



SHRI HARE - KRISHNA SPONGE IRON LTD.

SHRI HARE-KRISHNA SPONGE IRON LIMITED

(MFRS. OF SPONGE IRON, M.S. INGOT, STEEL SHOTS & GRITS)

Reg Off: Flat No. 2-D, 2nd Floor in Tower No-1, Alcove Gloria situated at municipal premises No. 403/1, Dakshindari Road, VIP Road, Kolkata, Sreebhum, North 24 Parganas, West Bengal, India, 700048.

Corp Off. & Factory: Plot No. 106, Phase -II, Industrial Growth Centre, Siltara, Raipur (C.G.) PIN-493111

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CIN: L27109WB2003PLC096152, GST: 22AAHCS5235M1Z7

December 06, 2025

To,

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,

G Block, Bandra-Kurla Complex,

Bandra (East), Mumbai 400 051

Scrip code: SHKSIL

Sub: Update of Group Meeting of Analyst/Institutional Investor Meetings held on December 3, 2025 under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Dear Sir/ Ma'am,

In furtherance of our intimation dated November 25, 2025 and November 29, 2025 and pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the management of the Company met with group of investors held by Hem Securities- Samrudhi 2025- Virtual SME Conclave through virtual mode on Wednesday, December 3, 2025 and discussed about the following points which are as under:

Shri Hare Krishna Sponge Iron Limited (SHKSIL)

Company Overview and History

Shri Hare Krishna Sponge Iron Limited is a **sponge iron manufacturer** based in **Raipur**. The company currently operates at **85% utilization** and maintains a strong market presence across **Chhattisgarh, MP, and Maharashtra**. Mr. Manoj Parasrampur, representing the management team, noted that he has been in business for 47 years, and the company's foundation was laid by his late father.

The company's integration milestones include:

- **2003/2004:** Commissioned the sponge iron division (sponge iron being an alternate to scrap for steelmaking).
- **2005:** Added an **induction furnace** to melt sponge iron, add alloying elements, and produce ingots.
- **2007:** Started the rolling mill division to produce finished products like **structural beams and channels**.
- **2012:** Began manufacturing **steel shots** as a value-added product, many of which were previously imported, particularly from China.

The Group Company of SHKSIL also runs a separate specialized unit manufacturing different kinds of **chains**.

Products, Services, and Planned Expansion

SHKSIL is focused on integrating its operations backward for cost efficiency and forward for value-added specialization.

1. **Backward Integration: Captive Power Project** A 5-megawatt captive power project is being commissioned to drastically reduce operating costs.
 - **Technology:** The plant utilizes **Waste Heat Recovery** (converting hot gases into energy via a boiler) and is **biomass-based**, using **rice husk and other alternate fuels** ("bas"). It is characterized as a "**totally green energy**" initiative.
 - **Timeline & Cost Savings:** The project is expected to begin production in **January 2026**, though its timeline was slightly delayed due to monsoon. The current cost of power purchased from the electricity board is around **₹8 per unit**; the in-house generated power is projected to cost **no more than ₹4 per unit** (less than half the current rate).
2. **Forward Integration: Resumption of Steel Production** Due to the high external power cost, SHKSIL previously stopped producing ingots (via the induction furnace) and structural steel (via the rolling mill). Once the captive power plant starts (January 2026), the company plans to resume ingot production in March and subsequently restart the rolling mill division.
3. **High-Value Engineered Castings Division** The company is installing a special casting division to manufacture **higher-value alloy casting products** containing elevated levels of manganese and chromium. Commercial production is expected to start in **May or June 2026**.
 - **Toothpoints:** These specialized components are widely used in **defense** (for excavators), **mining corporations**, and road construction. Currently, **80% of toothpoints are imported** into India, mainly from **China**. SHKSIL plans to produce **1,000 tons**; even at this volume, India will still need to import 50–60% of its requirement. SHKSIL is targeting OEMs like **JCB** and **Si**.
 - **Grinding Media Balls:** Essential for the **cement industry** (for crushing materials) and the **mining industries** (for crushing coal, iron ore, copper, alumina oxide, etc.).
 - **High Alloy Cast Steel Chain Links:** Planning to manufacture cast steel chain links, which are currently being imported from countries **including Russia, the USA, and Japan**.
 - **Defense & Specialized Products:** The company is working on special steel castings for defense departments and has previously supplied steel shots for use in concrete at an **L&T nuclear project**.
4. **Future Vision (2030)** The company projects adding more high-value items, such as specialized **stainless steel castings** targeted for use in **bullet trains and railways**, and special products for the **NBA**.

Expansion Plan and Strategic Discussions

1. **Backward Integration: Captive Power Project** SHKSIL is commissioning a **5-megawatt captive power project** to reduce operating costs and boost profitability.

- **Green Energy:** The power plant uses Waste Heat Recovery (utilizing hot gases previously cooled and released) and is biomass-based, using **rice husk and other bas/alternate fuel**. It is described as a "totally green energy" initiative.
 - **Timeline:** Expected production start is **January 2026**.
 - **Cost Savings:** The current cost of power purchased from the electricity board is around **₹8 per unit**. The cost of **power** generated in-house through waste heat and biomass will be **no more than ₹4 per unit** (less than half). This drastic cost reduction is a major driver for the integration strategy.
2. **Strategic Focus: Import Substitution and Quality** The company's core strategy relies on the government's focus on **infrastructure development** and promoting local production (Make in India/Indianness).
- SHKSIL aims to substitute products currently imported from China and other countries.
 - The management is confident that their products, such as toothpoints, will be **far better in quality and 3-4% more competitive in price** compared to current imports.
 - The company is **actively pursuing OEM discussions** (e.g., JCB, Si) and plans to display prototypes at the **Excon exhibition in BIC Bangalore from December 9th to 13th**.
3. **Funding and Working Capital:** The company plans to fund the capex (including the casting division) primarily using **internal funds arrangements**, seeking bank support only if necessary. The management stated that they have a healthy balance sheet and are not reliant on large bank borrowings. Regarding working capital for structural steel and ingots, the impact is expected to be minimal because the raw material (sponge iron) is produced in-house, and the steel market typically operates on **L/C or advance payment terms**, mitigating receivable days.

Financials and Outlook

- **EBITDA (FY 25):** The peak EBITDA percentage mentioned was **18.2%** for the financial year 2025.
- **Turnover Expectation (2028-2029):** The company projects turnover to be **three times** the Financial Year 2025 figure, driven by phased expansion and production increases resulting from the captive power plant.
- **Margin Expectation:** Margins from the new casting division are expected to be high, projected to be **not less than 13%**, comparable to or better than current sponge iron margins, reflecting the high-value nature of these products. High-value items like toothpoints are expected to yield "much more margin".

Industry Outlook

The industry outlook is positive, tied to the belief that steel and cement growth fuels overall economic growth, and current infrastructure development by the government will ensure strong demand for SHKSIL's chosen products. The strategic shift to consumer-based, high-value components (e.g., for mining, defense, and cement) provides stability even if general steel prices decline.

Disclaimer regarding forward looking statement:

There may be forward-looking statements about the Company and the subsidiaries, which are based on the beliefs, opinions and expectations of the Company's Management as on the date of this call. The Company do not assume any obligation to update their forward-looking statements if those beliefs, opinions, expectations, or other circumstances should change. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Consequently, listeners should not place any undue reliance on such forward-looking statements

Request you to kindly take the same on record.

Thanking you

Yours Faithfully,

For Shri Hare-Krishna Sponge Iron Limited

Manoj Parasrampur
Chairman & Managing Director