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Sub: Submission of Transcripts of Earnings Conference Call held on Friday, November 28, 2025 at 11.00 A.M.

Dear Sir/Madam

Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference Call held on Friday, November, 28, 2025 at 11.00 A.M. to discuss H1FY25 earnings with Investors and Analysts.

Submitted for your kind information and necessary records.

Thanking you
For Krishca Strapping Solutions Limited

DIYA VENKATESAN
Digitally signed by DIYA VENKATESAN
Date: 2025.12.04 12:49:46 +05'30'

Diya Venkatesan
Company Secretary and Compliance Officer

Krishca Strapping Solutions Limited

H1 FY26 Earnings Conference Call

28 November, 2025

MANAGEMENT: **MR. LENIN KRISHNAMOORTHY BALAMANIKANDAN– CHAIRMAN AND MANAGING DIRECTOR – KRISHCA STRAPPING SOLUTIONS LIMITED**

MS. DIYA VENKATESAN – COMPANY SECRETARY & COMPLIANCE OFFICER – KRISHCA STRAPPING SOLUTIONS LIMITED

HOST: **MS. VAISHNAVI VAITY – AKMIL STRATEGIC ADVISORS**

Vaishnavi Vaity: Good morning and thank you. I'm Vaishnavi Vaiti on behalf of AKMIL Strategic Advisors. I welcome you all to the H1 FY26 Earnings Conference Call of Krishca Strapping Solutions Limited. Today, we are joined by Mr. Lennon Krishnamurthy Balamanikandan, Chairman and Managing Director, now the handover call to Mr. Bala Manikandan to share insights on the company's performance, key operational highlights and strategic outlook. Over to you, Sir. Thank you.

Balamanikandan: Yeah. Thank you. Good morning to all our shareholders, analysts and the stakeholders joining us today. It's my pleasure to welcome you to the H1 FY26 earnings Call of Krishca Strapping Solutions Limited. when we begin this financial year, our focus was clear; strengthen the foundation we have built over the past five years and accelerate fiscal transition from a high-quality product manufacturer into a full-scale technology driven packaging solutions company.

I'm pleased to share that the first half of the FY26 reflects meaningful progress on every pillar of the vision. In H1 FY 26 also phase of steady execution supported by discipline operations and healthier product mix and the strategic capital deployment. Our standalone total income for the first half reached 92.7 crores, marking 45% year on year growth, while our EBITDA expanded almost 58% year on year to 15Cr and our PAT improved to 6.18 crores. These numbers are not just metrics. They signal the strength of our progresses, the scalability of our model and the demand visibility our business continues to enjoy.

Our packaging contract business, which started less than two years ago, continues to scale impressively with the recurring multi-year contracts. The order wins from Vedanta and the consolidation of contracts with the EFL Steel and other customers are a strong validation of our technical capability and service reliability and long-term partnership approach. This division is steadily transforming Krishca into a solution driven service LED organization. Our current order book is over 180 crore with the execution timelines between 1 to 5 years. For the next financial year, we have a confirmed packing contract order worth 75 crore. And currently we are in participation in order for 150 Cr in the pipeline. One of the most defining developments in this financial year has been the continued execution of our cold rolling complex in Chennai, a project that will fundamentally expand Krishca's scale capability under total addressable market. This facility build with the long-term vision will enable Krishca to manufacture thin.

Vaishnavi Vaity: Bala Sir, we can't hear you.

BALAMANIKANDAN: Can you hear me?

Vaishnavi Vaity: Yes, yes, Sir.

BALAMANIKANDAN: Yeah. This facility built with a long-term vision will enable Krishca to manufacture thin precision gauge stainless steel strips and high carbon strips in the thickness range of up to .1 MM, a segment with the high margin technology intensive category, where India is currently a major importer. This project is not just a capacity addition. It is an entry into a premium material segment and a step to strengthen our super alloy initiative and the gateway to both domestic and global markets, demanding high precision strips. Execution is progressing in line with expectation in this project, with the project approaching its commissioning phases in the coming months, we expect a structural shift in Kishca's revenue mix, margin profile and export contribution over the medium term.

This vision is further strengthened by our board approval to establish Vajra alloys Our upcoming subsidiary focus on Super Alloys and the high-Performance materials. This is the strategic extension of our cold rolling mill capabilities and the position KRISHCA to participate in a long runway, high value global market, planning RFP, energy engineering and critical application. Our entry into Advanced Materials marks the beginning of Kishca's next decade of growth, one rooted in deep engineering, technology adoption and high margin products. As we enter the second-half of the year, we do so with confidence and clarity. We have strong order pipeline capacity enhancements, a diversifying product portfolio and our expansion into high value materials portion of deliver sustained unprofitable growth.

Before we move into further discussions, I want to express my sincere gratitude to our customers, partners, employees and the shareholders. Your trust fuels our ambition. Your confidence strengthens our resolve. Thank you so much for joining us today. Yeah, I think we can go with the Q&A.

Vaishnavi Vaity: Thank you so much, Bala Sir. Anyone who wishes to ask the question may raise your hand or drop your questions in the chat box. So, we have first question from Mr. Rishabh Tripathi.
Mr. Rishabh, you can go ahead and ask the question.
Mr. Rishabh, you can unmute, yes.

Rishabh Tripathi: Am I audible? Am I audible? OK. Thanks for the opportunity and organizing the Con-Call and coming on the video call. I think this is a lot of confidence. That's one thing. I think Sir, I have been following with you over e-mail a lot, but. Yeah. So, so first question I have is in relation with the equity dilution. So, I have read about you a lot, whatever I can find, Sir, I'm not sure whether the news is correct. You are in itself you are in like a equity investor some point of time.

So, like fantastic results will only convert into shareholder value creation when per shareholder value gets created. So how we are looking in terms of equity dilation? That's first question I have the second question which I have is like I went through the your recently like Vajra Alloys that we are trying to enter. So, some light on that one like how what are the like key products we are targeting, which alloy base? Since there are already player in different Alloy based how we'll position ourself in the market. So, these are the couple of questions and I think after that I will get back into the queue if I have any more question.

BALAMANIKANDAN: Yeah. Thank you, Sir. See, to answer your question regarding equity dilution, you know as you know, we are currently doing here 100 crore plus CapEx to set up a cold rolling mill which can produce both high carbon strips as well as stainless-steel strips. So, this was, you know, only possible with the funds we raised in the last round, you know, without the large amount of fund, it was, it would be impossible for us to, you know, even imagine the kind of Capex we are doing. And I understand your concern. We don't expect or foresee any further equity dilution in the near future and we are very confident that the revenue what we're expecting from the new cold rolling mill and the internal accurals from the project will be enough to, you know, provide enough capital for our upcoming Capex plan and we wanted to avoid any further dilution and at the same time, we're open to you know if any good opportunity comes up. And even if you do any further, you know, equity rise, it will be very minimal, very limited and without diluting the promoter holding. So, let's say if we are in case, we are doing anything, I will also do equal contribution and there will not be any dilution on the promoter holding.

And to answer your question about the Super alloy. See, it is a very carefully planned project. We've been doing research over the last one year and we are not going all out with the investment. We are doing a close to some 7 Cr. investment in this new subsidiary. And this funding will be supported at the subsidiary level with the mix of debt and some very limited strategy fundraise. So, with that we can able to start the business in the Super alloy and if you look at the market, it is a very large market. You rightly said it is over 10,000 Cr.plus per annum market lot of this market is you know with the defence and space and there's a very good amount of market in commercial and industrial applications also. So, our plan is to 1st focus on the industrial and commercial application where the criticality is very less. So, we identified a close to 1000 Cr. plus market and grades and the product mix. We also approached various customers over the past six months. So, based on their, you know confidence we got from the market only we are resetting up the facilities. So, we are just, you know not going to focus on a very critical area at the beginning slowly over time we will start focusing on defence and aerospace. But the initial first 1 or 2 years will be on the commercial grade of super alloys and special states.

Rishabh Tripathi: OK, thanks. Thanks, Sir. That skip some picture. Well, one quick question is like I see in the marquee client like APL Apollo is not there so like a, have you lost them as a client or like what's happening on that regards?

BALAMANIKANDAN: No, no, they are still there. In fact, our biggest packing contracts is with APL Apollo, we are actually doing a new investor presentation. This, now time being we uploaded in that you will see all the clients.

Rishabh Tripathi: OK. OK. Thanks. So, then we were cash flow positive this half.

BALAMANIKANDAN: Yes.

Rishabh Tripathi: OK. And we'll, continue to be. So, like going ahead like let's at least till sometime some big CapEx comes in. We are like planning to have been cash flow positive.

BALAMANIKANDAN: See our internal plan is to maintain a positive cash flow over the next 3 years even though we used in CR Mill on Vajra, see free cash flow maybe in in the peak of CapEx might be negative next year, in the first two quarters. But overall, the you know cash flow should be positive maybe from the second-half of next year.

Rishabh Tripathi: OK, OK. Sir. I will get back into queue. Let others ask their questions. Thank you.

BALAMANIKANDAN: Thank you. Thank you.

Vaishnavi Vaity: Thank you. Mr. Harshit, you can go ahead and ask the question.

BALAMANIKANDAN: That's true.

Harshit: Hello. Am I audible?

Vaishnavi Vaity: Yes.

Harshit: Hi, Sir. Thank you for the opportunity. I just want to understand that what kind of revenues are we targeting from the cold unit in FY27?

BALAMANIKANDAN: Yeah, Harshit. So, the plant will have a 60,000 tons per annum capacity. We are starting the production maybe from end of May based on the current timelines. So certainly we are expecting over minimum 150 crore additional revenue from the CRM in a best-case scenario even we can do 200 crore plus also. But for now, at least 150, we are very positive of crossing.

Harshit: OK. So, Sir, this 150 CR will flow in FY27 itself.

BALAMANIKANDAN: Yes.

Harshit: Alright, and My second question is regarding what is the current bid pipeline in a packaging segment and what kind of conversion are we looking from there?

BALAMANIKANDAN: I'm sorry, I can you say again?

Harshit: The current bid pipeline in our packaging segment.

BALAMANIKANDAN: Yeah, currently we are doing over 150 crore worth orders under, you know its under finalization with some 6 to 7 major customers and we are historically if you look at, conversion rate is 20 to 30%. So, we are expecting the similar conversion with the orders in the pipeline.

Harshit: OK. Alright, so thank you.

BALAMANIKANDAN: Thank you.

Vaishnavi Vaity: Thank you. Next question is from Mr. Amitabh Vatsya. Please go ahead and ask the question. Mr. Amitabh, you can unmute yourself and ask the question.

Amitabh Vatsya : Sorry. Yeah, I hope I'm audible.

Vaishnavi Vaity: Yeah.

Amitabh Vatsya: Yeah. So, my question is related to the last one actually in the as per annual report of your company, last time the bid pipeline for packaging contract, what 750 crore and you mentioned the similar strike rate of convergence, but the recent investment representation and you were speaking as well that it is a 150 crore.
So why the time or the bid pipeline has reduced drastically? Any light on that?

BALAMANIKANDAN: See from the pipeline close to 250 Cr. orders we already received. The thing is there is a big order from Vedanta, it's 107 CR, but they're given the PO for only the first year. They're not given the entire five-year PO, they're telling every year PO will be given.
So we, but we have taken only the 25 Cr. worth of orders in the you know confirmed order book we are you know disclosing in the public space. So that's why I'm saying that 180 Cr. plus orders already we have over the next 5 years. In fact, if you look at the, there are, you know even APL also, they given only one-year payloads every year they will give that's the system if you look at that we out of that 750 Cr. more than 20% orders we already got it. So, these whatever what I'm talking this 150 crore in the pipeline so new orders.

Amitabh Vatsya: Yeah.
OK, OK. And if this strategy has changed like from 5 year to 1 year kind of short-term order, so how does it change us, change our numbers and our pipeline, I mean production pipeline and how the margin visibility will be better if we have a short-term contract from a price variation and raw material costing perspective may add, but how do you think from a long-term perspective it I mean the shift of the timeline, whether it will help us or no?

BALAMANIKANDAN: In the long-term perspective, it is always better to have a more packing contracts with the you know, 2 to 3 years or 5 years timeline. It uses stability, you know to plan the different grades of products or other product items. Apart from strapping also a lot of other items. That's being used, we can plan in the long run with the capacity. So short term orders are always volatile subject to the you know current steel price fluctuation. Long term orders, it is always better.

Amitabh Vatsya: OK, I have one last question with respect to sale order in the starting segment. So far, we have we just have Bokaro and do we see any other, I mean multiplication on the sale front of this order and then we can have a large order?

BALAMANIKANDAN: See with respect to sale Bokaro trial order, we are expecting that final clearance hopefully in December. Once that is we got it, we can participate in the much bigger tenders that whatever we supplied in the month of March, you know still we are in the final leg to get the performance certificate and we are also in discussion with one more larger sale unit for a trial order. So, in next financial year, we'll be in a position to, you know participate in the open tenders of sale.

Amitabh Vatsya: And there would not be any differentiation between new player like you and the erstwhile player incumbent like is there any like a railway kind of structure where you are a new source, so you will have a cap of let's say 20 crore or 50 crore what is the eligibility criteria for a new player into a sale order book?

BALAMANIKANDAN: See the sale tenders are creator you know it is not favouring any new people. That's why every we look at our brochure; there is a different thickness range in different grades. You know when in sale tenders, they're asking at least you know thousand tons of supply in a particular financial year in a particular size. So it is that too from buss and only reported clients. They're not considering the export and other small clients. So, it it's very difficult to fulfil. That's why we've taken this trial order approach. Once we clear this in Bokaro trial order automatically we'll fulfil that and there is no other further restriction on the participation. Once we graph the threshold, we can participate in all tenders.

Amitabh Vatsya OK. Thank you.

Vaishnavi Vaity: Thank you. Anyone who wishes to ask the question may raise their hand or drop your questions in the chat box. Next question is from Mr. Yash. Mr. Yash, you can go ahead and ask the question. Yash, you can unmute your lines and ask the question. We will move on to the next question. Next is from Mr. Paramjeet Singh. Mr. Paramjeet, you can go ahead and ask the question. Mr. Paramjeet, if you're speaking, we can't hear you.

Paramjeet Singh: Hello. Am I audible now?

Vaishnavi Vaity: Yes.

Paramjeet Singh: OK, so my question is to Mr. Bala. How do we assess your revenue? I mean this is your order pipeline and what is the correlation between your, let's say annual order pipeline and we're on revenues? Because you have many small clients also, right? So, when you say we have a pipeline of 180 over 5 years maybe or you have couple of big orders for 1 year into that. So how do we kind of project your revenues basis your ordered pipe? Is it like 70% will be from small customers and 30% from large customers? Or how do you, kind of internally assist it? Yeah

BALAMANIKANDAN: Yeah, see, currently look at our revenue breakup of H1. We got close to 33% revenue from the backing contract business.

Paramjeet Singh: Sorry, 30%, you said.

BALAMANIKANDAN: Yeah, that is 33%. See, I'll must give you a breakup of domestic. Domestic is 91%, around 84 crores and our export is around 9 CR, 9% of our overall revenue. In the domestic, our packing contract is around 30 crores, the packing contract revenue. And revenue from the direct supply of strapping and other primary packaging material, it is around 53 CR, around 58% here. So overall, if you look at in domestic, for our packing contracts will move from 30% to 50%, over 50%, over the next few years. We are because that gives a good captive conception of our own strapping. So, we wanted to move towards long term models.
Reliance on short term models, here is a very high risk that our margins will be always fluctuating. If you look at out of 100%, our top 10 clients will contribute over 60% revenue. In fact, Vedanta is our top customer. We're expecting close to 35 crore revenue in the next financial year from Vedanta. And with the APL and other big packing contract customers, individually they'll contribute 20 crores. So, the top 10 clients will always contribute over 60% of the revenue.

Paramjeet Singh: What kind of revenue expectation you have for H2 of this year?

BALAMANIKANDAN: Similarly, whatever we have done in that one, we wanted to achieve similar revenue. We are in track. Of course we will try for little more.

Paramjeet Singh: OK. And Mr. Bala, in the previous call, you were saying that there are some order bins have conversions expected in the month of June and July. I guess it was from some non-PSU customers, right? But we did not hear anything in the month of June and July. So, was there something dropped or anything any light on that?

BALAMANIKANDAN: Sir, we got 107 crore order from Vedanta in the month of August.

Paramjeet Singh: OK.

BALAMANIKANDAN: So, there was the of the big orders I was expecting and couple of more orders are still in the pipeline.

Paramjeet Singh: And what is your tagger projections? And then you have been growing mostly a pretty good rate, 40-45%. Is that something which is going to be sustainable for next let's say 3-5 years given that you have now Cold Rolling Mill as well as Vajra Alloy is coming up? So is this something tagger of 40-50% revenue growth possible over next 3-5 years?

BALAMANIKANDAN: See currently our company, we are decided to help do business verticals. One is the packing vertical And the other one is the specialty steel vertical. So, whatever we are doing, you know strapping, packing contract, other primary packing materials will be in the packaging vertical. So, whatever we have done is till now it is only in the packing vertical, right. So, in the future, most of the growth will come from the steel vertical because the capacity is much larger. We are, we'll be having a 60,000 tons of installed capacity and since our focus is a mix of high carbon and the stainless-steel, stainless-steel, generally the value is around 150 rs per KG. So it is very possible to have a much higher revenue growth in the steel vertical and we are definitely confident of, you know, overachieving whatever we had done in the past, which is close to 40-45% year on year in the next 5 years. Definitely we'll be growing at a much larger rate.

Paramjeet Singh: OK. Thank you. I'll come back with more questions if I do.

BALAMANIKANDAN: Thank you.

Vaishnavi Vaity: So, we have one question in chat box from Mr. Naman Gupta. What is the capacity utilization percentage expected from cold rolling complex in FY 2027 and FY 2028 respectively? And his next question is will the existing CRC project cater to Vajra alloys requirement or additional Capex modifications required?

BALAMANIKANDAN: See in the first year we are expecting at least 20% appreciation overall because only 9 months we'll be running by, and average 20% and we are expecting and in the second year at least we want to do 50% capacity utilization. And regarding Vajra Alloy, see there are possibilities our cold rolling mill can be used for making strips of super alloys. Lot of people are using from super alloy plates. They are making strips of super alloys which in turn use for various application.

We know there's a possibility, but it is very early to say that, but we don't need any modifications with the existing mill, we can easily do it from the plates to cold roll strips.

Vaishnavi Vaity: OK. Mr. Yash, you can go ahead and ask the question. OK. We'll move forward to the next. Mr. Shriram, you can go ahead and ask the question.

Shriram Pandit: Yeah, hi. Am I audible? Yeah. Thank you for the opportunity. Bala, just wanted to know like, what is the company's vision for the next 3-5 years like we started as a like a strapping material supplier, then we moved on to the contracts and now we are moving towards like a steel manufacturer. So, so what is company's vision in the next 5 years for Krishca? How do you see this core business of contract packing materials and contract in the whole scheme of things and how what will be the company in the next 5 years as per your vision?

BALAMANIKANDAN: Yeah.

See if you look at Krishca, we are always a special steel manufacturer. The steel strapping is a very, you know, special steel and we do processing of medium high carbon steel also we do special heat treatment to produce strapping. OK, but it was used as a consumable that of the end application but the process was a highly competitive engineering process, the process producing strapping and we, our expertise, if you look at it, is you know handling you know special Steel and we designed our own strapping line, post our IPO, the 2nd strapping line, we designed it ourselves. It is a very highly complex heat treatment process but we designed it ourselves.

So, our core competency is you know handling special steel and advanced materials so that's why the logical extension of that we are putting a cold rolling complex and that also we don't want to get into a commodity grades, wanted to focus on you know where the you know you know application is critical. That's why we are focusing on thin precision gauge strips. OK, so even the Super alloy is a logic extension of our, you know, expertise. So, we wanted to focus more on this specialty steel and super alloy from now onwards, the packaging vertical will remain of course there, but the focus will be on the new cold rolling division from next financial year, because we see excellent opportunity to scale and do much higher revenue and whatever the team who handling the packing vertical, it will continue to lead the packing contracts and the strapping organically. So there also will be aggressive. We have a CEO over the day's experience in the packing contracts and the packing industry, he will continue to head the business, but my personal focus will be driving this new vertical.

Shriram Pandit: OK. So, would it be fair to assume like over the next 5 years we will see Krishca as a like a steel supplier like an advanced steel supplier and a precision material supplier rather than just a packing material and a packing contractor? Would it be fair to assume that?

BALAMANIKANDAN: Yes.

Shriram Pandit: OK, sure.

BALAMANIKANDAN: Like I said, we have two business verticals now, packing vertical will have its own team. They will drive it. And I'll personally head the specialty field vertical. But the future we wanted to be a special steel manufacturer.

Shriram Pandit: Sure.
Sure. And one more question from my side. This Vajra Alloys business. So when will it start contributing to the top line? What is your sense of it?

BALAMANIKANDAN: See the production we are expecting to start from Q2 next financial year, yeah, by end of next year, we'll see some good revenue from that.

Shriram Pandit: OK.
Oh, sure. Thank you. Thank you. That's from my side.

BALAMANIKANDAN: Thank you.

Vaishnavi Vaity: So Mr. Yash has put his questions in the chat box. So firstly, he wanted to know as your backward integration projects ramp up, what steady state EBITDA margin band are you targeting for the consolidated business over next 2 to 3 years and by when you expect to reach that range?

BALAMANIKANDAN: Project is settled and running in a steady state. The EBITDA, it will be in the range of, you know, 13 to 17%, including our cold rolling mill on the packing business. But our focus is, you know, the revenue would be much higher in that kind of revenue, definitely 13 to 16%. We are confident of managing.

Vaishnavi Vaity: OK. His next question is on the Middle East business. Has pricing pressure from Chinese competitors eased meaningfully and over next 2-3 years, what export revenue share and EBITDA margin? Do you realistically expect from that region?

BALAMANIKANDAN: If you look at the H1, our exports have actually gone down. We have done only close to 8.8 CR of exports, whereas in the last financial year at almost 20 crore plus over the 12 months. So that is due to the like margin pressure in the Middle East a lot of Chinese penetration is there in the last two years, that's why we also slowed down our exports. But after having our cold rolling mill, I know there will get some additional margin. With that we can do some more volume in that region. But overall, we are not very, very bullish in that region in terms of volume. There'll be some organic growth of in maybe 15 - 20% year on year, but we don't see any aggressive expansion about sales in that region. The EBITDA will be in the range of 10 to 12% only in the exports. Compared to domestic EBITDA margin is always lesser in the export due to the international pricing scenario.

Vaishnavi Vaity: OK. We'll take next question from Miss Ruchi. Miss Ruchi, you can unmute your line and ask the question.

Ruchi: Am I audible now? OK.

Vaishnavi Vaity: Yes.

Ruchi: So, my question is quite in line with the previous one when we're seeing domestic and international, the mix of domestic and international. So, I understand 91 percentage comes from domestic in line from international. So do we see a shift in the number of going forward in the percentage.

BALAMANIKANDAN: Mm-hmm.
In the short term, no, I don't see great progress in the export numbers because next financial year, most of the revenue will come from our cold rolling mill in the domestic market. So definitely the ratio will be in that range.

Ruchi: And considering the global impact do we have a lot of impact on like we have a small percentage, but how far will be impacted in the global condition?

BALAMANIKANDAN: Sorry, ma'am, can you say again I missed your question.

Ruchi: Yeah, I'm asking. Can you hear me now?

BALAMANIKANDAN: Yeah.

Ruchi: Yeah, I'm asking the global condition currently, right? So how do we see ourselves impacted with the global condition currently? Considering that we have a small percentage in international markets, but still what, what could be an impact? Do we have any?

BALAMANIKANDAN: Yeah, there is a drop in export overall revenue compared to last financial year. That is mainly due to the pricing scenario that's so that's why I said we are not very bullish on the export volume because of the current scenario.

Ruchi: Correct, yeah

BALAMANIKANDAN: We could do even, you know, under growth of exports, we are losing orders only because of the pricing. There is no other reason, if the pricing is viable, definitely we can do lot of orders. A lot of orders we are saying no, because the you know Chinese raw material price is very low. It's very difficult to compete with them and even the Koreans also doing a lot of exports, so there are two manufacturers in Korea. They do great numbers, but the reason is our Indian steel pricing, there's a medium carbon steel price is always higher compared to the international market that is restricting us to do more volume. So, after the CRM we know there is some advantage, but at the moment I'm not able to commit. We will definitely try. We have the customer base. If the people are asking. Only because of pricing, you know we are saying no to orders or if there's a situation comes in the future definitely it will increase.

Ruchi: OK. Can you throw in some light on the revenue number like the margins for EBITDA?

BALAMANIKANDAN: You were asking EBITDA from the new project, Mam?

Ruchi: No, the total consolidated figures, any numbers, if you could throw in some light for.

BALAMANIKANDAN: In H1. we have a 16% EBITDA overall.

Ruchi: Correct. Yeah. We're going forward like I'm looking for H2.

BALAMANIKANDAN: H2 see like we always committed it will be in the range of 13 to 15%. That is our long-term sustainable EBITDA. So 13 - 14% it will be in that range.

Ruchi: Then how do we look at the Pat margins?

BALAMANIKANDAN: PAT will be I think because of the depreciation and the other factors it would be around 7%.

Ruchi: Sorry, what percent? Can you repeat the percentage?

BALAMANIKANDAN: Sorry, 7 percentage.

Ruchi: 7% OK. Yeah. And I have last question around the working capital. So, considering we have a lot of Capex commitments and expansion, are we looking at the working capital, are we are we looking for an improvement there?

BALAMANIKANDAN: Definitely going forward, there will be a drop in looking up till cycle one is the CR business is the cash and carry business. OK. So currently in our strapping and packing contract we have. Almost little over 4 months is the cycle time now, including packing contracts, whereas the in the steel business it'll be much lesser. So, when we start that vertical next financial year, our overall cycle will go down drastically. And also, since we'll be using our own CRM for our captive strapping manufacturing the inventory levels will go down drastically, so I'm expecting close to some 6-7 crores of inventory will be freed up. So yeah, this is the in the future it will go down.

Ruchi: OK.
OK, OK. And this is the last question. You gave me EBITDA and PAT, right. So, I wanted to understand the revenue year on year, how much growth could be looking for?

BALAMANIKANDAN: Ma'am, last year we committed 25% revenue for this financial year. So, we are sticking to that minimum 25% year on year growth will be there.

Ruchi: Yeah. OK. Perfect. Yeah. Thank you so much. That answers the question.

Vaishnavi Vaity: Thank you. Before we move forward to the next question, I would like to request all the participants to limit their questions to two each. Thank you. Next question is from Mr. Arav. Arav you can go ahead and ask the question. We will take next question from Mr. Harshit.

Harshit: Hello Sir. Am I audible?

Vaishnavi Vaity: No, Sir.

BALAMANIKANDAN: Yeah.

Vaishnavi Vaity: Yes.

Harshit: Thank you for taking my question again. So, Sir, just wanted to understand that you said we will do 150 crores of additional revenue from a cold roll unit and the utilisation will be 20%. Is my understanding correct?

BALAMANIKANDAN: Yes, correct.

Harshit: So, a cold roll unit can do what is the peak revenue? A cold roll unit can do.

BALAMANIKANDAN: With the installing capacity we can do someone.

Harshit: 700 cr. Alright Sir. Thank you. That's.

BALAMANIKANDAN: Yeah.

Vaishnavi Vaity: So, we have a question in chat box from Mr. Rishabh Tripathi. Are we planning to update the name from Krishca Strapping to Krishca's Special Steel to position ourselves accordingly to our vision?

BALAMANIKANDAN: Right now, there's no plans, Sir.
You will see in the future.

Vaishnavi Vaity: OK, given both our supplier and customer are giants, how are we planning to ensure our working capital and receivable stay under control? What sort of working capital inventory and receivable days we are targeting over next three years?

BALAMANIKANDAN: Like I said, our in-house for will help us reduce the inventory of our trapping. The raw material. That'll be one. It will help us to reduce the cycle and you are right, customer also, giants suppliers also. That's the business model. Currently we are in in the packing vertical, but like I said, once we start the steel vertical, once we do more revenue, overall capital will go down drastically.

Vaishnavi Vaity: OK.

BALAMANIKANDAN: Regarding the number of receivable days, I'm not able to give a exact figure but I wanted to reduce it less than 45 days in the future. The over next three years that is our internal target to. Currently it is 120 days, right? So we wanted to bring it less than 45 days.

Vaishnavi Vaity: OK. And Mr. Sunil wanted to know what is peak margin we are aiming at for next few years?

BALAMANIKANDAN: Margin, again it is we're expecting around 13 to 15% overall.
Including both the verticals in the long run out.

Vaishnavi Vaity: OK.
And what is the expected CAGR in EBITDA for next 3 years?

BALAMANIKANDAN: See, we are sticking to the guidance of 25% minimum growth. You know the revenue from CRM will be much higher. Maybe in the next year H1 results I can be able to give exact guidance on what will be the next 2 years, year on year growth. So still, we're to start the production and enter the market. So, once we do that and deliver some results in next year H1, we can confidently give a much larger guidance. But right now, I'm going to stick to the similar 25% guidance.

Vaishnavi Vaity: Next question is from Mr. Varun. Mr. Varun, you can unmute yourself and go ahead with your question.

Awasthi, Varun: Am I audible?

Vaishnavi Vaity: Yes.

Awasthi, Varun: Yeah. Good morning, Bala. Nice to see you. So, I have just since we have been asked to limit ourselves to two questions, I'll just ask quickly ask two questions. Following up on previous participant question, as you mentioned that the longer term EBITDA margins we are targeting in the range of 13 to 15%. I just want to refresh myself in the from the previous con-calls

wherein I think you have reiterated that we'll be able to sustain minimum 15% of EBITDA margin. And on a longer-term horizon, as the capacity used utilisation curve kicks in from the cold roll complex, we'll be able to increase those margins. So, I just want to understand your thesis behind now giving 13 to 15% of EBITDA margin. I understand the revenue might increase. So, it can have some impact, but any specific reason that you are giving, you are basically revising down this EBITDA margin range on a longer-term horizon. So, any reason about and that's it?

BALAMANIKANDAN: Yeah. Good morning, Mr. Varun. See, we are not down grading our guidance. You know I said minimum 13 to 15% is in the long run, it is possible anyway, our aim and plans are to deliver much higher margin. That's why we are entering into super alloys because there's a better margin possibility. See, we're always trying to diversify ourselves to get a better margin overall.
Currently, we need to start the production and stabilize the sales initially. That's why we are conservatively expecting at least around 13 yo 15 % for the time being.
Overall, we are very confident of increasing it later, but right now I'm going to stick to that.

Awasthi Varun: OK, OK. OK, Sir. Yeah. Thank you for that. My second question is, as we are slowly progressing ourselves from a packing contractor to a specialty steel manufacturer, so, I just want to understand your thesis on what gives you the confidence that we'll be able to do good in the speciality steel segment. So, it will be a again a new segment for us. So, what gave you that confidence? Do you have any I would say soft commitment from the industry or something which you can tell us which can give us confidence that we'll over the longer-term horizon, we'll succeed, succeed in this exact segment.

And also, when we enter to this specialty steel segment, do we have any qualification criterias when we start supplying these specialty steel segment or? when even before the production start. Can you start quoting those products to your users and get the orders or you have to maybe supply them some demo or some test, some material for the testing and then you can start closing the orders. How does that work in the specialty steel segment.

BALAMANIKANDAN: Yeah. Thank you for the question. It's a very excellent question. Firstly, we have a captive consumption of over 1500 tonnes. Right now, we are fortunately we see we have done to 1240 tonnes of average strapping agreement, OK. So, we have a good captive conception out of 5000 tonnes of capacity. Already we have over 20% of capital consumption, but that is on the low carbon and medium carbon grades, but we wanted to use the cold rolling mill mainly for the special stainless-steel where we can get a much higher revenue and focus on high. I don't mind buying our captive consumption from outside market. Priority seems to get a better result out of the cold rolling mill.

So apart from the captive conception, we've also done almost last 2 years, we've done research on our various grades customers and we have a good amount of commitments from the customers. In the commercial grades, lot of dealers, we are in discussion in the stainless-steel vertical and we have very good quantity of commitments already because there is not many people are manufacturing stainless steel in the South India. So, we'll be one of the companies. So, it is very, you know, easier to capture the local, you know, Chennai and you know South Indian market like you said we will not go aggressively on the critical grade. Our aim is to, you know, maximize the utilisation initially with the commercial grade, so easy to fill grades slowly over time. Slowly we will enter into, you know, critical grade where the approval will take lot of time. But the focus is to now, you know, ramp up the capacity to at least 50%. Parallelly we will try to do special grades. and we have taken expert people in the industry with over 30 years experience in the Stainless Steel and high carbon steel. You know, we've been working with over the past 2 years. So, with the team, so expertise and the kind of machines concerning confident of definitely achieving our plans.

Awasthi Varun: OK. OK, Sir. Thanks. That that gave us some clarity. Just one quick question Sir. I understand that this Ministry of Steel and Heavy Industries, they have launched the third round of PLI scheme for the specialty steel. So, do we have any plan to apply for that or are we eligible to apply for that will start commencing from next financial year. So, by any chance do we have any plan to apply for that?

BALAMANIKANDAN: Yes, we have plans. In fact, our current cold rolling mill it is exactly falling into the one of the items mentioned in the PLS team. We are working on it. We are planning to apply for that for the cold rolling mill. Even Superalloys also mentioned. We are still analysing whether to apply for the Superalloys, because there is a minimum 50 crore investment criteria. We are working with some consultants on that front. So, for Krishca, we are definitely applying, but for Superalloy we need to decide.

Awasthi, Varun: OK, fine, Sir. Thank you very much for answering the questions, Sir

Vaishnavi Vaity: So, we will take one last question from Mr. Yash Naik. Within our newer primary packaging products, what is the current revenue and margin contribution and which 1 to 2 products do you see as the biggest growth and margin levels over the next couple of years?

BALAMANIKANDAN: See in the H1 from domestic primary packaging we have done around 4.26 cr. Around 5% of our domestic revenue by overall revenue, 5% it is from primary packaging sales. And in the export around 2 crore is from primary packaging so close to we are doing about around 6, 6.2 CR revenue from primary packaging. This is mostly trading. We are not doing much manufacturing to that. We're doing some job work and doing some trading. But right now, we are setting up a desiccant manufacturing plant with a 2 crore investment that will have 200 tonnes of per month installed capacity. So, I mean the next, you know, two years I'm expecting more revenue the desiccants sales. You know the revenue from the desiccant production line that would be, you know, up to 20-25 CR, maybe in the third year or fourth year.

Vaishnavi Vaity: OK, with this I would like to thank Bala Sir and Miss Diya Venkatesan, Company Secretary for providing valuable insight and guidance and thank you to all the participants for joining the H1 FY26 Earnings Conference Call of Krishca Strapping Solutions Limited. We truly appreciate your time and continued interest in the company. For any further queries or clarifications, please feel free to reach out to us at info@akmiladvisors.com.
Thank you everyone.

BALAMANIKANDAN: Thank you, everyone. Thank you for your time. Appreciate it.