

Dated: August 14, 2025

To,

Listing Department
The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

NSE Symbol – **HARIOMPIPE**

BSE Scrip Code – **543517**

Dear Sir/ Ma'am,

Sub: Transcript of the Conference Call held on August 11, 2025:

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015: Transcript of the Conference call with investors.

With reference to the captioned subject, please find enclosed herewith the transcript of the Conference Call with the Investors/Analysts held on August 11, 2025, on the financial and operational performance of the Company on the Unaudited Financial Results for the quarter ended June 30, 2025.

This is also available on the Company's website at
<https://www.hariompipes.com/presentations-made-to-analysts-or-institutional-investors>.

Kindly take the above information on record.

Thanking You,

Yours faithfully

For Hariom Pipe Industries Limited

REKHA SINGH
Digitally signed
by REKHA SINGH
Date: 2025.08.14
15:11:31 +05'30'

Rekha Singh

Company Secretary

M.No. A33986

Encl: As above



Hariom Pipe Industries Limited

Q1 FY26

POST EARNINGS CONFERENCE CALL

August 11, 2025

Management Team

Mr. Rupesh Kumar Gupta - Managing Director

Mr. Soumen Bose - Non-Executive Director

Mr. Amitabha Bhattacharya - Chief Financial Officer

Ms. Rekha Singh - Company Secretary

Call Coordinator



Strategy & Investor Relations Consulting

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY26 Post Earnings Conference Call of Hariom Pipe Industries Limited.

Today on the call from the management team we have with us Mr. Rupesh Kumar Gupta, Managing Director. Today we are also happy to welcome Mr. Soumen Bose, Non-Executive Director, who was the former Managing Director of Tata Thailand and he joined the Board of Hariom Pipe Industries on June 10, 2022 as an Independent Director and was re-designated as Non-Executive Director on 4th of Jan, 2024. He currently serves as the representative of HPIL's Thailand Foreign Office. We also have Mr. Amitabha Bhattacharya, Chief Financial Officer and Ms. Rekha Singh, Company Secretary.

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

I would now request the management to brief us about the business and performance highlights for the quarter ended June 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Rupesh Kumar Gupta:

Good afternoon, everyone. I am Rupesh Kumar Gupta, Managing Director of Hariom Pipe Industries Limited. I thank you all for joining this Q1 FY26 earning call of Hariom Pipe Industries.

I am pleased to present to you the financial and operational performance for the first quarter of the financial year '25-'26. It is my pleasure to share that we have started the year on a very strong note, both in terms of operational performance and strategic progress that reflects both the strength of our business model and the sustained execution of our strategy.

At the start of FY26, we had set a clear growth outlook aiming for around 30% year-on-year volume expansion and I am happy to share that we have met and even exceeded that target in Q1. Our sales volumes stood at 78,221 metric ton reflecting a 35% growth compared to Q1 FY25 and a 5% sequential increase. This performance demonstrates the resilience of our demand based across multiple sectors and the efficiency of our operations across our integrated manufacturing units.

Our average selling price improved to INR58,931 per metric ton, a 9% sequential increase which helped cushion the impact of input cost fluctuation. This improvement is the result of a healthy product mix, strong value-added product sales and our ability to command better pricing through quality and customer trust.

Revenue from operations came in at INR460.96 crore, registering a 34% growth over Q1 FY25 and a 15% increase over the previous quarter. Our strategic focus on value-added products continued to yield results with this product contributing 98% of our revenues, in line with our consistent product mix category.

On the profitability front, EBITDA excluding other income was INR57.58 crore showing 29% year-on-year growth and 18% sequential growth. With EBITDA margins maintained at a healthy 12.49%, this reflects our continued emphasis on operational efficiency, prudent cost management and the benefits of our backward integration operations. PAT stood at INR23.61 crore up 35% year-on-year and 37% sequentially with PAT margins improving to 5.11%. EPS for the quarter rose to INR7.63 reinforcing our commitment to value creations for shareholders.

Strategically, we have made strong progress on innovation and market development. We have developed new products and strengthened relationships with original equipment manufacturers especially in the fast-growing renewable energy sector. A notable highlight has been our transition in solar structure manufacturing. Moving away from conventional HR steel channels with cost-intensive hot-dip galvanizing to high-strength pre-galvanized tubular sections. This shift not only reduces steel weight but also enhances durability and efficiency, breaking traditional design limitation and enabling our customers to achieve better cost-effectiveness in their projects.

As we look ahead, we anticipate a significant boom in solar and renewable energy infrastructure both in India and globally. Our innovation products -- position us to play a pivotal role in supporting this growth, contributing to reduced carbon footprints and improving the sustainability and viability of solar projects.

In summary, Q1's strong performance reaffirms our confidence in meeting our FY26 targets and sustaining our momentum. We will continue to focus on volume growth, margin stability, operational

efficiency and innovation, ensuring that Hariom Pipes remains well-positioned to deliver sustained value to all stakeholders.

With that, I look forward to addressing your questions and sharing further details on our outlook for the year ahead. Thank you.

Moderator: Thank you, sir. We'll start the question-and-answer session. Participants who wish to ask a question, please use the option of raise hand. We'll take the first question from Agastya Dave. Please go ahead.

Agastya Dave: Am I audible?

Moderator: Yes, Agastya.

Agastya Dave: Good afternoon, everyone. Thank you very much for the opportunity and congratulations on very good performance. So, I had some very small questions. So, I'll go through them very quickly. First is, sir, given the kind of volume jump that you're seeing this year -- sorry, this quarter, what's the state of the inventory in the system? And let me define system as the inventory that all your customers are carrying plus any of the dealers. What's the total inventory? And do you see this 30% -- this 35% run rate continue for some time? Hello?

Rupesh Kumar Gupta: Yes, we see that 30% of growth rate to be continued. But how can we give the customer inventory?

Agastya Dave: Sir, broadly. From last year same quarter to last quarter, sequentially, according to you, has the inventory in the channel increased, it's the same or it's become less. I'm not looking at a specific number, sir, just qualitative commentary.

Amitabha Bhattacharya: Yes Yeah. So, basically, this quarter, we have not disclosed the balance sheet as per the guideline. So take already you have the last quarter Q4 numbers. I think 128 days, we are holding days we have. Now roughly, we are having 89 days. This improvement is largely due to the better procurement planning, faster conversion of raw materials into finished goods and improved sales productivity.

Agastya Dave: Sir my question was different. My question was, in the sales channel that you're selling your products, are your customers increasing their inventory? Not your inventory, sir, their inventory. Are they increasing their stocks? Are your dealers increasing their stocks? Because the steel prices were falling last year, they have started

stabilizing. So, I'm just wondering if there is again, they're increasing their stocks of inventory.

Rupesh Kumar Gupta: No, generally, what happens is, whenever there is a demand and supply parameter, then the amount of stock that has to be maintained, it is consistently maintained. So, there, if the dealer has less stock, then he also has a customer loss, so he will also continue to maintain it.

Agastya Dave: Okay. So according to you, there won't be many changes, sir, it will be minimal.

Rupesh Kumar Gupta: Yes, there won't be many changes, but our customer footprint is increasing.

Agastya Dave: Okay, excellent. Sir, the second question is, again, sir, because in raw material prices, there has been a slight fluctuation and prices are also stabilizing. So according to you, your gross margins, on the basis of gross margins per ton and EBITDA per ton, when will they start reversing? EBITDA has improved somewhat, sir, quarter-on-quarter, but gross margins are still declining on a y-on-y basis. So, according to you, when will we see that reversal?

Rupesh Kumar Gupta: There is no scope for a reversal in this because, as you said, there is stability in raw material pricing and the company is now increasing its footprint in OEMs, in engineering products. So there the company's performance and profitability is expected to increase. Those fluctuations are part and parcel, like the monsoon or the past. So that will be there.

Agastya Dave: Okay, sir. Sir, next sir, the solar plant that is going to come, I think you said 18 months, are there any changes in its timeline? And sir, what will be its tariff, sir that you will get from Maharashtra state?

Rupesh Kumar Gupta: We have closed it at 2.96. Our PPA is assigned, it is INR2.96. And within the time, it will be completed.

Agastya Dave: And sir, what is your expected PLF in this? Is it tracker-based or will there be fixed solar modules?

Rupesh Kumar Gupta: It is a fixed solar module, sir.

Agastya Dave: It is fixed, okay. Okay, sir. And sir, final question, sir, you said in the opening remarks that you have tied up something for solar structures.

Will you enter it or have you done it? And what is its contribution now and how much can it grow according to you? Because the opportunity is very big.

Rupesh Kumar Gupta: Now, what is there in this, basically, we have taken out a trial production and have made its products ready according to the complete engineering function and module. And we have started supplying one or two companies in this quarter. Now, when we consider one from there and satisfy it 100%, then the customer base will increase gradually. We don't want to go down with a lot of customers at once because we also need stability in the back. Now, as each customer is completed, it will slowly enhance.

Agastya Dave: So, 35% volume growth, its contribution would be negligible?

Rupesh Kumar Gupta: It will be. I mean, if we get a chance, we will allow it more. Instead of focusing on the size of the business, we will focus on that.

Agastya Dave: Right. Perfect, sir. All the best, sir. Excellent quarter. Best of luck for the remaining year, sir. Thank you.

Rupesh Kumar Gupta: Thank you. Thank you.

Moderator: Thank you, Agastya. I would request participants to limit their questions to two per participants. We'll take the next question from Smith Gala. Please go ahead.

Smith Gala: Sir, congratulations on the good set of numbers. I just wanted to reconfirm a question from the last participant, can we take this gross margin of 20.5, is that a new normal?

Amitabha Bhattacharya: Actually, the gross margin is always dependent on the raw material versus your sales. Last year, last quarter, whatever we have witnessed, that 9% sales realizations have increased. And the raw material price remains the same. There will be no further fluctuation. Mainly, you have to understand that while the gross margin can be increased or what are the possibilities. That is always dependent on the product mix consistency, backward integration, and operational efficiency.

So presently, we are already 98% of our sales coming from the value-added products and our margin are less dependent on gross steel price trends.

Smith Gala: Okay, okay, that was helpful. Second question was, we have already started our sales to Maharashtra. So, if you have the number handy, what are the percentage of sales which are coming from Maharashtra in volume terms? And also, we had released a notification that one of our plants in Mahbubnagar will be having a plant maintenance shutdown for 10 days in quarter 2. So, what will be the impact of those on quarter 2 numbers?

Rupesh Kumar Gupta: It will not have much impact on quarter 2 numbers because the preventive maintenance was on the structure which is used for casting on the continuous casting machine. So that preventive maintenance was important and that unit has just started. So, it will not have much impact.

Smith Gala: Okay. And on Maharashtra sales?

Amitabha Bhattacharya: Maharashtra sales, we do not have a specific handy ready yet. We will update you separately. You just put a mail, we will confirm it.

Smith Gala: And one last question, if I can chip in. Now, in the new power plant, if you have more insights, if your planning has become better after the last concall, then on that, if you want to put more light on revenue, funding on that?

Amitabha Bhattacharya: Sir, already the PPA, just a last question, our MD sir already addressed that. The PPA was signed and it is in public domain, we have signed with PPA for supplying of 60 megawatts solar power for 25 years to MSEDCL at a price per unit of INR2.96 paisa. The deadline of the completion of the project will be 2 September, 2026. And after completion, first three years, we are getting additional INR0.25 as an incentive per unit. Apart from that, as per the PM Kusum scheme, we are getting the equity subsidy during the construction period.

So, these are the scenario we have. And moreover, thing is out of the total project, we have already finalized near about 115 acres of land, which is consistent, we're able to supply that 32 megawatts of solar power can be able to generate. And out of 13 locations, we have already finalized 8 locations. These are the present status of this project.

Smith Gala: Okay. And one last question, please.

Moderator: Smith, please, if you can rejoin the queue, please.

Smith Gala: Okay. I'll rejoin.

Moderator: We'll take the next question from Raman KV. Please go ahead.

Raman KV: Hello, sir. Thank you for allowing me to ask the question. I just want to understand what's our volume growth guidance for the year and what was our EBITDA per ton during the quarter?

Amitabha Bhattacharya: Sorry, sir. Can you repeat once?

Raman KV: What is the volume growth guidance for the year and what was the EBITDA per ton for Q1 FY26?

Amitabha Bhattacharya: So, volume growth already we have given said year-on-year 30% volume growth in our last quarter in Q4. And the EBITDA per metric ton blended EBITDA per metric ton as of first quarter 2026, INR7,362.

Raman KV: Thank you, sir.

Moderator: Thank you, Raman. We'll take the next question from Sagar Shah. Please go ahead. Yes, Sagar. We'll move on to the next participant. We'll take the question from Yash Sinha. Please go ahead.

Yash Sinha: Yeah. Hi. Congratulations on a good set of numbers. I just wanted to understand your volume and revenue split by product similar to how you've given on page 18 of your PowerPoint.

Rupesh Kumar Gupta: So the presentation, I think everything is detailed. Still, if you want, we'll tell you.

Yash Sinha: We need it for this quarter, sir.

Rupesh Kumar Gupta: For the running quarter?

Amitabha Bhattacharya: Yeah, yeah. We'll give, sir. So, product volume-wise, we are having, sir -- MS Tubes and Scaffolding. Hello.

Yash Sinha: Hello.

Amitabha Bhattacharya: Yeah, sir. MS Tubes and Scaffolding product, we have done 25,196 metric tons sold out. Galvanized product togetherly, we are having

almost of 52,000, 53,000. And other steel product like sponge iron and other that is coming around 501. Total volume is sold out 78,221.

Yash Sinha: Got it. Got it. And against that what was the realization?

Amitabha Bhattacharya: Sir, that realization is turnover. We have achieved turnover is for MS Tubes and scaffolding around INR126.51 crores. And this is togetherly around INR333.11 crores, galvanized product and remaining for other steel products.

Yash Sinha: Got it. And sir, in this financial year, we are planning any additional CapEx other than that power project?

Amitabha Bhattacharya: No, no. Operational CapEx is regular in steel industry. Apart from that, our keen interest to setting up the existing assets.

Yash Sinha: Got it. And last question, sir, are we planning any expansion in the next 2-3 years in any of our units?

Rupesh Kumar Gupta: Sir, Hariom always waits for an opportunity. Whenever an opportunity hits, it is 100% ready for expansion. No second thought.

Yash Sinha: Thank you, and all the best for the year.

Rupesh Kumar Gupta: Yes, sir. Thank you.

Moderator: Thank you. We will take the next question from Radha Agarwal. Please go ahead.

Radha Agarwal: Hello, sir. Thank you for the opportunity and congratulations on good results. Sir, about 6 to 9 months back, your cost of production for billets was about 37,000 per metric ton versus the market rate at that time was INR42,000 per metric ton. So, the EBITDA per metric ton at a billet level used to be INR5,000 and then INR3,000 additional from billet to MS tube conversion. So, I wanted to understand how the scenario is currently. So, comparatively, in this scenario, the market price of billet has come down to INR37,000. So, at these prices, what is your cost of production of billets and the EBITDA per ton at the billet and the MS tube level?

Rupesh Kumar Gupta: Radhaji, I will tell you a little bit in the back end that we have stopped the sales of billets. Now we will have to talk about costing on the total sales on the pipe itself. In which EBITDA was always between INR7,000 to INR7,500, it will continue in the same way in the future.

- Radha Agarwal:** Yes, sir, but you know.
- Rupesh Kumar Gupta:** Because we are not selling billets, and when we have a conversion from the hot charging process to the pipe, the EBITDA generated there will remain continuous.
- Radha Agarwal:** Yes, sir, but my question was, what I wanted to understand is since you are backward integrated, the EBITDA per metric ton for you will be significantly higher compared to a non-backward integrated secondary steel pipe manufacturer. So, if you can tell me the EBITDA per metric ton at the billet level, then I will be able to understand how is it for the industry who are non-backward integrated as well.
- Amitabha Bhattacharya:** Basically, sir -- madam, to be honest, the calculation of EBITDA per ton of billets will depend on if during the quarter we had done any sort of billet sale. Then only you can calculate. Overall, up to MS tubes, I can say up to MS tubes through integrated process, we are getting this quarter specifically INR8,200 plus per ton EBITDA.
- Radha Agarwal:** And sir, how much would it be as per your understanding for non-backward integrated players?
- Amitabha Bhattacharya:** That is not my -- to talk about, we have integrated player, we can say up to our -- so, as of now, MS tubes level 8,200 plus integrated process we are getting for this quarter.
- Radha Agarwal:** Okay, okay. Sir, secondly, out of the 4.5 million ton market of the secondary pipes in India, roughly what percentage of players would have backward integration like you?
- Amitabha Bhattacharya:** That also, the market research team can give the better answer. We can say about Hariom only ma'am.
- Radha Agarwal:** Okay, sir.
- Moderator:** Thank you, Radha. I will request you to rejoin the queue, please.
- Radha Agarwal:** Yeah, sure.
- Moderator:** We will take the question from Sagar Shah. Sagar Shah, please go ahead. Sagar? You are not audible, Sagar. We will move on to Ajit Sethi. Please go ahead.

Ajit Sethi: Thanks for the opportunity. Sir, what is the current net debt level?

Amitabha Bhattacharya: Current net debt level?

Ajit Sethi: Yes.

Amitabha Bhattacharya: Just a minute sir. I'll give you. Total borrowing is INR363.70 crores as of 30 June.

Ajit Sethi: Okay. So, going forward, any plans of repaying our debt?

Amitabha Bhattacharya: Yeah, yeah.

Ajit Sethi: Since we are not -- yeah.

Amitabha Bhattacharya: Yes.

Ajit Sethi: Okay.

Amitabha Bhattacharya: So typically, the long-term debt, we are having already the repayment schedule. So next coming 2 years, the long-term debt will become negligible. And having substantial cash flow, where Hariom is in a good position. And you can see the financial matrix also very positive in terms of debt, net debt-to-EBITDA and other metrics.

Ajit Sethi: Okay. Sir, as in Q1, we have done EBITDA per ton of around INR7,300. So, going forward, this EBITDA per ton is sustainable?

Amitabha Bhattacharya: Yes, yes. 100%. 100%.

Ajit Sethi: Okay. And my last question is, as we are backward integrated from MS Tube side and non-backward integrated from Galvanized side. So, going forward, what kind of realization is sustainable?

Amitabha Bhattacharya: Sir, it's always, just a few minutes back only I have given that answer. It's a product-mix category. So now our 90% sales are coming product-mix category on a value-added product. In that terms, you can realize always better because the customers is given for the quality and consistent delivery basis. Not as a retail product where you are getting the cheaper, you are always struggling with the get a better rate because of heavy competition.

Now Hariom is always providing such kind of products where the customers is given, the fixed customers are there, their volume is

fixed, and given a good price because of quality and consistent delivery. So, the realization part also, Hariom will be in a better position in the coming future also.

Ajit Sethi: So, this Q1 realization what we have done, this could be sustainable, right?

Amitabha Bhattacharya: Yeah, yeah.

Ajit Sethi: Okay, sir. Thank you, sir.

Moderator: Thank you, Ajit. We will take the next question from Harsh Rao. Please go ahead.

Harsh Rao: Yeah. Good afternoon, sir. So you have shown a very strong volume growth in this quarter. So, just wanted to understand which are the end-user industries that is contributing to such a solid growth from you. And what exactly helped you during this quarter to achieve this kind of a growth? Because if you look at overall market scenario, it's pretty tepid. The outlook is not that good and in such a scenario, you are growing at 30%. So what exactly is helping you achieve this growth?

Rupesh Kumar Gupta: Thank you, Harsh. The way you are taking out the whole business overview. That's good. But still, we are not focusing only on one particular product. Now, Hariom has so many multiple products. And to fulfil that basket, we need a lot of hard work. And our customers are very satisfied because they are getting one-shop-stop. Today, the benefit of one-shop-stop is that logistics is saved. Terms are very good. Financial support is available. So with all these things, we are increasing the customer footprint. And our customer engagement is also getting very strong. Plus, the new customers that are coming from OEM sector, from other sectors that is also creating a very good value addition for the company.

Harsh Rao: Okay. And sir, what will be the OEM sales mix in this quarter?

Rupesh Kumar Gupta: I don't think we have the data ready for that yet.

Amitabha Bhattacharya: The data is not readily available. You can mail it to us. We will check the record for you and send you the answer in a proper mail.

Harsh Rao: Okay. And sir, for MS and galvanized, the EBITDA of both the segments would be in line with what you have guided historically around INR6,600 and INR8,600?

Amitabha Bhattacharya: No. For MS, as I gave the answer to madam a while ago, we have earned INR8,200 plus EBITDA. And for galvanized product, we have added INR7,200 plus EBITDA. So, INR1000 rupees is less because it is made from HRC, integrated process.

Harsh Rao: Okay. And sir, in solar, just one last question. Sir, in solar, in the last call, you had mentioned that the CapEx would be somewhere between INR180 crores to INR240 crores. Now, since you are finalizing on the land acquisition, have you frozen on an amount, that how much can the final CapEx be for us?

Rupesh Kumar Gupta: Basically, we are not purchasing land. It's on the lease model of 29 years, 28 years. So it's only the rent what we are paying on land. And the rest of the investment will remain.

Amitabha Bhattacharya: Sir, actually, the TEV report is under process. And you can say, whatever we have given, the lower side will be happening. Higher side, you are telling that INR240 crores. It is within the below of INR240 crores.

Harsh Rao: Understood. Got it. Thank you so much, sir.

Moderator: Thank you, Harsh. We will take the next question from Vedant Sarda. Please go ahead.

Vedant Sarda: Thank you for the opportunity, sir. I want to ask you, in the presentation, I can see there is 15% direct B2B sales. So 85% from where it is coming?

Moderator: Vedant, I think there is some disturbance at your end.

Vedant Sarda: Hello, am i audible?

Moderator: Yes.

Vedant Sarda: I wanted to ask you that in the presentation, I can see there is 15% direct B2B sales. So this is OEM sales directly without distributors and dealers?

Rupesh Kumar Gupta: Yes.

- Vedant Sarda:** Okay. And sir, can you tell me who is our direct competitor?
- Rupesh Kumar Gupta:** Sir, there are many people in the market. So basically, there is no direct or indirect competitor. Competitor is a competitor.
- Amitabha Bhattacharya:** Our customers can give you a better answer. Because we know the customers, we send our quotations and we send our quality guidelines and payment cards --
- Rupesh Kumar Gupta:** Sir, today if the customer is taking the material in continuation, then there is some benefit, right? Otherwise, why would he take from me continuous and why would I have new customers adding on?
- Vedant Sarda:** Sir, last question. Can you please tell our capacity utilization rate of this quarter?
- Amitabha Bhattacharya:** Capacity utilization rate. So basically, this quarter, our net production capacity was 72,000.
- Vedant Sarda:** 72,000 production?
- Amitabha Bhattacharya:** 72,000 metric ton, our net production. So that you have to calculate for 437.
- Vedant Sarda:** Okay.
- Amitabha Bhattacharya:** So, it is almost 40%.
- Vedant Sarda:** 40%?
- Amitabha Bhattacharya:** No, 1 minute. 66%.
- Vedant Sarda:** Okay, sir. Thank you.
- Moderator:** Thank you, Vedant. We will take the next question from Raghav Rathi. Please go ahead.
- Raghav Rathi:** Good afternoon. Thank you for taking my question. I would like to ask that the EBITDA from the last quarter and this quarter has jumped from INR6,500 to INR7,400. What was the main reason for the EBITDA increase?
- Amitabha Bhattacharya:** Sorry, sir. Can you repeat once? Because the sound is not so clear.

Raghav Rathi: The EBITDA has grown from INR6,400 rupees per ton to INR7,400. What is the main reason for this increase in EBITDA?

Amitabha Bhattacharya: So, that is the only -- already in our opening speech also, 9% of our selling prices also grew. And remaining all the operational expenditure are consistent and very much controlled manner. So, therefore this EBITDA per ton is going up.

Raghav Rathi: Okay. And may I know what are the current debtor days and the exact capacity that we will have by FY26 and FY27 and what can be our utilization?

Amitabha Bhattacharya: I am not getting your point. Can you repeat once?

Raghav Rathi: What are the current debtor days and the exact capacity that we will have by FY26 end and FY27 and what can be our utilization numbers?

Amitabha Bhattacharya: So already we have given clarity in Q4 itself. This year we are expecting around 30% volume growth. So accordingly, and CAGR also 30%, 35% growth respectively in coming 2 years. So, accordingly, presently we are having 4,37,000 our final output. Accordingly, it will be growth.

Raghav Rathi: Okay.

Moderator: Thank you Raghav. We will take the next question from Maitri Shah. Please go ahead.

Maitri Shah: Yeah. Hello. Am I audible?

Moderator: Yes, Maitri.

Maitri Shah: Yeah. Just one question on the solar structure. So, currently we have started with the trial production. What sort of -- hello?

Rupesh Kumar Gupta: Yeah.

Maitri Shah: What sort of volumes do we expect from solar structures in FY26 and then in FY27?

Rupesh Kumar Gupta: So, initially we have got a good order wherein we are engaging our bandwidth and the manufacturing capacities to get enhanced. So the

trial orders are already received by 200 tons approximately per month. Moving ahead, this may multiply in coming months.

Maitri Shah: And what sort of EBITDA are we earning on this product right now?

Rupesh Kumar Gupta: I don't think readily available with us, but we are very much higher than the scaffolding as well as the pipe division. It's a trial runs are going on right. So that EBITDA calculation would not be readily available handy. So if you need something specific, you can mail us across. We will share you that.

Maitri Shah: Okay. So, 200 tons per month is the trial order for FY26. Is that correct?

Rupesh Kumar Gupta: Yeah. Yeah.

Maitri Shah: Okay. And any new trial orders that we have received this quarter?

Rupesh Kumar Gupta: One continuously. Partly we are just supplying it and in future we will be adding on new parties also.

Maitri Shah: Okay. Yeah. That is it for my side. Thank you.

Moderator: Thank you, Maitri. We will take the next question from Adesh Gosavia. Please go ahead.

Adesh Gosavia: Hello. Am I audible?

Moderator: Yes, Adesh.

Adesh Gosavia: Yeah. Thank you so much for the opportunity and congratulations for a very good set of numbers. So, I had a couple of questions. The first question was regarding our B2B business. So, if you can share some light on that, what is the percentage of revenue from B2B and how are we planning to go about increasing our share from that business? And if any new contract have we signed with OEMs in this quarter? Or any talks are going on regarding the same?

Amitabha Bhattacharya: Sir, B2B roughly you can say it's around INR75 crores plus in this quarter, out of the total turnover, INR460.96. And we are expecting more in the coming future also. Because slowly and gradually it will increase. Because for any B2B sales directly OEM, basically some standard processes we have to follow that first we have to send the samples, then the testing, approval, then the long-term infrastructure

and their demand and supply range. And after that the last is pricing. So, all those happen. It will take some more time. Once the customers is finalized, then consistently it will be delivered on a monthly basis.

Rupesh Kumar Gupta: So, the best part is all the OEMs that have been signed, are satisfied and are demanding continuous business. Overall moving ahead, we have developed the infrastructure with this development, they are happy to continue the business. So, moving ahead, we may enter into the engineering segment as well.

Adesh Gosavia: Okay.

Rupesh Kumar Gupta: Profitability and margins are higher. We have to continue our line of activity and focus on profitability. That's the reason we focus on value-added products every time.

Adesh Gosavia: That's great to hear. So, basically no new OEM contracts have been signed. We are in talks right now but no new contract has been signed right now.

Rupesh Kumar Gupta: No, it is under process. Every month on a monthly basis, something or the other is getting added.

Adesh Gosavia: Okay, makes sense, yeah. Any challenges that you are facing in this B2B business side?

Rupesh Kumar Gupta: Actually, if we look at the long-term, if we maintain consistency and quality, then B2B is more fruitful than the regular dealer's model. But we have to continue both B2B and the dealer model. It is again a demand and supply game. Sometimes less here, sometimes more there. Okay.

Adesh Gosavia: Okay. My second question was, to one of the previous participants, you had answered that we have a diversified basket so we are getting demand of products from different OEMs. If you can share something more on that.

Rupesh Kumar Gupta: So whatever demand is coming, if I can see demand in value-added products, then I am shifting my bandwidth from behind where my margins are less. I am diverting myself from there to value-added products. So, the whole criteria is to further earnings only. End of day it's all about money.

Adesh Gosavia: Correct. Okay, got it. Just one data-keeping question if I can...

- Moderator:** Please rejoin the queue.
- Adesh Gosavia:** Okay. Thank you so much.
- Moderator:** Thank you. We will take the next question from Yashovardhan. Please go ahead.
- Yashovardhan:** Thank you, sir. Sir, if you can just elaborate a bit on the capital expenditure plans for the next two to three years and how will those be funded?
- Rupesh Kumar Gupta:** You are talking about capital?
- Yashovardhan:** Yes, sir. Fixed capital investment, sir.
- Amitabha Bhattacharya:** So basically, at present, we do not have any future major expansion planning. Our first target is to setting up our existing capacity and use the optimum level of the capacity, whatever we have already invested. And little bit of operational CapEx are required. It is a common thing for an integrated steel player or as a steel industry. This is our segmental requirement. That's all. Nothing much more CapEx are required for that.
- Yashovardhan:** Okay, okay. And secondly, sir, the newly incorporated Hariom Power Energy Private Limited, if you can just touch upon that and how will it impact our profitability and our risk moving on?
- Amitabha Bhattacharya:** See, Hariom Power Energy Private Limited that is, we are, presently, it's the only subsidiary company of Hariom. The thing is, the long-term revenue are fixed. We have already signed the PPA with NCDCL for 25 years supply of 60 megawatts solar power at a price of INR2.96 per unit. Apart from that, the company will get additional INR0.25 per unit as an incentive for next 3 years if the project will be completed on or before 2nd September of 2026. Additionally, to that, it is covered under PM Kusum scheme component C where we are getting the subsidy of the equity component whatever the company will be invested during the completion of the project, that payment, payback period within the period of commencement of the project, within the period of 18 months.
- So therefore, our capital outflow is also very limited and our long-term revenue is fixed and cash flow is also very much predictable.

And the EBITDA percentage is coming near to 75% as per the financials.

Yashovardhan: Sir, sorry if you can repeat that. The EBITDA level you said, right?

Amitabha Bhattacharya: EBITDA level is 75% should be coming because once you fix it, there will be no major operational expenditure for generating the solar power. That is very nominal.

Yashovardhan: Understood. Okay. Thank you.

Soumen Bose: And if I may add, Amitabha, basically for the shareholders of Hariom Pipe, the benefit is two-fold in this new project. The companies will retain the economic interest in the project predictable 25-year-old revenue stream, point number one. Point number two, this project will also drive incremental volumes of high-margin solar steel structures from our existing facilities which are billed to Hariom Pipe directly. So, meaning the parent company captures the value at the manufacturing level irrespective of the stake in subsidiary. So, it is a twin benefit for Hariom Pipes and the new company.

Yashovardhan: Understood. Yeah, okay. Thank you.

Moderator: Thank you, Yashovardhan. We will take the next question from Smith Gala. Please go ahead.

Smith Gala: Thank you for the follow-up. Just wanted a clarification regarding the total capacity which we have currently 4,32,000. But does this include the 84,000 from Ultra Pipes as well or it does not?

Amitabha Bhattacharya: No, it is not including the Ultra Pipes.

Smith Gala: So, 84,000 total around 5,10,000 we have then. And what is the utilization and volume which Ultra Pipes contributes currently?

Amitabha Bhattacharya: That is the nameplate capacity. Mr. Smith, already you know that you are covering the pipe segment also so many years that you know that the pipe segment whatever the nameplate capacity that cannot be going beyond 70% to 80% of this optimum level of the capacity. So, 84,000 you can take up to 70% or 75% of the Ultra Pipes maximum.

Smith Gala: We are utilizing the 70%, 75% right now?

Amitabha Bhattacharya: We are presently utilizing around 60%. It will be going up to 70% to 80% maximum.

Smith Gala: Okay. Thank you. That was the only question in follow-up. Thank you.

Moderator: Thank you, Smith. We will take the next question from Sandesh Kumar. Please go ahead. Sandesh? We will move on to Mr. Deepak Pandey. Please go ahead.

Deepak Pandey: Hi, am I audible?

Moderator: Yes, Deepak.

Deepak Pandey: Sir, just two questions from my side. First is on working capital days and why is it higher versus you know the recently listed peer? And secondly on the same question what sort of EBITDA per ton can we expect for FY26?

Amitabha Bhattacharya: FY26 or you are talking about this quarter?

Deepak Pandey: FY26.

Amitabha Bhattacharya: So that is FY26 in value terms we cannot predict right now as we have given the clear guideline of 30% volume growth and whatever the first quarter performance, we have that is in front of you. So, you can calculate and we have already given that we are expecting that realization part and the price margin all are become that consistent which we have believed. So remaining part you can calculate. At present our net holding days regarding that working capital holding days is around 89 days. Overall inventory holding days is 89 days as of June 2025.

Deepak Pandey: Okay. And sir on the HR coil volume can you give the data how much HR coil did we purchase from the market this quarter?

Amitabha Bhattacharya: So, it is very simple sir. Whatever our sales volume in galvanized pipe that all are produced from the HR coil only.

Deepak Pandey: Okay, and that reasons with the lower EBITDA per ton for galvanized products?

Amitabha Bhattacharya: That is very nominal because we are already supplying the value added product which is very much requirement of OEM and solar

segment and packing industry, other building engineering sectors and all those things where the margin is getting good comparatively to the any other segment. So only INR1,000 you can say roughly there is a difference as per Q1 data.

Deepak Pandey: Got it Sir, that's it. Thank you.

Moderator: Thank you Deepak. We will take the next question from Radha Agarwal. Please go ahead.

Radha Agarwal: Thank you sir. Thank you again. Sir, the general perception in the market is that the secondary pipes cannot be used in high load bearing applications like infrastructure construction, airports etc. So, with regards to your MS tubes, what is the user industry mix sir?

Rupesh Kumar Gupta: So, as much as we said that the big sizes of airports and all we don't manufacture them. They don't come in our product mix. So, what we use and what material we make that goes to dealers and distributors, that is used for your commercial purposes like house gates, railings, playground equipment, not all to the high load bearing structures etc. It goes for your home goods items and some engineering items, structure of sheds, poultry farms. It goes in this type of product mix.

Radha Agarwal: Okay, sir. That was helpful. Secondly, with regards to the volume guidance of 30%, so market is growing at 8%, then from where are you getting this incremental 22% volume growth and how much of this growth is due to the integration of Ultra Pipes in the business?

Rupesh Kumar Gupta: So basically, if I see that the market potential is 8 and I am doing 30, then this is my capacity and I congratulate my entire team for this. They are moving forward with their hard work across the line, which we are really proud of. Secondly, you asked about our product mix if you look at last year's quantum versus this year's quantum and like someone asked in the last, our OEM business, it basically takes 6 to 8 months to get it registered They have their own quality parameters and we take them and every month we are adding an OEM manufacturer to it. So, this 30% growth that you are talking about it is not from one sector, it is from multiple sectors.

Radha Agarwal: So, Ultra Pipe sales volume this year would be about 12600 in first quarter?

Amitabha Bhattacharya: Basically, unit wise we are not getting the data readily available ma'am. But I can assure you that if you send us the mail I will check and I will get back to you on that unit wise or segment wise data

Radha Agarwal: Okay sir. Thanks and all the best.

Moderator: Thank you, Radha. We will take the next question from Ajit Sethi. Please go ahead.

Ajit Sethi: Thanks for the follow up. Sir, what is the total industrial capacity of MS tubes and what is the current demand and what is the total supply? And similar with galvanized pipe also, can you please tell...?

Rupesh Kumar Gupta: Essentially, we are having MS tubes capacity is 132,000 in Hariom that is the name plate capacity. And 84000 roughly you can take Ultra Pipe having the name plate capacity. We have concluded our long term lease with Ultra Pipes for 99 months in the month of July itself. So, therefore from now onwards you can take Ultra Pipes capacity also under the umbrella of Hariom. So roughly all together this 210,000 you can say in a round figure, the name plate capacity of MS tubes

Ajit Sethi: Sorry sir. Sir, my question was related to industry capacity of MS tubes and the demand for...?

Amitabha Bhattacharya: Industry demand for this segment?

Ajit Sethi: Yeah, demand and capacity, and what is the supply also, can you please explain this?

Amitabha Bhattacharya: So that you can get from the research report sir, industry segment wise I can give you the Hariom capacity. But roughly it may be 4.5 million tons of capacity.

Rupesh Kumar Gupta: Soumen sir, if you have the data you can just explain sir?

Soumen Bose: Yeah. I have the data. So, basically sir, the total Indian steel tubes and pipes, the production is roughly around 14 million tons and the consumption is around 12.68 million tons. That is the Indian tubes and pipes hemisphere Now if you break it down to the type wise consumption, so roughly out of this whatever figure I just told you MS tubes and pipes will be around 60%, 61% of the total mix. So, that is the industry standard.

- Ajit Sethi:** Okay. And what is the supplier situation in this, MS tube?
- Soumen Bose:** The supplier universe is equally big but then because of our differentiated product mix and all that, our products are well sought after vis-à-vis competition and probably our numbers would justify that as to how we are pushing our -- by diversifying our product mix because as you know it is just not one product, there are different thicknesses there are so many as we call it SKUs. So there are so many SKUs and Hariom has the maximum variety of the thicknesses and that's why we are able to -- as our Managing Director pointed out, we are a single stop solution for most of the dealer level demand. That's the reason why we are able to cater to the maximum possible in the marketplace.
- Moderator:** Thank you Ajit. We will take the follow up question from Vedant Sarda, please go ahead.
- Vedant Sarda:** Thank you for the opportunity, sir. My question is I can see promoter shareholding from '23, '24 and '25 it is reducing a little bit. So, can you give more information on that part?
- Amitabha Bhattacharya:** No, promoter shareholding was not reducing in the FY24. I think we have done the preferential allotment with some FII and DII and other HNI at INR190 crores fundraising was done. In that also promoter was taking INR30 crores of participation. Remaining INR160 crores we have taken from the other shareholders. So, after that there is no promoter shareholding. At the time of IPO, I think 33% we have done, we have issued. So, from 67% it is coming to 57%. So, there was a dilution of 10%. After that there was no substantial downturn.
- Vedant Sarda:** So, from 60 to 57 was due to preferential allotment.
- Amitabha Bhattacharya:** Yes.
- Vedant Sarda:** Okay. Sir. Do we have a government business directly?
- Amitabha Bhattacharya:** so far we do not have any business with government?
- Rupesh Kumar Gupta:** No, no, we don't supply to government directly.
- Amitabha Bhattacharya:** So far we do not supply.
- Vedant Sarda:** Sir, by supplying directly to OEMs can it affect our distributor supply chain?

Amitabha Bhattacharya: No, no, it's a separate product.

Rupesh Kumar Gupta: We have added in that particular line. So, we don't think there would be any problem with that particular...

Amitabha Bhattacharya: It's a separate product and we are not dealing with distribution network, we are dealing with dealers' network that is our segment.

Moderator: Thank you, Vedant. We will take the follow up question from Adesh Gosavia, please go ahead

Adesh Gosavia: Thank you for the opportunity again, I just had a data keeping question regarding the maintenance CapEx that we are going to do in FY26.

Amitabha Bhattacharya: Sir, we are expecting whatever the previous year range was there, the similar range was there but it's that figure in numbers which is quite difficult to tell.

Rupesh Kumar Gupta: Sir, we don't know when & what the machine will ask for. If we want to change an electrical module or add on or enhance in quantity or quality so depending on the time, what technology will come we cannot say right away.

Adesh Gosavia: Sir, not an exact number, but a ballpark if you can give if possible?

Amitabha Bhattacharya: Normal historical range.

Rupesh Kumar Gupta: You can take the last year's, no problem.

Adesh Gosavia: Okay. Thank you.

Moderator: Thank you Adesh We will take the next question from Sandesh Kumar, please go ahead.

Sandesh Kumar: Yes, hi, sir. My question is, we have around 7 lakh metric ton capacity and we are given 30% volume growth for next 2 years. And separately we have around 60 MW solar order. Can we cover all this with our existing capacity?

Amitabha Bhattacharya: 60 MW solar is a different project. It is not linked with the Hariom Pipe Manufacturing core capacity. That is a different project. So basically, it is not linked with that. Now whatever capacity we are

having, yes you are right, whether we can meet the 30% growth of capacity. Yes we can manage with that. So therefore, our optimum level of capacity will be complete whatever we have installed.

Sandesh Kumar: With respect to the solar order, for 1 MW we may require around INR3 crore, so around INR180 crore required. So any fundraising on card?

Amitabha Bhattacharya: No, we are not doing any fundraising so far for that.

Sandesh Kumar: So how we are managing this for doing this 60 MW without any fundraising, because we may require...?

Amitabha Bhattacharya: We have to take a certain debt on that, and simultaneously on last Board meeting, the Committee approved, where we are given, you can say a mix of capital subsidy under the PM Kusum scheme also. And we have also taken some sudden debt which can meet the project cost.

Sandesh Kumar: Okay, sir. Thank you.

Moderator: Thank you, Sandesh. We will take the next question from Mohammed Shaikh Sahil. Please go ahead.

Mohammed Sahil: Hi, sir. Thanks for the opportunity. Am I audible?

Moderator: There is some background noise.

Mohammed Sahil: Is it better now?

Moderator: No, there is a lot of background noise.

Mohammed Sahil: Hi, is it better?

Moderator: Yes.

Mohammed Sahil: Yes, thanks. Sir, just a small question as the price spread between the primary steel and secondary steel has reached around INR9,000 per ton, do you see any volume gains from the primary steel primary pipe producers?

Rupesh Kumar Gupta: Soumen sir, please?

Soumen Bose: Can you please repeat the question please?

- Mohammed Sahil:** Sir, the price spread between the primary steel and secondary steel has reached around INR9,000 per ton. So do you see any volume gains in terms of market share from the primary steel pipe producers?
- Soumen Bose:** It is entirely possible. At this point in time, I cannot zero in on a particular number and tell you, but the confidence, the metric that you cited very rightly we are gaining the confidence of 30% volume growth from those metrics only. But if you want to zero in on a number, I am sorry I cannot give you that number but our confidence for 30% growth comes from the very differential that you just talked about. Thank you.
- Mohammed Sahil:** Sir, my second question is, what is your criteria for considering a product in value added product? Like how much do you make in terms of EBITDA per ton to categorize it?
- Soumen Bose:** So if you have seen our financials the percentage of value added products have increased year-on-year. Currently, I am happy to inform the gathering that it is 98% of the total production the value added stuff. Coming back to your specific question on what do we consider value addition, we do not consider just -- because we have ISP or the integrated steel process, so basically, we make the steel, process is one thing. The secondary process onwards, for example, MS to MS billets from MS billets to MS pipes, the second level of value addition, from that on we consider as value addition you know. So, while MS pipes and tubes are one good example of value added product.
- So, one which is not very basic, now for example HR coil, CR coil cannot be classified in the truest sense as value added, because those are the starting blocks for our further production, like pipes and tubes.
- Mohammed Sahil:** Okay, sir I have got it. And my last question is so, for changer drivers do you plan to further increase your market value? Like you have a good market share in the southern states do you plan for getting market share?
- Soumen Bose:** Yes, yes, in fact...
- Rupesh Kumar Gupta:** Mr. Soumen, one second. Material cannot go to the north side because logistics don't work out from here. We are setting parameters for that, we will see how it works. We are planning to expand in some way.
- Mohammed Sahil:** Okay, sir. Thank you. That's it from me.

Moderator: Thank you. Yes sir.

Rupesh Kumar Gupta: So, I wanted to give a statement on the initial planning forward. So, are the questions and answers done, so we can give the statement and close it down?

Moderator: Yes, sir. We will take only the last question from Harsh Janawar. Harsh, please go ahead

Harsh Janawar: Hi, sir. Thanks for the opportunity. Just one question. Sir, you mentioned that our inventory days have reduced to 89 days. Is it because we are heading to a seasonally peak quarter and what should be our steady state inventory days we are targeting for FY26?

Amitabha Bhattacharya: 89 days, see what happened generally whenever you see that Q4 that is the peak season for our industry, it is not only for Hariom, it is for segmental, you can take any companies, peer competitors' balance sheet also, that is the Q4 is the peak quarter, and Q3, Q4 and then Q1 is coming. No, it is because of our well disciplined inventory management metrics where we have taken very nominal as per our requirement production planning prior to given the order, accordingly we have taken the material as per our requirement and supplies chain. And all keeping all the metrics in a proper way in ERP software base. Therefore, we can able to manage this kind of metrics from 128 days to 89 days and I am very much pretty sure that it will be round around within the limit in the coming future also.

Harsh Janawar: Sir, we are targeting around 90 days for FY26?

Amitabha Bhattacharya: There is no target, sir, as much as it will be going down.

Harsh Janawar: How much can we do, how much can we improve is what I am trying to understand?

Amitabha Bhattacharya: We are trying to reduce this holding level of inventory as much as possible. And if you check with our historical track record in the last 3 years, it will be going down only and operating cash flow and holding level also is continuously improving.

Harsh Janawar: Understood sir. Thank you.

Rupesh Kumar Gupta: Soumenji, I would like you to announce on this particular thing and you emphasize somewhat that we have put a format called true green, the logo is getting registered also. Apart from that, we are making a

green steel committee in which Hariom has a big opportunity. Please highlight it.

Soumen Bose:

Sure, sure. Thank you sir. I just would like to inform this august audience that internally we have decided on forming a committee for green steel. The reason why we are doing it is because the government of India is pushing green steel for sustainability purposes in a very big way, and in future in government procurements, a hefty percentage will have to come from the green steel makers. Therefore, internally a committee is being formed and we will deliberate on the newer technologies for green steel. We will scout out a reliable partner with sufficient expertise and we want to absolutely increase our green steel footprint by a substantial margin. I wish I could have given you the numbers, but the plan is always in place and so basically our fund raising and all that is behind us.

We are now reaping the harvest of capital raise for the last few years. This kind of volume growth and all that you are seeing is basically the result of our past fund raising operations. So going forward, this green initiative we are taking it rather very seriously and it is being driven from the highest level and we expect that going forward, a large portion of our production will be from the green steel initiative. Thank you.

Moderator:

Thank you sir. Thank you to the management and thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.

Rupesh Kumar Gupta:

Thank you sir.

Moderator:

Thank you.