the meantime, if two, three important steps, one is our progress on solar and wind is one cost mitigation program. It is not just going green, but it is also cost reduction program. And in addition to that, you have seen, we have enhanced the outputs to some extent with the debottlenecking. But we are looking for as quickly as possible to bring the steel tube run rate to higher level, like together, at least we should make 2 lakh tons of tube sales, which will also help us in reducing the cost. And it should at least help us to take to 14% EBITDA level for the tube business, in spite of the higher cost of steel.

Aman: If we reach the 2-lakh ton volume target, we can expect some high double-digit EBITDA margins over there. Is that right?

R. V. Gumaste: Correct, correct. Yes.

Aman: And sir, lastly, yesterday in the AGM, I do not recall whether you or Chairman sir highlighted that the companies are in talks with some European buyers for the steel division. So, could you highlight much more on that? Like, what is happening and what are we thinking over there?

R. V. Gumaste: Not exactly on the steel side, I do not remember the European customers. Basically, our castings are deemed export to European customers because the castings, which get machined or castings, which get converted to engine are going to Europe and it is about 25% deemed export, and I think it must be reference to that.

Aman: Okay. I will get back in the queue. Thank you.

R. V. Gumaste: Thank you very much. Thank you.

Moderator: Thank you. The next question is from the line of Nirmam from Unique PMS. Please go ahead.

Nirmam: Yes, sir. Thank you for the opportunity. Sir, over the past decade, we have undertaken a lot of cost optimization projects, a lot of backward integration. So, in your experience, how much of the benefit do we retain and how much of the benefit has to be passed on to the market over a period of time?

R. V. Gumaste: No, I think, all the projects which we have taken, they have given the benefits in line with the plan. And where we have compelled to pass on to the customers is in the area of pig iron and steel. Whereas we continue to retain the margins in case of casting and tubes.

Nirmam: Okay, sir. And on the power and fuel cost side, how do you think about that?

R. V. Gumaste: Power and fuel, see, basically there are two - three definitely intentions in bringing down the power and fuel cost. One is maintaining cost competitiveness, which means that partly we could be passing off. Second is to reduce our manufacturing costs, which means that we should be improving our margins and going green. So luckily for us, all these green energy projects meet all the three requirements and naturally we will be passing on something. But our effort is to improve the profitability of our company as well.

Nirmam: Okay, sir. That is helpful. And sir, just continuing on the tube segment. So, the competitor mentioned about slowing down, slow CAPEX in the oil and gas sector also. So, according to you how is the demand side of things, and if you could provide a broad outlook for the segment?

R. V. Gumaste: We are a moderate-sized player in the market today. We are still talking about 200,000 tubes. Rather, I would say that we are looking towards how to enhance this capacity to 300,000 metric tons or 3,50,000 metric tons per annum. And we see a great opportunity for us to expand the capacity. And we see market opportunity for KFIL to expand.

And not only just oil and gas, but every area of application, we have been doing well in the power sector. We are doing competitively in line requirement. So, we will continue to look at the opportunity and bring our capacity to a reasonable level, like other competitors. We are committed for investments to expanding in the two sectors.

Nirmam: And sir, you mentioned, you can reach 14% EBITDA margins once you can do 2,00,000 tons of sales. So, is there a timeline or how do you see --

R. V. Gumaste: No, for example, we are looking at achieving 200,000 metric tons this financial year itself. The profitability, as you know, so they get affected with many things like dumping. But even at this level, I think, it is possible. We have to commission a couple of power projects. But otherwise, I think, the tube division should give us that level of EBITDA.

Nirmam: Okay, sir. Yes, that is it. Thank you. That is it for me.

R. V. Gumaste: Thank you very much. Thank you.

Moderator: Thank you. The next question is from the line of Aashav Patel from Molecule Ventures PMS. Please go ahead.

Aashav Patel: Very good evening, Gumaste ji. Thank you for the opportunity. My first question is that over the last three quarters, we have seen robust improvement in terms of tractor casting volumes. Now, the tractor casting industry has been posting all time highest quarterly sales volume. But we continue to struggle at the same quarterly volume run rate, around 33,000 for the last more than two years now, despite having the incremental capacity which is available to us. So, what exactly are we lacking, sir? Why are we not able to increase our casting volume? What is the challenge we are facing? And do you consider the 1.7 lakh target can still be achieved for this financial year?

R. V. Gumaste: Thank you very much for the good question. I think, there have been couple of issues where we were struggling with one was product mix related though improvement was seen in the market, but still we were unable to. But I think the real improvement in the tractor industry started in the middle of May. April was not that great, May also. So, we did not get the full benefit of improved market conditions in Quarter 1.

I am quite optimistic that the volumes will pick up, the first level of we are looking is something like 40 plus kind of sales volume, quarter two should support us. I think we have also started getting the benefit of Oliver Foundry started selling about 1,000 tons per month and we are looking forward to taking it to further higher level. We are looking forward to doing 1,70,000 may be including Oliver Foundry volume.

Aashav Patel: Got it, sir. And sir with regards to the current profitability in the tube segment, what EBITDA margin range would that be? You mentioned that we strive to go towards 14%, but what would it be?

R. V. Gumaste: See, the real struggle in maintaining or retaining EBITDA level is in pig iron and steel. And I think, those are the two sectors which have been struggling over the last two years to three years. Continuously the product prices have been dropping, sales realizations have been going down. And even in this quarter with respect to last year Quarter 1, pig iron realization has come down by 8%, casting realization has come down by 1%. Baramati tube division realization has come down by 13% and overall tube division realization has come down by 9%; and Jejuri Steel realization has come down by 6%.

See the profitability what we have been maintaining has been in spite of these deflationary pressures. For example, the pig iron over the last two years has come down by 38%. So, in spite of this we have been able to maintain or manage the profitability and margins only because of various cost reduction projects we have taken, and we continue to work on those projects. We have confidence with respect to long-term sustainability of these businesses. We are doing more and better, well integrated starting from mining to going up to tube.

We are also bringing up steel making. I am sure that these projects will further strengthen. Competitive environment in the market will remain in certain challenging times. For three years iron and steel related industry has continuously gone down. It does not mean that it will not come up. It should come up and that is what I have seen over the last three decades. What goes down, also comes up.

Aashav Patel: Got it. And sir, within tube segment, I also track the other peers of ours in seamless tube division. So for them, OCTG is more than a 50% contribution in the sales mix and the margin and profitability in OCTG segment is significantly higher than the rest of the segment. So, why do not we focus on the scaling of this OCTG segment sales mix for our ISMT facility?

R. V. Gumaste: We will be doing that.

Aashav Patel: Currently sir, what percentage of contribution is coming from OCTG segment? A rough figure?

R. V. Gumaste: A rough figure could be around 20%, around 20%.

Aashav Patel: And in this space, even the dumping competition will not be there, right, because the companies like you prefer domestic vendors.

R. V. Gumaste: There is competition, but it is coming competition amongst the three of us. And we have to compete with each other and we have to have capacity to offer to domestic supplies as well as exports.

Moderator: Thank you. The next question is from the line of Digant Haria from Greenedge Wealth. Please go ahead.

Digant Haria: Hi sir, two questions. Sir, one is on the tube segment, you just referred in your opening remarks that the factories are doing well and we are still to start the high value-added. So, is it, when you say the high value-added tubes, is it the same as what Aashav was referring to, which is the oil country tubular? Is that the one you are referring to?

R. V. Gumaste: Yes, correct. That is the one because the line pipes are not high-value, but the premium couplings, for example, are high-value. Those orders are yet to start.

Digant Haria: Okay, okay. Okay, sir. And sir this whole tractor thing, you said that it is only mid of May that actually there is some decent traction in the market. So, you see this lasting for a quarter or is this a slightly longer trend and we can really have a good shot at 1,70,000 tons this time?

R. V. Gumaste: I wish it was sustained for long.

Digant Haria: No, no, sir, but just in case something does not --

R. V. Gumaste: No, the conditions are conducive for sustained pick-up because this year also, last year the bumper rains and the bumper crops. This year again, overall, there is good spread and expect the tractor industry progress to continue for longer period, I think, that is what is my expectation.

Digant Haria: Yes. Okay. Sir, and see if we, god willing, if we reach that 1,70,000 tons, like what would be, just because of the industry doing well and how much would be because we introduced maybe some new products, some new customers or something like that if you can just give us some idea.

R. V. Gumaste: No, I think, currently if you look at, we are continuously adding new customers. In the last quarter also we have added two customers. We have started developing the parts for them and we are developing lot of many castings for existing customers, and we are expanding our presence with Oliver in the north as well.

And the current level of development is definitely in line with we are going to about 200,000 tons per annum or 16,000 tons to 17,000 tons per month sales. And at that level, I think, very shortly we should be reaching those levels very shortly to start a run rate of 2,00,000 metric tons per annum casting sales volume. Though we will not realize that number for this year, but it will lay the very strong foundation for reaching those volumes for the next year.

Digant Haria: Right. I wish you really all the best for that. And sir last question is a technical question that when does our NSE listing happen, because for a company of our size and caliber we should be listed on NSE. So, just wanted to know an update on that.

R. V. Gumaste: Can I leave that question to Mr. Srivatsan, who is on the call?

R. S. Srivatsan: Yes, sir. I am on the call. Yes, good evening. We are making the application to the NSE and we will pursue it and see that it comes up.

Digant Haria: Sir, but any timeline because we have been waiting a long time, this Oliver merger happened and before that the ISMT. So, any timeline that you have for making that application?

R. S. Srivatsan: Actually, we are waiting for the completion of the merger total activities. Almost it has come to an end now. So before we, yesterday we announced even the merger of Adicca and Oliver proposal. Before that we would like to meet the NSE also. Application is being prepared, and we will be filing it.

Digant Haria: Okay, sir.

R. V. Gumaste: Can we say that in this quarter we filed the application, Srivatsan?

R. S. Srivatsan: Sir, there are two couple of things which we need to do internally.

R. V. Gumaste: Okay. Yes.

R. S. Srivatsan: But we are working that early we complete it.

R. V. Gumaste: Yes. I think transactions are more in NSE, that is why the interest is there.

R. S. Srivatsan: Correct. Yes, sir.

Digant Haria: Sir, a lot of funds will buy only because they are on NSE and all, so that is why, yes.

R. V. Gumaste: I know. See, we got into this issue because they permitted us for the trading on NSE and then they withdraw. So, we will make the application and get listed on regular basis as early as possible.

Digant Haria: All the best. Thank you so much for giving me the time. Thank you.

R. V. Gumaste: Thank you very much.

Moderator: Thank you. The next question is from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.

Mahesh Bendre: Hi, sir. Thank you so much for the opportunity. Sir, I have one question. So, what kind of volume growth we are anticipating across our three business divisions for this year?

R. V. Gumaste: What kind of?

Mahesh Bendre: Volume growth.

R. V. Gumaste: Volume growth?

Mahesh Bendre: Yes.

R. V. Gumaste: No. If you, we have put up on a regular basis, we are working for taking our casting business towards at least known level of 260,000 metric ton per annum. We are also looking for expanding the steel making from 300,000 metric ton per annum to 650,000 metric ton per annum. We are also working for taking the tube first to a level of 200,000 metric ton per annum and subsequently expanded up to 300,000 or 350,000 metric ton per annum.

Whereas pig iron, which temporarily or for short period will go up to 700,000 metric ton per annum and 750,000 metric ton per annum but will come down to 500,000 metric ton per annum, once we increase the steel. These are the expansion plans, which we are working over the next two years - three years. These projects will get completed and the various project commissioning will bring these volumes on all the four product lines we are working with.

Mahesh Bendre: So, we are expanding our capacity, doubling capacity.

R. V. Gumaste: Yes.

Mahesh Bendre: And/or we will set up the capacity and then we will look for the orders.

R. V. Gumaste: No, in case of castings, we are developing the components, and our capacity creation is in line with our customers' requirements and many of the products are already in development. And, in case of tubes, we have been participating in attendance. We fall short of volume capacities, and we feel that we should be able to load the mills once we expand the volumes. Right now, maybe we will suffer LD with commitment. So, that is why we are trying to expand on the casting.

And in case of steel, we will have to, our presence is very small with less than 1 lakh metric ton of alloy steel per annum, which we plan to expand to 3 lakh or 2.5 lakh metric ton per annum. Our confidence is that we should be able to sell that kind of volume with the competitiveness and the manufacturing cost.

Mahesh Bendre: Sure. Sir, last question from my end. So, what are the CAPEX plans for this year and next year?

R. V. Gumaste: Sir, as you have seen, we have put in an investment of close to Rs. 2,500 crores, including acquisitions over the last five years. And in order to double our turnover, as well as double our volumes in most of the product lines, except pig iron. We need another Rs. 2,000 crores to Rs. 2,500 crores over the next three years to four years. And this year, the CAPEX plans are of the order of Rs. 500 crores to Rs. 600 crores.

Mahesh Bendre: Sure. Thank you so much, sir.

R. V. Gumaste: Thank you.

Moderator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Networth Capital. Please go ahead.

Sahil Sanghvi: Yes, hi. Good evening. Thank you for the opportunity, sir. And it is good to see some improved performance this quarter. My first question is regarding the Jambunatha Mine, sir. There are two, three things over here, sir. If you can help me with the annual EC production that we have the capacity.

And, secondly, any kind of plan that you have made around how we will tackle the high premium and what kind of eventual cost do you expect from this mine? And the third would be the timeline to get some more from you? So, if you can help on this front.

R. V. Gumaste: Yes. Thank you very much. First of all, the EC capacity for this mine is 1.2 million ton per annum and we plan this is a high quality mine, good quality iron ore and we have some requirement like making SC grade pig iron and maybe in future making ductile iron pipe requires again low phosphorus, low manganese, high quality iron ore.

So, this is one of the concepts to manage the high premium levels. And also, we plan also to do mining up to 45% FE, low grade, and high grade both. And we will be also doing the beneficiation; we will be doing pelletizing. So, all these combinations should ensure our ability to manage the high premium. And overall, we will have our own iron ore of 1.5 million ton per annum with beneficiation, with pellets. And thereby, overall, we add value on top of that and try to bring down the slightly the cost, but secure the raw materials for the next 25 years that is the plan.

Sahil Sanghvi: And sir, any timeline you can give as in what is your target?

R. V. Gumaste: We have just received the preferred bidder letter from Government of Karnataka. We have already started working. Last year, we took five years I hope to complete all this process, this time within three years.

Sahil Sanghvi: This is not at the mercy of the government now, so all the regulatory authorities, I think, now it is in your hands right, as much as.

R. V. Gumaste: No, I think dependency on various levels of approvals will continue. So, only the experience should help us to do it shorter than last time whatever time was taken. But it involves many steps and can take time as it is mining in the forest area.

Sahil Sanghvi: Sure, sir. And my second question would be sir on the four volumes that we were expecting to start, sir. I understand you have mentioned Q4 in the presentation, is that the realistic timeline now, sir?

R. V. Gumaste: We have started production, and we have supplied more than 800 blocks in the last month. It is now serial production already started. We will be doing volume ramp up carefully, cautiously. It is international supplies subsequently and I am sure the volumes will start growing and we will reach the levels of substantial supplies like maybe 5,000 per month over the next six months.

Sahil Sanghvi: 5,000 per month you are saying, sir? Because initially we had a target of 1,200 tons per month?

R. V. Gumaste: Even 1,200 tons and 17,000 tons, but current volume of engine manufacturing is 12,000 per month. And I am saying out of that, we should replace 50% in next six months and subsequently keep ramping up and go to 12,000 numbers or 10,000 numbers per month as early as possible. It is both confidence on our part as well as confidence on customers.

These are very high and very critical blocks and together, we are trying to do the import substitution as quickly as possible. We are through with all the approvals, and we are now in the phase of ramping up the serial production and serial supplies. And we have already entered that phase. Hope that we should be able to ramp up a full volume within six months.

Sahil Sanghvi: How much does that convert into tonnage, sir? Because I believe you are speaking about numbers.

R. V. Gumaste: I think it is numbers now looking is of the order of 800 tons per month.

Sahil Sanghvi: Okay, sir. And this you expect to ramp up to what number in tonnage by end of this year?

R. V. Gumaste: See, as I told you, it is a little bit complex.

Sahil Sanghvi: Sure.

R. V. Gumaste: It is not as easy as we thought in the beginning. But my optimistic outlook is to go to a level of 8,000 tons to 10,000 tons per month. No sorry numbers 8,000 numbers to 10,000 numbers per month in next six months' time.

Sahil Sanghvi: Got it, sir. Thank you. Thank you very much sir.

R. V. Gumaste: Thank you.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.

Bharat Sheth: Hello, good evening, sir. Bharat, here.

R. V. Gumaste: Good evening, Bharat.

Bharat Sheth: Sir, a little more understanding now, this Solapur Phase-II, high pressure molding that each we were expecting to start in this quarter. So, what is the status and when we will start commercial production out of that foundry?

R. V. Gumaste: Sir, we have already started commercial production. We have reached the level of 1,200 tons per month. The old foundry is producing and selling 3,000 tons and new foundry is producing and selling 1,200 tons. And our effort is to reach a level of 5,000 tons per month from 4,200 tons per month in next three months or go to maybe higher numbers within the next six months. So, already ramp up has started. We have some teething challenges. But we are trying to overcome them and realize the capacity utilization.

Bharat Sheth: Okay. Second sir, any color on this two-parts foundry, say very high, I mean, weight casting. Any movement on that front or any update?

R. V. Gumaste: No, in between it went little slow. Once again, in the last few weeks, last six weeks, we have been pushing the project people to progress and the cash flow also slowed down sometimes. But now, I think, it should go ahead and within next one year we should at least start commissioning the first phase of two-part foundry.

Bharat Sheth: And that capacity will be 10,000 tons, correct? Is that fair understanding?

R. V. Gumaste: No, capacity would be around 12,000 tons per annum to 15,000 tons per annum. Yes.

Bharat Sheth: Okay. And sir, again, see, last year we booked an incentive of around Rs. 13 crores. How much do we expect incentive in this year, this is for Mr. Srivatsan?

R. V. Gumaste: Yes, Srivatsan.

R. S. Srivatsan: Yes, sir. I expect as of now, what is confirmed is coming around Rs. 15 crores.

Bharat Sheth: How much?

R. S. Srivatsan: One five.

Bharat Sheth: For the full year?

R. S. Srivatsan: Yes, for the full year.

Bharat Sheth: Okay, thank you and all the best.

Moderator: Thank you. The next question is from the line of Prolin B Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin B Nandu: Yes, hi. Namaste, sir. Thank you for taking my question. You partially answered my question on the new customer, right? Now I am just looking at the slide and if I look at the number of customers, it is the same, right at 26, while you mentioned that you have added two new customers. So, is that, that you have to let go of some customers and these are new customers that you have added? But the larger question, sir, is that in the past, we have mentioned that there were some teething issues in terms of getting the new product's approval. It takes time. Oliver also was production had to be stabilized. And you also mentioned that in terms of the Ford order, you are taking it slow, right? So, I just wanted to understand that in terms of our ability to cater to new customers, new products, are we now a lot more confident than we were, let us say, six months back or a quarter back? And this cautious approach on Ford is just how things ramp up in the typical foundry. Or is it that something at our end also needs to be taken care of in terms of our ability to cater to orders of this kind of complexity. So, the question is more on how is our internal capability to deal with new customers and new products for the same customers as well?

R. V. Gumaste: Yes. Thank you very much, sir. First of all, on the number of customers, sometimes we get confused with this. But two customers did not go out, but their projects got cancelled. Those, they decided to drop the project. So, we got whatever, like money spent, but project did not go. Hence, we removed those customers from the list, but they are still where hopeful of getting somebody stop manufacturing in India, that kind of thing, two customers. But we added two customers, so it remains 26, again. With respect to Ford ramp up, we are looking forward to ramp-up quickly. We have finished all the processes of development, approval, testing, validation, everything is done. All Ford Corporation also led the approval process, but all done and we have now entered into the serial production and ramping up. And I am hopeful that we can reach the levels. Those volumes may not go like what we thought earlier, full 200,000 per annum. But current level is 140,000 numbers per annum and I expect that at least reach 8,000 numbers to 10,000 numbers per month in next month.

Prolin B Nandu: Sure, sir. Again, the question remains that are we very confident on our ability to meet any such new orders in the future as well as complicated as Ford, or we need to probably work on our capabilities and including this integration of some of the foundries that we have probably acquired. So how are we, I mean, feeling in terms of our ability to meet some of the new customer requirements and catering to new customers as well?

R. V. Gumaste: Sir, it is quite common, quite natural, sometimes feeling nervous about our capabilities, unless we fully acquire the capabilities. If you ask me whether we are very-very confident, we are never very-very confident. Every project is a challenge to us. We want to handle it carefully. We want to take the challenge. We want to surmount the difficulties and successfully pass the test of every project.

These are like either the import substitution or deemed exports and the customers are new products are difficult ones to do and Ford is also one of them. And as far as my team, again, I am in Solapur reviewing that team is confident, but whether they will very quickly ramp it up to full capacity, they will take time to ramp up to the capacity.

Understanding is going to 8,000 to 10,000 in numbers per month in six months time. I think that more or less should happen. Something more can happen, something less can happen, but that is the way. Not only Ford, we have so many other customers, other products also in the development stage. And which can load the foundries, keeping the capacity for Ford and that is what we are working at and that is the project progress plan for the coming months.

Thank you very much, sir. I hope I have answered your question.

Prolin B Nandu: Yes. Thank you so much, sir. That is it from my side.

Moderator: Thank you. The next question is from the line of Siddhant Singh from Green Portfolio PMS. Please go ahead.

Siddhant Singh: Good afternoon, sir, and congratulations on your year-on-year performance. So, I had a question, you earlier mentioned Rs. 500 crores to Rs. 600 crores of CAPEX in FY 2026. So, can you please bifurcate this further?

R. V. Gumaste: Yes. Thank you very much. I think all of you know it, one of the major areas of spending is on green power. Now, it would be like wind and solar, more of wind than more of solar, that is area. And the second is a start-up steel project and expenditure on that. We are also planning upgradation of Hiriyur, some steps being taken on that.

Some ongoing casting machining projects, which will take shape. For example, we are setting up a machine shop in Oliver as well. That is another area where we are investing our money. And as I mentioned earlier, debottlenecking projects are still happening in steel and tube division, including infrastructure development. These are the four - five major areas, where we will be investing this Rs. 500 crores to Rs. 600 crores during this financial year.

Siddhant Singh: Thank you so much, sir. And before, in the earlier con-call, you have mentioned MOEF clearance is secured for the new electric steel melting. So, can you please give a concrete timeline for this project and the expected CAPEX allocation you have done, like iron per ton it will also work?

R. V. Gumaste: Thank you very much. This would be steel making or converting pig iron to steel blooms at Koppal facility. This would be 3.6 lakh metric ton per annum. The CAPEX would be Rs. 700

crores to Rs. 800 crores and MOEF clearance and also consent to establish is in place. We will be shortly starting the project work on ground execution, and we expect it to complete in 2.5 years.

Siddhant Singh: In 2.5 years?

R. V. Gumaste: Yes, sir.

Siddhant Singh: Thank you so much, sir. And one more thing. This will be my last question. Can you please tell me about the decline in revenue despite the operational ramp-up we have done? Like, we have increased the volumes but still the top-line suffers.

R. V. Gumaste: No, I think, it is only the effect of commodity. I just mentioned some time back, that pig iron prices have come down by 8%, casting prices have come down by 1%, tube prices have come down by 9%. Steel prices have come down by 6%, when we grow at 10% - 12%

Siddhant Singh: Yes, sir.

R. V. Gumaste: 7% - 8% goes in this. We have been handling this challenge quite successfully. Especially, pig iron has come down by 38% over the last two years. It is a challenge to handle, but we have to handle. We do not have any other alternatives.

Siddhant Singh: Thank you so much, sir. And good luck on the future endeavors.

R. V. Gumaste: Thank you.

Siddhant Singh: All the best.

Moderator: Thank you. The next question is from the line of Aman from Augmenta Asset Managers. Please go ahead.

Aman: Yes. Hi sir, thanks for the opportunity again. Sir, could you please highlight at this level of pig iron prices, would we be making around 19,000 EBITDA margin on this or like more?

R. V. Gumaste: Not at all. Not at all. I mentioned that both pig iron and steel are struggling, because of the drop in commodity prices as well as competitiveness in the market. Yes, as you know, I think there was some interesting analysis our people brought. So, the pig iron manufacturing has improved, substantially. It has gone to 8.5 million tons. Availability has improved. Prices have come down and also import up to get in have increased.

We are importing from China, sorry, not from China, it is from Russia and so many places. No dumping restrictions so far that we have been presenting to government, taking time. So, there is a commodity pressure. Steel and iron ore prices have not come down because of the shortages in Bellary-Hospet sector, Sandur sector and even in other places because of the low grade export available. So, iron ore prices have not come down. Only the coal prices have come down. We are trying to manage the margins, but there is tremendous pressure on margin for pig iron.

Aman: And sir, for our mines, what could be our landed cost of iron ore announced?

R. V. Gumaste: The present one mine is at 56% premium. But it is small and low-grade iron ore. I think we should get the advantage of about Rs. 1,500. If other landed cost is Rs. 6,500, we get this at Rs. 5,000.

Aman: Okay. Understood, sir. Thank you. Thank you so much.

R. V. Gumaste: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. R. V. Gumaste for closing comments.

R. V. Gumaste: Thank you very much. I would like to thank all the participants in this call. Phenomenal questions, very deep analysis and understanding. All my investors, and participants, understand all the four businesses so well. Over the period, questions have got refined so well. Always, a pleasure for me to interact with all of you. It is learning for me. Thank you very much and look forward to seeing you again after one more quarter. Thank you.

Moderator: Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.