12th February, 2024

National Stock Exchange of India Ltd
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Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
Code : IFGLEXPOR

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Code: 540774

Dear Sirs,

Re: **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In compliance of above, please find enclosed herewith transcript of Earnings Conference Call on 3QFY24 and outlook of the Business, held on Tuesday, 6th February, 2024. A copy of this is also being hosted on Company's Website: https://ifglgroup.com/investor/meetings-reports/

Thanking you,

Yours faithfully,
For IFGL Refractories Ltd.

Mansi Damani
Digitally signed by Mansi Damani
Date: 2024.02.12 19:16:48 +05'30'

(Mansi Damani)
Company Secretary
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Encl: As above

“IFGL Refractories Limited
Q3 & 9M FY2024 Earnings Conference Call”

February 06, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 6th February 2024 will prevail.

ANALYST: MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL

MANAGEMENT: Mr. James Leacock McIntosh – Managing Director – IFGL Refractories Limited
Mr. Kamal Sarda – Director and CEO India – IFGL Refractories Limited
Mr. Amit Agarwal – Chief Financial Officer– IFGL Refractories Limited

Moderator: Ladies and gentlemen, welcome to the Q3 and 9M FY2024 Earnings Conference Call of IFGL Refractories Limited hosted by Monarch Networth Capital. This conference call may contain forward looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company and it may involve risk and uncertainty that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sahil Sanghvi from Monarch Networth Capital. Thank you and over to you Sir!

Sahil Sanghvi: Thank you Manuja. Good evening, everyone. On behalf of Monarch Networth Capital, I welcome you all to the Q3 and nine months FY2024 earnings conference call of IFGL Refractories Limited. We are pleased to have with us the management being represented by Mr. James McIntosh, the Managing Director, Mr. Kamal Sarda, Director and CEO India and Amit Agarwal Chief Financial Officer. We will have opening remarks from the management followed by question and answer session. Thank you and over to you James Sir! Please go ahead Sir.

James McIntosh: Good evening, everyone. Thank you for joining us on the conference call. Along with me on the call we have Kamal Sarda, Director and CEO India and Amit Agarwal our CFO and SGA, our Investor Relations Advisors. We have uploaded the results and presentation to the stock exchanges, and I hope everyone has had a chance to go through this. As we navigate the dynamic global economic landscape, I am excited to share insights on the significant opportunities that lie ahead in the Indian market in particular. The Indian economy has proven its resilience particularly in the face of challenging high interest rate environment. This tenacity is a testament to the nation's economic powers and its ability to overcome obstacles. IFGL initially we emphasized exports, but current strategy underscores a deliberate shift towards a more concentrated approach in the domestic market. This reflects the company's commitment to bolster and elevate its overall capabilities. It is crucial to acknowledge the favorable conditions that the country offers for sustainable growth. As you all know at the moment IFGL markets mainly revolve around the world of steel. According to the World of Steel Association the steel sector is exhibiting a robust annual growth rate of around 7% in India. Overseas operations however are having slowdown particularly in Europe with contributing factors including labor shortages and ongoing regional crisis. The repercussions of the Russia-Ukraine war coupled with elevated interest rates and energy costs are placing substantial burden on the manufacturing activities in the affected areas. Additionally, on the export front challenges in the Red Sea region are manifesting in a significant increase in freight rates further complicating international freight dynamics for these operations. In response to the observed slowdown in our overseas operations, particularly in Europe, we are taking proactive measures by embracing automation and robotics. Our main goal is to strategically reduce cost with the anticipation of an eventual market turn around by leveraging cutting edge technology we aim to enhance efficiency in production and supply of our products. This forward-looking approach positions us to be well prepared to meet demand and capitalize on the opportunities when market conditions become more favorable. Further commenting on our subsidiaries worldwide in Hoffman Ceramics, we believe there is still considerable potential to improve margins by concentrating on technology initiatives. Currently, the company is operating at less than 60% utilization levels. As part of our optimization strategy the Czech Republic operations are planned to be closed and transferred to the German operations with the shift expected to be completed the overarching focus will be on enhancing profitability, streamlining flow processes, and facilitating better integration within the organization. This strategic approach aims to maximize operational efficiency and financial performance. At Monocon International Refractories, the pre-cast shape planned development an investment of around £1 million has been successfully completed and is now fully operational. On the metallurgical lances which are the main product line of Monocon we are investing in vertical integration of our manufacturing capability with new machine previously outsourced operations and has best strategic shift hovers the success of similar development in MCI USA around 40 years ago which has proven successful in terms of both technical advancement and manufacturing efficiency nuances. EI Ceramics in the United States we have plans underway to consolidate the two existing plants into a completely new location and the projected timeline for this initiative is around two years. The rationale behind this strategic move includes objectives such as modernization, cost savings, and streamlining management by combining operations into a new facility the company aims to leverage modern technology and practices leading to increased operational efficiency and reduced costs. Additionally this consolidation allows for a more streamlined and centralized management structure potentially enhancing overall organizational effectiveness. At Sheffield Refractories in the United Kingdom the new asset is addition to our company, and which specializes in blast furnace, castable products and shotcreting materials. As part of a strategic initiative the company plans to transfer this technology to India with the first transfer project expected to take place in around 12 to 18 months. Sheffield Refractories has expertise in stack repair of blast furnaces which is considered as most significant capability. We envision a substantial opportunity on the Indian market likely driven by growing demand for blast furnace related products and services in the region. This technology transfer could potentially strengthen the company's presence and capabilities in the Indian market. As I mentioned previously our focus towards the domestic market has proven to be a major driver in our success as a company and is therefore important that we continue to improve and invest in our capability both technologically as well as capacity. With this let me now hand over to Kamal for his comments.

Kamal Sarda: Thanks, Jim, for giving an overview of the global scenario and our operations worldwide. Let me give a brief on the Indian operations. The financial performances summary will be given by Amit Agarwal our CFO. At the outset I would like to bring to the notice that the financial results under review on consolidated basis include provisions for trade receivables aggregating for 33.27 Crores, goods sold but in transit aggregating to 8.26 Crores and a reverse commission aggregating to 1.48 Crores in respect of one of our Czech Republic customer who have opted for preventive restructuring under laws of its home country. Financial results from a standalone basis also includes similar provisions aggregating to 38.48 Crores. While your management is taking all necessary steps including having meetings with the customer and their principals for recovery of debt receivable, we have made provisions therefor as a matter of abundant precaution and prudence. During the period under review your company opted for new tax regime as per section 115 BAA of the Income Tax Act 1961 by virtue whereof the current tax liability and deferred tax liability for the year ended 31st March 2023 and also for the six month period ended 30th September 2023 of the current financial year have reduced and for this reason you will observe current tax charge and a deferred tax charge of Rs.450 lakh and 1037 lakhs respectively have been credited in the consolidated financial and standalone financial results for the quarter ended 31st March 2023, so the total reduction is about 14.87 Crores for the period. One of adjustment of provision for receivable from Czech Republic customer has been for circumstances beyond control of the management. Excluding these adjustments performance of the company both on consolidated and standalone basis during the quarter under review have been satisfactory despite ongoing geopolitical conflicts and turmoil in several territories which have in general affected markets outside India. Our research centre was inaugurated on 24th November 2023. The research centre is focused on benchmarking all our existing products, developing cutting edge products and also bring high quality cost effective solutions for our customers. Notably the research centre utilizes metal melting technologies giving it a distinctive capability for thorough product testing. This unique feature sets the research centre apart as no other company currently possesses similar metal melting technology. In the initial period the research centre aims to meticulously benchmark all products within the group across various geographical locations. This approach ensures a comprehensive evaluation and adaption of products for successful integration into the Indian market highlighting the centre's commitment to quality and innovation. The company aims to differentiate itself based on excellence and ensure that it meets or exceed the highest industry standards. This strategic focus aligns with the long-term vision of building a reputation of cutting edge high quality products that resonates with the customers. Regarding the new Orrisa plant we are expecting the land allocation from the Orissa government in the current quarter. Once we have this we will start planning and moving to the next step in the development of this project. In our three domestic manufacturing locations in Odisha, Gujarat, and Andra Pradesh our expansion plan is in full swing and almost on target. Over the last seven years IFGL have been actively involved in manufacturing of casting flux for continuous casting. Looking ahead the company set to introduce a new production line at Visakhapatnam plant integrated state of art, fully automatic plant for casting flux and also pre-cast shapes. This strategic initiative is expected to make a substantial contribution to our businesses. All the announced capex plans are proceeding as scheduled and are expected to be completed by Q1 FY2025. All of these initiatives along with our efforts to diversify into developing products for non-steel industry, we hold an optimistic outlook on the abundant opportunity that awaits us in the Indian markets. Let me hand over to Amit Agarwal our CFO to take you through the financials. Amit please.

Amit Agarwal: Thank you Sir. For the quick overview let me just give you a brief on the financial. Starting with the standalone financial highlights, Total Income increased by 9% year on year to Rs.200 Crores in Q3 FY2024. EBITDA before exceptional items decreased by 5% year on year to 28.2 Crores in Q3 FY2024. EBITDA margin before exceptional items stood at 14.1% in Q3 FY2024 with a decrease of 200 basis points year on year. Let me now move forward to consolidated financial highlights. Our consolidated financial highlights also include our international subsidiaries. Our total consolidated income increased by 16% year on year to Rs.370 Crores in Q3 FY2024. Consolidated EBITDA before exceptional items grew by 9% year on year to Rs.40 Crores in Q3 FY2024. Consolidated EBITDA margin before exceptional items stood at 10.8% in Q3 FY2024 with a decrease of 71 basis point year on year. With respect to liquidity position, we remain net debt free with a strong balance sheet. Cash and cash equivalent stood at 197 Crores on consolidated basis as of December 2023. Our ROCE stood at 9.79% in 9 months FY2024, and ROE stood at 8.7%.

Kamal Sarda: With this I would leave the floor open for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Harsh Shah from Dalal & Broacha Stock Broking Private Limited. Please go ahead.

Harsh Shah: Good evening team. Thank for the opportunity. Few questions from my side. In terms of percentage how much has our Indian operations grown on a Y-o-Y basis excluding what we export from India.

Kamal Sarda: Only on the domestic market.

Harsh Shah: Excluding what we export from India. I mean how much has been sold within India how much growth has been there on a Y-o-Y basis.

Kamal Sarda: It will be about 10%. I do not have the figure right now in front of me. It will be about 10% or so.

Harsh Shah: In terms of the split between domestic and export within the segment that you give how much revenue you have generated in within India so would you have it domestic, and export is it 60:40 50:50 how is it.

Kamal Sarda: On a nine month basis the domestic market would be more than 60%, somewhere around 60 to 65%.

Harsh Shah: Secondly on the gross margin front if you could help us understand what has led to a dip in the margins on a sequential basis so what I see is that gross margins have contracted by somewhere around 170 basis points on a sequential basis.

Kamal Sarda: Primarily what we have mentioned is the write off, the provisions which we have taken that is one and then overall all the volumes which have gone down, what we have mentioned in our speeches the European market as Jim mentioned very clearly in his speech, the European market is into a very big turmoil you had the effect of Russia-Ukraine war, you had the effect of Israel war, you had the effect of Red Sea and then energy prices going up, it is a sequential effect so European market is in a turmoil Jim if you want to add anything on this.

James McIntosh: No I have got nothing to add.

Kamal Sarda: Okay so it is overall volume drop because of the overseas market as we mentioned.

Harsh Shah: I mean in terms of guidance on an annual basis what should be the gross margins we should be looking at going forward.

Kamal Sarda: I think we have mentioned this in our past calls and also our meetings that we are looking at a 12% EBITDA margin on a consolidated basis and I think we maintain that.

Harsh Shah: I was asking about gross margins should we work with 48 to 50%.

Kamal Sarda: I think I will now talk of the EBITDA margins. Let us put that EBITDA margins in place.

Harsh Shah: Okay and lastly on the revenue guidance of 1750 odd Crores so it looks like it is not possible that we would be achieving so ballpark where would we be in FY2024 and any revenue guidance you would want to give for FY2025.

Kamal Sarda: I think what we should look at, you know it is because of the turmoil which is happening in the Europe and other segments in the overseas market, let us look at the Q4 operations more clearly and then we can give a more clarity on FY2025 but looking at the situation the next couple of quarters will have its own impact due to the situation in Europe.

Harsh Shah: Okay thanks. That's it from my side.

Moderator: Thank you. The next question is from the line of Rajesh Majumdar from B&K Securities. Please go ahead.

Rajesh Majumdar: Good evening, Sir and thanks for the opportunity. Sir excluding the export side of the business could you give us some clarity on how the domestic business has fared in terms of margins on a Y-o-Y basis and whether that is sustaining around the 12% level that was my first question.

Kamal Sarda: I will not be able to give you a segmented margin gentleman so that is something, but yes domestic market as we mentioned in our speeches, the domestic market is where our focus remains and we are increasing our efforts to go into a non steel, nonferrous markets to increase our visibility or reach to the domestic market so on a segmented margin I am sorry we will not be able to provide that.

Rajesh Majumdar: Right Sir and Sir in terms of our product mix how much would flow control be contributing in terms of the overall sales.

Kamal Sarda: Most of the products which we make in India would be a part of the flow control business only.

Rajesh Majumdar: Okay so around 85, 90% would be flow control only.

Kamal Sarda: Yes, most of it would be.

Rajesh Majumdar: Okay so if you look at the flow control market our margins are much lower than flow control products because peers in this business are earning between 19 to 20% EBITDA margins so will we have a jump up in the profile once our capacity expansions are completed on the margin front.

Kamal Sarda: Yes, that is what we are working on, with the capacity expansions definitely our volumes will go up and with the volume going up the margins should improve.

Rajesh Majumdar: Just on the volume or will the mix also change.

Kamal Sarda: That is what we are working on yes.

Rajesh Majumdar: Okay thank you.

Moderator: Thank you. The next question n is from the line of Sidhharth Dudoya from Blue Star Investments. Please go ahead.

Sidhharth Dudoya: Hi everyone good evening. Many congratulations on your new R&D centre. So I was just saying like you have opened a new R&D centre so can you please give some specification by when can we expect new products from this R&D centre in the market and what is your strategy to expand through them in the domestic market.

James McIntosh: So the question is products coming from the research centre and so our initial objective in the research centre which we have mentioned in previous calls is that we want to benchmark our current group products worldwide, to establish the best products which are available within our group to be transferred to the Indian domestic manufacturing. We estimate this process to be probably about one year from beginning to end in terms of the benchmarking of the product lines. Our objective is to initially focus on the isostatic product lines of EI Ceramics and look at benchmarking them versus our products in Kandla and Kalunga. We feel that in this area there is some definite low hanging fruit for us in terms of developing newer products for the Indian market and this is the reason why we have chosen to make this our top priority but in saying that we have other products as we mentioned from Sheffield and from Monocon which also could be beneficial to the Indian manufacturing plants and markets and this will also be part of the benchmarking process so all in all you will see benchmarking probably taking the company around in total one and a half years and during that period we will be filtering in and as we develop and benchmark the specific product lines we will be filtering them into the manufacturing processes in India. The majority of the growth in the Indian domestic market will come from our new manufacturing plants in Visakhapatnam for the casting flux which is used in continuous casting and also for the mag carbon bricks which is used predominantly in the ladles for the steel making process and these two areas we have got a fairly decent plan and we are going to ramp up manufacturing and all of those product areas we have already done substantial trials with customers and so it should be a fairly high ramp up schedule. Kamal you may want to cover that in a little bit more detail.

Kamal Sarda: I think what you have covered I think that is sufficient Jim that covers most of it.

Sidhharth Dudoya: Thank you so much for that detailed answer and the second thing just follow up on this like once this take a year or so how much will be like top five client contribution to the revenue through these products.

Kamal Sarda: Which products?

Sidhharth Dudoya: These products what you mentioned like from the R&D centre you will take a year to implement these.

Kamal Sarda: That is difficult because you know the top five Indian steel makers definitely they will be the top five customers.

Sidhharth Dudoya: Okay like what contribution any percentages with the new product.

Kamal Sarda: No we will assess that once we get into the market.

Sidhharth Dudoya: Okay thank you.

Moderator: Thank you very much. The next question is from the line of Sanjay Nandi from VT Capital. Please go ahead.

Sanjay Nandi: Hi Sir. Good evening Sir. Thank you for the opportunity. Sir, can you please guide us like I missed the initial comments like what kind of EBITDA margin can we expect in coming quarters, like there was some significant drop in this quarter so can we expect the numbers to be back like previous quarter.

Kamal Sarda: I have mentioned in the past and also in this call that we are talking of a EBITDA margin of 12% so that is what we are giving a guidance of, may be some quarters may have small plus and minuses but overall on a yearly basis on a long-term basis it will be that.

Sanjay Nandi: Sir can you please guide us like what kind of synergy can accrue from this new R&D facility like what are the key focus areas we will be focusing from that R&D.

Kamal Sarda: Just now our managing director spoke on this subject.

Sanjay Nandi: Sir I joined late Sir so if you can explain once again if possible.

James McIntosh: The initial focus will benefit the isostatic products so that would be continuous casting refractories and the flow control segment of the business.

Sanjay Nandi: Okay thank you Sir. I will join back in the queue Sir. Thank you so much.

Moderator: Thank you very much. The next question is from the line of Aditi Sawant from EDM Advisors. Please go ahead.

Aditi Sawant: Firstly regarding the acquisition like do you have any other plans for acquisition and if yes could you provide details regarding this and second is future outlook on our international subsidiaries.

James McIntosh: Aditi we are at the moment looking at acquisitions both in the export field as well as domestic to give details of these I would say it's a bit early for us to give any details in those particular areas for obvious reasons. With regard to the outlook for the overseas operations the United States is definitely starting to see I think some positive trends which will enable us to see the growth coming back in the United States. We have had some very good results in Mono Ceramics which is one of our companies in the United States a good growth and also profitability and this coupled with an uplifting the market hopefully will enable us to see some good growth coming in the United States but it is always difficult to gauge in an election year how things are going to go but we are very positive about the US. As Kamal mentioned earlier and also, I mentioned the European Industries are still struggling. We hope that bottom if you like and that we will start to see some turnaround from here, but it is very difficult to gauge. It really is very difficult to gauge. Our focus on the European market really is on an internal look to make sure that we improve our operations as much as possible to be ready for the upturn when it occurs and undoubtedly it will occur at some point it is just trying to find the bottom at the moment. For the operations elsewhere in the world we feel very sure that we have got some very good projects ongoing which will enable us to benefit from growth so yes all in all I would say that acquisition wise our focus is to look at acquisitions. We have several in the pipeline and we will obviously inform the market when we are just to do that.

Aditi Sawant: Thank you so much for the detailed explanation. Just one followup can you share the utilization level, if possible, for each of the subsidiaries.

James McIntosh: I am afraid I do not have those kind of numbers. Kamal, I do not know if you have got.

Kamal Sarda: I do not have those numbers either.

James McIntosh: It is not something I tend take to look at too much to be honest.

Aditi Sawant: No issues Sir. Thank you so much and that is it from my side. All the best for the upcoming quarters.

Moderator: Thank you very much. The next question is from the line of Abhishek Poddar from HDFC Mutual Fund. Please go ahead.

Abhishek Poddar: Hi Sir thanks for taking my question. First is regarding the recoverability of this amount in the Czech Republic if you can give some understanding what is the process and what is your sense of amount coming to us.

Kamal Sarda: See this is something which we will have to watch for the next coming months, how things shape up. As we mentioned in our note to the accounts that as a matter of prudence and we found it right that we should take a provision because the company has opted for a restructuring plan and our understanding was that the problem may go a bit longer and we do not know the certainty of that so we will have to wait I think Abhishek maybe one or two quarters more before we really have more details because it is just a matter of couple of days we had on this when we took the provision so we will have to wait for few more months till we have a clarity on that but yes as of today we do not see that immediately anything is going to happen. Jim if you would like to add anything on this.

James McIntosh: No.

Abhishek Poddar: Understood and any more problematic accounts that you see and have you provided for them already being conservative on accounting there.

Kamal Sarda: We follow a very, very conservative approach on these matters so based on that the answer is no.

Abhishek Poddar: Understood and if I adjust for that the EBITDA margin for the quarter was let us say 10.9% versus sustainable 12% so should we think of it as a quarter phenomenon and not be concerned about the 12% range that you guided.

Kamal Sarda: It should be the quarter phenomena and as we mentioned that there is a serious problems in the overseas market and our feeling is that the issues in the overseas market are bottomed out. There should be only an upturn from there and we should look at good days.

James McIntosh: It would be great if we had such a crystal ball. We hope that it is possible Kamal.

Kamal Sarda: We hope it bottomed out and then it should improve from there only.

James McIntosh: It is just so much turmoil.

Kamal Sarda: There are lot of lot of uncertain issues and the clarity is very very little on that you have those Russia Ukraine war as we mentioned about the other conflicts which are happening, the Red Sea issues the energy crisis not really completely over, there are issues then you have those carbon tax which is there in the European market which is also affecting the profitability of the steel companies primarily I would say. We need we need possibly one or two more quarters before we have more clarity, but Abhishek I would say that on annual basis on a long-term basis whatever figures which we have given we should look at those numbers, not looking at a particular quarter or one or two quarters.

James McIntosh: Certainly not looking at this quarter.

Abhishek Poddar: So if I look at the last quarter numbers it is basically Europe which is a challenge for us and generally since that it's bottoming out and things should improve from here.

James McIntosh: We hope.

Abhishek Poddar: The last question is about the Indian operations so if I look at the domestic steel companies the way they are expanding there is a significant ramp up in capacities in 2025, 2026 and 2027 also so how are you thinking of the demand supply in India do you expect the supply tightness happening because of the volume ramp up by major steel companies.

Kamal Sarda: See all our all our all our capex plan are based on the expansion plans of the Indian market. Indian market is buoyant. If you look at 2025, 2026, 2027, 2028 and also the National Steel Policy talking of 300 million metric tonnes by 2030, 2031 so all those are in fact giving us that kind of leverage to go forward and our capex are based on that and yes, we will gain by the expansions yes.

James McIntosh: And I think that that most of the focus that we've had as I said in the last two years has been development of our Indian manufacturing capability. We have significant improvements and capacity in all locations plus we have the new product lines that we are bringing in so when we look at the percentage of our domestic sales versus our consolidated sales, we expect to see that growing in the future. We do not expect to see it staying the same. We expect to see the domestic percentage of our total sales growing.

Abhishek Poddar: Okay understood and one more if I can squeeze Europe is transitioned towards EF from blast furnace so how does that affect our demand scenario.

James McIntosh: It is kind of interesting because when we when we say that Europe's transitioning towards electric furnace, we have got one specific area which is the United Kingdom and that is in the news quite a lot because obviously Tata steel owned the Port Talbot and they have made an announcement that they are moving from blast furnace to electric furnace operation. Electric furnace is said to be a process which will enable greener steel to be manufactured but also in the in the blast furnace side there are many many new developments coming and new process focuses which will help to reduce carbon emissions in the blast furnace, so I think to say that Europe is moving towards electric furnace is quite a large statement. I would not actually support that without further analysis of the European market and as I said you have got a lot of development and many of the large steel makers within Europe better carbon emissions from blast furnace operations obviously blast furnaces are majority of the European and steel market as well as they are in India. I think there will be a focus to really meet the environmental demands for green steel making in all processes not just an electric furnace process or in blast furnace that being said we have been a company especially in our operation in Monocon which predominantly was focused towards the blast furnace converter operation. We have a specific development focus in our UK operations which we started about a year ago to have a better presence in electric furnace steel making and this will involve new product lines being brought to the European markets and also to our companies in England so this is an exciting project, but it is not a project which is based on Europe going towards electric furnaces it is just that our focus which is a natural development for the company. We still believe very much that blast furnace is a big part of our future in the company.

Abhishek Poddar: Understood thank you and all the best.

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

Sahil Sanghvi: Hi good evening my first question is regarding the Red Sea issue if you can just give us some understanding on how the freight has moved and what kind of impact can it really have on our numbers.

Kamal Sarda: See the freights are still not very clear but there charging some sort of a congestion fee or a surcharge of about $1,500 to $2,000 per container so we will have to wait and watch for few more days or weeks to understand where the freight goes and stabilizes but yes it has increased in the last few weeks.

James McIntosh: And I think also Kamal it is fair to say that a fair percentage of our business and company especially in European theater is products which are coming from China and India so obviously there is a direct relationship and the supply of products from India China to European Companies so undoubtedly it's does have an affect on the price of the products to the customer, end price to the customer and in whatever way you look at it so hopefully we will see an end to it and Kamal I cannot remember what the factors were like but in terms of actual container costs were quite substantial.

Kamal Sarda: So in freight as I mentioned there are surcharges which the shipping companies are now charging $1,500 to $2,000 plus the other effect is that the transit time has also increased it is now going to the South African seas and then going to Europe so there are multiple effects yes it will have its own impact on the costs. We will have to watch for the next few weeks and then see we approach the customer if required and then look at it. This is what we did when we had those very high freight rates in 2020, 2021 if you recollect, we had to go and approach the customers that look this is an unmanageable thing and customers also agreed for this so I am sure the similar situation in case it persists for a longer time but let us watch it for next few more weeks and then see where do we go.

Sahil Sanghvi: Right Sir my second question Sir is regarding the Brownfield expansions that we hope to commission in 1Q FY2025 since some of these products are existing products can we expect a faster ramp up I mean can we expect some 20-30% utilizations in FY2025 how should we think about this.

Kamal Sarda: Which expansion you are talking of Sahil I think I missed it.

Sahil Sanghvi: The Brownfield ones which is happening at the current three locations Sir.

Kamal Sarda: So if you look at the Vizag expansion on the casting flux this is a product which we had a smaller plant in Rourkela, so our products are well established and well accepted by so I think this ramp up once we start the production and we have some trials it can go very quickly very fast so that is one thing. I am not putting those numbers now, but this can happen very fast. On the precast shapes we have done some trials. We are in the process of doing a lot of trials with customers and this can also go up, but I am not putting any numbers there. Jim if you want to add anything on this.

James McIntosh: No. As you said I mean and those three areas on the pre-cast plant on the bricks and also on the casting flux I would say that it would be appropriate that we would expect to see those product lines moving much faster than our product which was now being involved because we already had many trials and already working with the customers on these product lines so there should be something that we should be able to ramp up quite quick but I would agree with you Kamal to get numbers at the moment not very easy.

Kamal Sarda: Yes.

Sahil Sanghvi: Sir this is helpful. I mean a direction is also helpful. My third question is Sir regarding I mean these exceptional items that we have considered this quarter I understand about the doubtful receivables that we have provided for but Sir the goods in transit just help me understand this better I mean once we had some understanding about the receivables being outstanding, I mean we could have stopped the goods in transit right Sir. Just help me understand what am I missing Sir on this front.

Kamal Sarda: This goods in transit is nothing but what we have stopped supplying to the customer, so they are in between. They are lying at the customs bonded warehouse in one of the ports in Europe and we did not deliver it because we had come to know that the customer is in trouble, and they have not paid so that time we stopped so all those material are in the custom bonded warehouse and the customer does not have any kind of a custody of that. We can bring it back. We can recycle it. We are working on it because some of these products are tailor made for the customer so we have to find an answer where we can reuse it. They are within our custody. I would say we will significant control over these products.

Sahil Sanghvi: Got it Sir. Got it. Thank you, Sir, for answering my question and all the best.

Moderator: Thank you very much. The next question is from the line of Mayank Bhandari from Asian Market Securities Private Limited. Please go ahead.

Mayank Bhandari: Thanks for the opportunity. Sir my first question is the growth in the Indian market of 8% can you give a breakdown of this in terms of volume growth and price led growth.

Kamal Sarda: Most of it would be volume led growth Mayank. I do not have the details as such. We do not have that kind of a breakup most of it would be volume led growth.

Mayank Bhandari: So there is a sequential dip of almost 60 Crores also in the India revenue that is a 25% decline so would you term that as a full volume decline.

Kamal Sarda: As I mentioned you see the major part of this is the overseas business the export market as we mentioned in our various questions. The overseas market has had a very big effect on downslide of the turnover yes so most of it would be volume led.

Mayank Bhandari: Okay and Sir secondly on this Orissa expansion if I were to look at your last presentation production target was March 2025 it is postponed by one year is it.

Kamal Sarda: Because we thought that we will get the land by September 2023 but then for some administrative reasons it has got delayed. Now we hope that this quarter we will get it and we are putting a two-year period now because one of the major equipment that delivery times are now also increased to about 15 to 18 month so we are putting a two year period after we acquire the land so it will be March 2026. In case we get the land in this quarter and then we are hopeful that we should get the land in this quarter.

Mayank Bhandari: Thirdly Sir you see the employee cost in the standalone has gone up by almost 2 Crores it is now 19 Crores in comparison to last year 3Q FY2023 of 16 Crores, so I mean is it completely driven by the hiring that we are doing for the new R&D centre or like how is it.

Kamal Sarda: It is overall. It is not only new R&D centre but new businesses which we are getting into the new expansions which we are working on for that you require employees for all levels plus our non steel and nonferrous efforts. We are building a good team to help us in future to grow.

Mayank Bhandari: Okay Sir thank you that is it.

Moderator: Thank you very much. This will be the last question for the day. I will now like to hand the conference over to Mr. Sahil Sanghvi for closing comments.

Sahil Sanghvi: Yes, thank you. First of all we would like to thank the management of IFGL for very patiently and elaborately answering all the questions. On behalf of Monarch Networth we also want to thank all the participants for joining the call. James Sir, Kamal Sir, would you have any closing comments.

Kamal Sarda: Thanks a lot for participating in this call and thanks Monarch and SGA for organizing this. I hope we have been able to answer most of your queries and we look forward to your active participation in the next call and for any queries you may contact SGA our investor relation advisors. Thank you and have a good evening.

Moderator: On behalf of Monarch Networth Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.