ABHA POWER AND STEEL LIMITED

INVESTOR PRESENTATION

H1 FY27



Company At Glance

A Railway-Focused Casting Platform Scaling Through Qualification, Capacity & Import Substitution

KEY DEVELOPMENTS

₹22 Cr
Current Order Book
(as on 30th September, 2026)

NEW RDSO APPROVAL
Product portfolio continues to expand

8–9
Railway products under various stages of RDSO qualification

35×
Increase in sand processing / moulding throughput

3 MW + ~2.5 MW
Captive solar operational + planned expansion

IMPORT SUBSTITUTION
Developing critical railway components for domestic supply

CORE PLATFORM

20+
Product Categories

1,000+
SKUs

14,400 MT
Installed Casting Capacity

RDSO Class 'A'
Approved Foundry

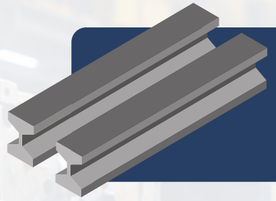
NABL
Accredited In-house Laboratory

7+
Industries Served

Approved vendor of
ICF & NMDC

From Raw Material to Critical Castings

Two Foundries, Multiple End Markets



SG IRON FOUNDRY

7,200 MT p.a.
Installed Capacity

~80–90%
Current Utilisation

~95%
Target

A relatively mature and well-utilised foundry, anchored by Railway-focused products, with incremental scope to further improve throughput and efficiency.



STEEL FOUNDRY

7,200 MT p.a.
Installed Capacity

~20–30%
Current Utilisation

>90%
Target

The primary utilisation opportunity. Upgraded moulding and downstream processing infrastructure is designed to remove the bottleneck and unlock previously underutilised furnace capacity.



14,400 MT Combined Installed Capacity

The growth opportunity is increasingly about utilisation, not greenfield capacity addition.

Removing the Bottleneck. Expanding the Throughput.

With strategic plant upgrades, we have strengthened our manufacturing capabilities and unlocked a significantly higher moulding and sand-processing capacity.

BEFORE | THE BOTTLENECK

Moulding/Sand-Processing Capacity

1,000 kg/hour



Processing capacity was the bottleneck, restricting the pace of the entire manufacturing chain.

Removing the Bottleneck. Expanding the Throughput.

With strategic plant upgrades, we have strengthened our manufacturing capabilities and unlocked a significantly higher moulding and sand-processing capacity.

AFTER | THE BOTTLENECK REMOVED

Moulding/Sand-Processing Capacity

35,000 kg/hour

35X Increase

Higher throughput, greater operational flexibility and ability to handle larger volumes.



KEY PLANT UPGRADES FUNDED BY IPO PROCEEDS

Electric Arc Furnace (EAP)
Already operational

Heat Treatment Furnace
Already operational

Automated Moulding Line
In commissioning stage

20T Heat Treatment Furnace
In commissioning stage

Additional Processing Infrastructure
In commissioning stage

Plant Upgrade: Unlocking Previously Underutilised Capacity

The Bottleneck

Despite adequate melting capacity, **manual downstream moulding and sand processing** constrained throughput. Batch-wise preparation of sand and additives resulted in longer mould preparation cycles and underutilisation of available furnace capacity



Automated Moulding Line

- Automates mould preparation
- Enables faster, more consistent production



Additional Processing Bays

- Expands post-casting processing capacity
- Enables smoother movement of castings through finishing operations



35× Sand Processing Capacity

- Automates mould preparation

Increased from 1,000 → 35,000 kg/hr

- Removes the sand-processing bottleneck and supports higher throughout



Pneumatic Sand Reclamation

- Recovers and reconditions used moulding sand
- Enables 75–80% sand reuse and reduces fresh sand requirement



20 MT Heat Treatment Furnace

- Handles larger batches of castings
- Supports higher production volumes



EAF & 6 MT Heat Treatment Furnace

- Strengthens existing melting and heat-treatment infrastructure
- Provides additional capacity to support production scale-up

Engineering Capabilities Built for Critical Applications

Custom / Engineered Castings

Development and manufacture of **customer-specific iron and steel castings** based on required specifications, drawings and applications

Railway Castings

Manufacturing of critical railway components, including products for railway infrastructure and coach applications.

Industrial Castings

Cast components for:

- Cement
- Steel
- Power
- Mining
- Infrastructure
- Heavy engineering

Prototype Development

Capability to develop **prototype castings for new / specialised applications**, including the recently initiated Defence programmes.

Large & Complex Castings

Ability to manufacture castings across a **wide size and weight range**, including components from approximately **500 g to 10,000 kg.**

Machined Cast Components

Supply of castings with **machining/ dimensional finishing,** where required, rather than only supplying raw cast components.

Testing & Validation

In-house testing support for **chemical, mechanical and metallurgical properties**, supported by the NABL-accredited laboratory.

Product Portfolio



IRON FOUNDRY

- SGCI Inserts
- Narrow Jaw Adapters
- Wide Jaw Adapters
- Modified Adapters
- Clamp
- Centering Disc



STEEL FOUNDRY

- Hammers
- Screen Plates
- Crushing Rings
- Grate Plates
- Coke Bucket Liners
- Clamping Flanges
- Upside & Suspending Frames
- Ring Hammers
- Upper & Lower Screens
- Coal Nozzle Tips
- Kick-off Plates
- Nozzle Pieces
- Small & Big Bell Assemblies
- Flanges
- Blow Bars
- Grate Bars
- Cooling Plates
- Flaps & Flap Doors
- Armour Rings
- Nozzle Rings
- Clinker Grinder Rolls
- ACI Bends
- Grinder Rollers & Tracks

Strategic Snapshot | H1 FY27

Defence:
Entry into High-Value Prototype Castings

Defence PSU engagement → critical prototype castings → validation → potential pathway towards larger commercial opportunities.

Plant Upgrade:
Removing the Capacity Bottleneck

Identifying the actual operational bottleneck → automated moulding → 35× increase in sand-processing throughput → 20 MT heat-treatment furnace → additional processing bays → sand reclamation → higher utilisation potential.



Quality & Validation:
Strengthening In-House Capabilities

NABL-accredited laboratory with chemical, mechanical and metallurgical testing capabilities, supporting qualification and validation for critical applications.

Renewable Energy:
Expanding Captive Solar Capacity

Existing ~3 MW captive solar capacity + planned ~2.5 MW expansion, supporting energy efficiency, cost optimisation and sustainability.

Order Book:
Visibility for the Next Phase of Growth

₹22 Cr order book, with Railway relevance and a focus on converting current order visibility into revenue growth.

Product Portfolio:
What Abha Actually Manufactures

A highly visual showcase of Abha's actual products, including **SGCI Inserts, Narrow & Wide Jaw Adapters, Hammers, Screen Plates, Grate Plates, Blow Bars** and other key components across its Iron and Steel foundries.

RAILWAYS
From Product Development to Commercial Scale

Commercializion Critical Components
Two critical coach components have moved from development to commercial production, creating a new revenue stream.

Deepening OEM Engagement
Long-term / standing orders from a major Railway OEM, alongside engagement with additional OEMs, are supporting broader customer and volume opportunities.



Expanding the RDSO-Approved Pipeline
8–9 products have been submitted to RDSO, with approvals progressing across stages. A recent approval further strengthens the pipeline.

Building Revenue Visibility
The two newly commercialised products are expected to contribute 10–12%+ of FY27 revenue, providing visibility from new product additions.

THE SCALE-UP PATH

RDSO Approval → Product Qualification → OEM Engagement → Commercialization → Higher Volumes

Abha is expanding from established Railway castings into a broader portfolio of qualified, commercialised components.

Import Substitution: A Qualification-Led Opportunity

Market Context



99.42%

Indian Railways has achieved **99.42% indigenous sourcing of Railway stores purchases,** but continues to depend on imports for specialised/high-technology components where domestic availability, quality or scale remains constrained.

IMPORT DEPENDENCY ····· PRODUCT DEVELOPMENT ····· TESTING ····· RDSO / OEM APPROVAL ····· COMMERCIALIZATION

And under Abha:

1 additional Railway product already RDSO-approved strengthening
Abha's position in qualified Railway components.

Development-led approach:
Abha is targeting specialised components where technical qualification and approval create meaningful entry barriers.

Multiple products under approval/qualification, creating a visible pipeline for further import substitution and domestic market penetration.

From approval to scale:
The focus now shifts toward commercialization and ramp-up of newly qualified products.

Industry Overview



Critical Link Across Core Industries

Foundries convert molten metal into engineered castings used across India's manufacturing, infrastructure and core industries.

INDIA AT A GLANCE

15.16 Mn MT	~5,000	~US$21 Bn	US$4.11 Bn	~2 Mn	#2 globally
Casting production	Foundry units	Industry revenue	Casting exports	Employment	Casting production

EXPORT MOMENTUM

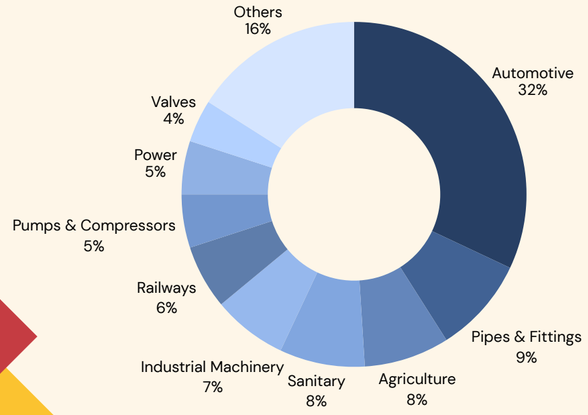
US$3.94 Bn
FY23

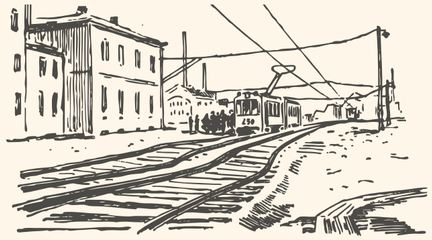
12.84%
FY21–24 CAGR

+4.47%
YoY

US$4.11 Bn
FY24

WHERE CASTINGS ARE USED





From Traditional Foundry to Modern, High-Specification Manufacturing

MAJOR EXPORT MARKETS



***Source**: Institute of Indian Foundrymen (IIF), Indian Foundry Industry Profile 2023–24*

Industry Overview

WHAT IS DRIVING THE SHIFT?



Industrial & Infrastructure Growth

Machinery, power, mining, cement and engineering demand



Railway & Defence

Increasing need for specialised, qualified components



Export Opportunity

Indian foundries increasingly participate in global supply chains



Energy & Environmental Efficiency

Pressure to modernise energy-intensive foundry processes

POLICY SUPPORT

ADEETIE | FY26–FY28

Foundry is among the 14 energy-intensive MSME sectors covered under the scheme, with support focused on energy efficiency, technology upgradation and process improvement.

Source: Bureau of Energy Efficiency (BEE), Foundry Sector & ADEETIE.

The Way Forward

Ramp Up the Upgraded Facility
Stabilise operations, improve throughput and progressively increase capacity utilisation.

Accelerate Import Substitution
Develop qualified domestic alternatives for specialised, import-dependent Railway requirements.

Build Defence & Industrial Opportunities
Scale the Defence pipeline and selectively expand into high-value industrial applications.



Scale the Railway Opportunity
Drive RDSO approvals, commercialise critical components and deepen OEM relationships.

Move Towards Higher-Value Castings
Increase the share of engineered, complex and value-added products where technical capability drives stronger realisation.

Convert Capabilities into Sustainable Growth
Translate stronger capacity, products and customer pipeline into higher volumes, utilisation and operating performance.

Statement of Profit and Loss

(in ₹ lakhs)

Particular	H1FY27	H2FY26	H1FY26
REVENUE FROM OPERATIONS	2,959.18	2,764.60	3,456.91
OTHER INCOME	5.1	23.89	65.51
TOTAL REVENUE	2,964.28	2,788.49	3,522.42
Financial Expenses	74.37	76.31	93.75
Depreciation and Amortisation	72.36	67.69	49.53
TOTAL EXPENSES	3,187.74	2,730.19	3,243.40
PBT	-223.46	58.3	279.02
EBITDA	-76.73	202.3	422.3
EBITDA MARGIN	-2.59%	7.32%	12.22%
TAX	12.71	15.54	75.74
PAT	-236.17	42.76	203.28
PAT MARGIN	-7.98%	1.55%	5.88%
BASIC EPS	-1.27	0.23	1.09

Balance Sheet

(in ₹ lakhs)

	Particulars	H1FY27	FY26
(A)	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share Capital	1,858.78	1,858.78
	(b) Reserves and Surplus	3,234.90	3,471.07
2	**Non-current liabilities**		
	(a) Long-term borrowings	746.82	753.92
	(b) Deferred tax liabilities (net)	323.05	310.34
	(c) Long-Term Provisions	29.83	29.83
3	**Current liabilities**		
	(a) Short-term borrowings	1,723.27	1,209.21
	(b) Trade payables	474.27	551.95
	(c) Other current liabilities	277.04	360.72
	(d) Short-term provisions	10.36	10.36
	TOTAL EQUITY AND LIABILITIES	**8,678.31**	**8,556.20**

	Particulars	H1FY27	FY26
(B)	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	i) Tangible assets	2,229.04	2,233.49
	ii) Capital Work in progess	2,871.08	2,265.11
	(b) Other non-current Asset	186.79	227.16
2	**Current assets**		
	(a) Inventories	2,506.98	2,504.75
	(b) Trade receivables	753.27	1,070.15
	(c) Cash and bank balances	9.56	8.33
	(d) Short-term loans and advances	121.59	247.21
	TOTAL ASSETS	**8,678.31**	**8,556.20**

Why Did Performance Decline?

Key Factors Behind the Drop in Profitability

Lower Realisations

Reduced selling prices of Striker and other key products impacted overall realisations.

Industry Wide Pricing Pressure

Weak pricing conditions across the industry affected selling prices.

Expansion Led CashFlow Pressure

our expansion increased cash flow requirements, adding pressure on profitability.

Management Outlook

Management expects the order book to recover in H2 FY27, with performance expected to improve towards the levels achieved in H2 FY26.



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