



Steel Exchange India Limited

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CIN : L74100TG1999PLC031191

June 03, 2026

To
The Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Port, Mumbai — 400001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai — 400051

Scrip Code: 534748/960441

Scrip ID: STEELXIND

Sub: Transcript of Investors/Analysts Call held on May 28, 2026.

Dear Sir/Ma'am,

With reference to our letter dated May 22, 2026, regarding the Investors/Analysts Call held on Thursday, May 28, 2026, at 12:00 PM IST, please find enclosed the transcript of the discussion held during the said Investors/Analysts Call.

The aforesaid information shall also be disclosed on the website of the Company at <https://www.seil.co.in>

We request you to take the same on your records.

Thanking you,
Yours faithfully,

For **Steel Exchange India Limited**

Raveendra Babu M
Company Secretary & Compliance Officer
M.No: A34409

WORKS

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STEEL EXCHANGE INDIA LTD
Strengthening our Planet

**“Steel Exchange India Limited
Q4 FY26 Earnings Conference Call”
May 28, 2026**



STEEL EXCHANGE INDIA LTD
Strengthening our Planet



Kirin Advisors



MANAGEMENT: **MR. BANDI SURESH KUMAR – JOINT MANAGING
DIRECTOR – STEEL EXCHANGE INDIA LIMITED
MR. BANDI MOHIT SAI KUMAR – WHOLE-TIME
DIRECTOR – STEEL EXCHANGE INDIA LIMITED
MR. BRAHMAIAH TELAPROLU – GROUP FINANCIAL
ADVISOR – STEEL EXCHANGE INDIA LIMITED
MR. V. S. RAKESH – GENERAL MANAGER CORPORATE
FINANCE – STEEL EXCHANGE INDIA LIMITED**

MODERATOR: **MS. MANALI BHOR – KIRIN ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Steel Exchange India Limited's Q4 FY26 Earnings Conference Call, hosted by Kirin Advisors Private Limited. 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 the date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Manali Bhor from Kirin Advisors Private Limited. Thank you, and over to you, Ms. Bhor.

Manali Bhor: Good day. On behalf of Kirin Advisors, I welcome you all to the Q4 FY26 conference call of Steel Exchange India Limited. From the management team, we have Mr. Bandi Suresh Kumar, Joint Managing Director; Mr. Bandi Mohit Sai Kumar, Whole-Time Director; Mr. Brahmaiah Telaprolu, Group Financial Advisor; Mr. V. S. Rakesh, GM Corporate Finance.

Now, I hand over the call to Mr. Bandi Suresh Kumar for opening remarks. Over to you, sir.

Bandi Suresh Kumar: Thank you, madam. Good day everyone, and thank you for joining the Steel Exchange India Limited Quarter Four and Financial Year 2026 Earnings Conference Call. FY26 has been an important and progressive year for Steel Exchange India Limited as we continued to strengthen our operational capabilities, improve financial flexibility, and build a stronger foundation for long-term sustainable growth.

Over the last few quarters, our focus has remained firmly on operational efficiency, product optimization, disciplined execution, and strengthening the overall financial profile of the company. The results achieved during the year reflect the resilience of our integrated business model and our commitment towards creating a stronger and more profitable organization.

During the year, we continued to strengthen our position in the long product segment under the trusted Simhadri TMT brand. Our integrated manufacturing setup, backward integration strengths, improving efficiencies, and strong market presence across Andhra Pradesh and Telangana continue to support stable business performance and long-term competitiveness.

At the same time, the company undertook several strategic initiatives aimed at enhancing governance, improving capital structure, and creating a scalable platform for future growth.

Coming to the financial performance, quarter four FY26 witnessed strong sequential improvement across all financial parameters. Total income for the quarter stood at INR 287.70 crores as compared to INR 240.86 crores in quarter three FY26, registering a growth of 19.45 percentage quarter-on-quarter.

EBITDA increased significantly to INR 50.10 crores from INR 22.97 crores in quarter three financial year 2026, reflecting a robust growth of 118.12 percentage sequentially. EBITDA margins improved sharply by 788 basis points to 17.41%, supported by operational efficiencies and improved business performance.

Net profit for quarter four FY26 stood at INR 12.37 crores as against INR 2.28 crores in quarter three financial year 2026, registering a strong growth of 442.80% quarter-on-quarter, while net profit margin improved by 335 basis points to 4.30%. The sharp improvement in profitability reflects the impact of disciplined operational management, financial strengthening initiatives, and sustained focus on improving overall business quality.

For the full year FY26, the company reported total income of INR 1,066.42 crores, EBITDA of INR 138.03 crores, and net profit of INR 26.99 crores. During the year, we also made meaningful progress towards strengthening the balance sheet through capital infusion, debt reduction, and improvement in financial flexibility.

The company redeemed INR 43.19 crores towards NCD obligations in a single tranche and achieved cumulative debt reduction of nearly INR 68 crores over the last two quarters, reflecting our focused approach towards improving the capital structure and enhancing financial stability.

From an industry perspective, the outlook for the Indian steel sector continues to remain highly encouraging. Government-led infrastructure development, rising investments in construction and housing, increased spending on railways and defense infrastructure, and continued focus on domestic manufacturing are creating strong long-term demand drivers for the steel industry.

In addition, opportunities emerging from institutional infrastructure projects and import substitution initiatives are expected to benefit integrated and quality-focused steel manufacturers like Steel Exchange India Limited.

During the year, the company also secured renewal of MES approval under the Ministry of Defense for TMT bar supplies, further strengthening our presence in institutional and infrastructure-focused segments. We believe this reinforces the company's credibility and enhances our ability to participate in high-value and quality-driven projects going forward.

Further, the strengthening of leadership and governance framework during the year reflects our commitment towards building a future-ready organization. The induction of experienced industry professionals and strengthening of financial oversight are expected to further improve strategic execution, operational discipline, and long-term value creation capabilities.

As we move ahead, our focus will remain on disciplined growth, operational excellence, margin improvement, balance sheet strengthening, and sustainable value creation for all stakeholders. We believe the foundation built over the last few quarters positions Steel Exchange India Limited strongly to capitalize on emerging markets -- emerging opportunities in the Indian steel sector.

Further, with joining of global player in trading and mining, that is IMR Group, as a strategic investor through subscribing to our equity towards warrants for value of INR 300 crores, the

company is further ensured with secured raw material sourcing for smooth operations and further scale-up.

With this, we would now like to open the floor for questions and discussions. And thank you one and all. Please ask for the questions.

Moderator: Sure sir. Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Sucrit D. Patil from Eyesight Fintrade Pvt. Ltd. Please go ahead.

Sucrit D. Patil: Good afternoon to the team. I have two questions. The first question to Mr. Bandi Kumar is, what type of strategic levers are you prioritizing in FY26 to FY27 to expand company's steel production capacity, strengthen trading operations, and manage risk from raw material prices volatility, and global demand cycle? Thank you. That's my first question. I'll ask the second question after this.

Bandi Suresh Kumar: Thank you, sir. Basically, as you know that Steel Exchange has been strategizing various aspects for the raw material procurement, supply and all that. With IMR joining as -- in Steel Exchange, will make lot of change for us as far as the green steel manufacturing or for our future prospects of growth and taking it into large aspects.

We have entered into some MOUs with the state governments for growth of the plant for future this thing, that expansions. So, we are likely to announce those announcements as we formalize the project reports and all that.

So, right now, as far as the strategy for financial 2026, which is there, presently we are in Andhra and Telangana markets. We'd like to expand in other markets also, whereby our trading and all that, we'll be acquiring some conversion units in other states, whereby we will be improving on our brand image to be going into other areas because we have started one reheating furnace in our plant, which will enable us to manufacture up to 50,000 tons of new bars.

And this will go entirely into different segments. And as you know, Vizag has been a potential growth area for various projects coming in and around. So, this financial year will be a very, very fruitful year for Steel Exchange because we have got all the capabilities of growth and the present production levels leveraging on the strength of the existing capacities also we are doing so that we can improve upon the brand image and we will be certainly taking up few more initiatives like green steel manufacturing and all that. And we will let you know once we make the whole this thing into picture. yes, thank you. Now anything else?

Sucrit D. Patil: Yes, the second question to Mr. Brahmaiah is, what type of financial framework are we applying in 2026-2027 FY to optimize capital structure, align debt maturity, and project cash flows, and safeguard margins against steel price cycles and interest rate volatility? Thank you.

Brahmaiah Thelaprolu: Yes, so thank you, sir. Regarding this capital structure and all, as you have already seen that, okay, with the joining of the new investors, strategic partners and all, the company is going to get INR350 crores into our new equity. And we would like to reduce the -- though it is, okay, we have already reduced last year from 18.75% high-cost debt to the 13% debt now.

Now, we would like to reduce further to the below sub-10% level rate, now around 9%. So, definitely there is going to be some savings on my cost thing, I mean finance cost going forward with this.

So, for that purpose, either we will be using this equity money temporarily to repay it and then fresh borrow it, or maybe with this improved results, we will go to the other banks, new banks, to reduce at the reduced rates.

Number two, with these new lines of raw material supply, now we are planning to expand our operations as our JMD said that we are now installing the reheating furnace, which is going to improve our operational efficiency of the rolling mill by another 30%, 40%. So, with this, both on the reduction side on the financial cost and on the increasing on the operational efficiencies and increasing earnings, so the future seems looks better margin-wise.

Sucrit D. Patil: Thank you and best wishes.

Brahmaiah Thelaprolu: Thank you.

Moderator: Thank you. The next question is from the line of Sahil Kumar, an Individual Investor. Please go ahead.

Sahil Kumar: Yes, good morning, sir. My question is to Mr. Suresh. Sir, congratulations, first of all, for getting IMR Infra -- IMR Resources on board. So, when are you expecting the balance payment from IMR Resources for the -- against the share warrants?

Bandi Suresh Kumar: Thank you, Sahil. Basically, this is a share warrant this thing what we have subscribed with them for INR300 crores. And we expect it to be -- very shortly, we have been talking to them so that this will be utilized for our growth part, what we are looking for green steel and all that.

So, we'll be coming up with the -- so they are coming as a growth partners mainly for Steel Exchange because we have got a sufficient land and all that. So, I think it will coming in next six months, we expect this to come in place.

Sahil Kumar: Okay, sir. So that you answered part of my next question also. So, as you have got him on Board as a Director, Mr. Anirudh Misra, so what do you expect now -- what -- that's a very positive development for the company. So, what synergies do you expect after he has come on Board, what kind of additional operational or advantages for he being coming on the Board, sir?

Bandi Suresh Kumar: Basically, he is a large player internationally and he is having wide experience in steel and steel marketing strategies. And his coming on Board and being a part of Steel Exchange is a real boon for Steel Exchange, I can tell you, because we'll be entering the European market strategically by his presence already being there in the European market.

And we are looking for the new FTA arrangements with U.K. and all that in place, we feel that Steel Exchange will be exporting lot of large steel quantities to European and other markets with the help of the global player which we have joined us.

Similarly, they will be supplying us all the raw materials required globally whenever it is cheap for us to take this forward. So, means it is a very large this thing. And as per the growth part, we are going to, this is the only first step what they have come in. So, this will, as a strategic investor, they have joined us at a likely time once our growth plans are planned completely, then I think it will be a large this thing only for Steel Exchange.

Sahil Kumar: Okay. One last question, sir. So, what role are you expecting from them in in the future prospective growth of Steel Exchange, sir?

Bandi Suresh Kumar: No, they are the growth partners. Basically, we have just made a formal arrangement to come into Steel Exchange by way of strategically by way of share warrants. And they are looking at a large-scale expansion for Steel Exchange in various areas, looking the market strengths of Indian scenario for manufacturing what is going over the world.

So, Vizag being the port-based area and all that, will be going for several acquisitions also at a later stage. But their joining us will certainly make Steel Exchange a global company and a world-class company in coming times.

Sahil Kumar: Thank you, sir, and all the best for future endeavors.

Bandi Suresh Kumar: Yes, thank you, Sahil ji.

Moderator: Thank you. The next question is from the line of Sudhanshu Shekhar, an Individual Investor. Please go ahead.

Sudhanshu Shekhar: Congratulations, sir, for a decent set of results. So, my question is on the capex which you had announced earlier, so -- on the greenfield side or further capacity expansion. So, whether we are expecting any significant turnover from that capex in this financial year?

And second question is, sir, on the debt reduction plans. So, with the warrants money coming in, what is the expected amount of debt reduction which we are planning for this particular year? Thank you, sir.

Bandi Suresh Kumar: Yes, thank you, Sudhanshu, because you have asked good questions, but basically the money what we are getting from the investors, we ourselves, our internal revenues will be very high and which will help us in reducing the debt to a considerable level or it may become a debt-free in coming times. We will plan -- we are seeing it to happen very fast.

It may be from the internal accruals or from the share warrant -- share money. Once we get the money, we take a call on that because we have got some large investment plans also for the plant and -- which will started in phases.

And as far as the expansions which have been done already, they will come into operation by July end. So, this year will be a very good financial year for Steel Exchange because the production capacities will be ramped up drastically and the debt will go down almost to negligible levels. So, your profitability will improve drastically this year.

Sudhanshu Shekhar: Thank you, sir, and all the best.

- Bandi Suresh Kumar:** Thank you, thank you very much.
- Moderator:** Thank you. The next question is from the line of Rajiv Maheshwari from Praj Investments. Please go ahead.
- Rajiv Maheshwari:** Good afternoon everyone. Congratulations for a good set of results this quarter. I have a couple of questions. The first question is on what's the update status on the logistic park status, how far that has gone in terms of the port connectivity and bringing the whole ecosystem into place? I'll put my second question once this one is answered.
- Bandi Suresh Kumar:** Yes, thank you, Maheshwari ji. Yes, you have rightly said that Steel Exchange is having a large logistic opportunity in Vishakhapatnam because of its own railway sidings and all that. So, last year we have thought of spurning -- to take the higher EBITDAs in the logistic side also we have made one SEIL Logistics and Infra Company to take care of the -- all the logistic activity by creating a private freight terminal and all that.
- So, it's already on job, sir. And we have entered into MOUs with the government of Andhra Pradesh for acquiring another 150 acres of land adjacent to this land, which is connected to a green highway and to the ports. Very, very logistically it is connected to the all the ports.
- So, this makes a large opportunity for Steel Exchange to have good EBITDAs in the logistic front also. And we are looking at strategic acquisitions in the logistic segment where the logistic arm will also go into larger leaps and bounds. And similarly, we have entered -- wherever it is required, the logistic company also will be performing well.
- Rajiv Maheshwari:** A quick follow-up question on this. In the last con call, I had asked you about the land bank. If I'm not wrong, you had mentioned that around 400 acres of land are existing in the name of the company.
- Bandi Suresh Kumar:** Yes, Yes, Yes, yes. 400 acres is the existing land parcel, 400 and almost around 400 to 450 level, it is there. Over and above that, we have, we are under the process of acquiring the land parcels to the extent of another 150 acres for the logistic park and another 150 acres for Steel Exchange manufacturing activity itself.
- This both have been entered with the state governments, last investment summit with state governments, whereby we were requesting them for this growth and where they are giving lot of thoughts. Means we have entered into an MOUs for making a 1 million ton green steel plant. So, these were all the future investments for which we have done the plan and brought in the right investors to take that forward for the growth part.
- Similarly, in the logistic side also, we'll be trying to rope in large partners so that it will become a bigger business and shareholders will be benefited from these opportunities completely.
- Rajiv Maheshwari:** That's, that's great to listen because this definitely provides a long-term insight in the mind of shareholders. So in total, we'll be having around 650 to 700 acres of land all together once everything...
- Bandi Suresh Kumar:** Yes, yes, yes, yes, yes.

- Rajiv Maheshwari:** Okay, right. Now the second question is lots of debt restructuring, debt reduction, interest reduction have taken part in the last couple of quarter. But if I see the finance cost has still been INR17 crores on the higher side compared to maybe INR13 crores or INR15 crores, which was earlier. So any specific reason for that or the outcome will be more visible in the coming quarters?
- Bandi Suresh Kumar:** No, basically I don't think it is not INR17 crores per quarter.
- Management:** It is now INR7.50 crores.
- Bandi Suresh Kumar:** It is INR7.50 crores, I feel. And now it will be go down further because we have almost we are repaying the debt, the term debt was around INR350 crores, it has come to INR250 crores now. This quarter we paid almost INR40 crores, INR50 crores. So still it will go down. So and with the refinance what we are planning, so we feel that the debt will be certainly will be going into very minimal levels so that our profitability will be increased.
- Rajiv Maheshwari:** Exactly, because debt is eating a majority part of the profit. So if that is done, it will be really good in terms of the net profit in the bottom line. So this quarter it was not INR17 crores. Because when I went through the Q4 results, I got a feeling that it was INR17 crores, the finance cost or the interest cost.
- Bandi Suresh Kumar:** Yes. No, no. Brahmaiah.
- Rajiv Maheshwari:** Mr. Brahmaiah, can you confirm on that?
- Brahmaiah Thelaprolu:** Yes, so your point is that why the debt cost is more compared to the...
- Rajiv Maheshwari:** Yes, yes. In spite of taking so much of pain and getting the restructuring part and all, the still the interest cost is in fact surprisingly higher compared to Q-o-Q or Y-o-Y.
- Brahmaiah Thelaprolu:** Okay, okay. No, no. I think when you look at Y-o-Y, it is less only. INR19 crores of last year in the same quarter.
- Rajiv Maheshwari:** Yes, but very less. But if you see Q-on-Q, it's from INR13 crores to INR17 crores.
- Brahmaiah Thelaprolu:** Yes, so what happened, see, when we are raised these new loans, there are some costs attached to these new loans, that is also coming in the last quarter, number one. And added to that, there is trade finance related also, not only this, there supply trade finance also is there, so which is added in the current quarter, but going forward that will not be there.
- Rajiv Maheshwari:** So coming quarters we can expect it maybe 10 or below 10 so that we get more profitability out of the results?
- Brahmaiah Thelaprolu:** It may not be below 10, it will be around 12, 13.
- Rajiv Maheshwari:** Okay, it will be still be around 12, 13. So but once we reduce the debt considerably going ahead, it should be the minimal in the single figures, right?

- Brahmaiah Thelaprolu:** Yes, so as of now, current debt whatever we have around INR270 crores, I think. And on that if you take it around 12%, I mean 12%-13%. Okay. Books works which works out to around 3.75 into maybe 3 months, that's going to around...
- Rajiv Maheshwari:** Okay. Around INR10 crores, INR11 crores.
- Brahmaiah Thelaprolu:** Around INR11 crores, INR12 crores, around INR12 crores. Plus there will be some our working capital interest also, no? So working capital we have another...
- Rajiv Maheshwari:** Working capital interest, anyway that's a part of it. After restructuring at least we were expecting a gain of maybe at least INR5 crores to INR6 crores, which may be visible in the bottom line. In total. Anyway, okay, if it comes in the coming quarter, it's fine. I have a suggestion, why are we not having it on a quarter basis? It happened last year, then again it's happening this year. So can we have it on every quarter so that shareholders get a heads-up and on what how things are going and get a clarity on things?
- Brahmaiah Thelaprolu:** Yes, we will work for that definitely. Thanks for your suggestion.
- Rajiv Maheshwari:** Yes, okay. That's it from my side..
- Bandi Suresh Kumar:** Going forward we'll do this thing.
- Moderator:** Thank you, sir. We'll take the next question from the line of Meet Chawda, an individual investor. Please go ahead.
- Meet Chawda:** Hello?
- Bandi Suresh Kumar:** Yes, tell me Chawda ji.
- Meet Chawda:** Yes, sir. Congratulations for the good set of numbers, sir, and IMR joining hands with Steel Exchange, which is a very big positive for the company.
- Bandi Suresh Kumar:** Thank you, thank you, sir.
- Meet Chawda:** So sir, this, this year Quarter 4 has been really good for the company. Do we expect this performance to continue in coming quarters?
- Bandi Suresh Kumar:** It should be better, not continue in the same, it should be better what we have to see. This Quarter 4 is fine, but the coming years it will be better.
- Meet Chawda:** So, we will maintain this same margins in coming quarters?
- Bandi Suresh Kumar:** Yes, mainly basically this is a steel cyclical industry and all that. Presently the markets are very buoyant, so we expect that to if it continues, it will be there.
- Meet Chawda:** Okay. So my next question is, sir, Google has announced 15 billion investment in AI hub in Vizag.
- Bandi Suresh Kumar:** Yes.

- Meet Chawda:** Since we are an established brand in this part with Simhadri brand, so do we expect this big investment in AI and other people also coming, we will have good business or something coming from that side?
- Bandi Suresh Kumar:** Yes, Yes, because basically we are also already empaneled with that the Google partner Adani who is building these things. And most of our supplies will be going from our Simhadri this thing. So we have already on the job. Not only that, basically in and around Vishakhapatnam, there are large investments. Like we are already empaneled with ArcelorMittal as a vendor to them since last several years. There also this INR15 lakh crores investment which is coming up, which is very nearby us.
- Similarly, the capital of Amaravati which is being built. So we are all registered suppliers to these. So we expect that's the reason why we are ramping up the capacity of our reheating and all that so that our production capacities will be more and we will be able to sell and our brand is a approved brand in the state of Andhra Pradesh. So we'll certainly be having advantage of these products in the state of Andhra Pradesh.
- Meet Chawda:** Okay. So my next question is, we have said that we are doing some the capex is underway, by when do you feel this capex is done and will be reflected in the books from first from second quarter, third quarter, by when it should reflect in the books?
- Bandi Suresh Kumar:** Yes, second quarter onwards, second quarter onwards.
- Meet Chawda:** And that will be a significant jump on for us?
- Bandi Suresh Kumar:** Yes, sir.
- Meet Chawda:** Thank you, sir. Thanks for answering the question, sir. All the best, sir. Thank you.
- Bandi Suresh Kumar:** Thank you. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Prateek Shrivastava from Nivesh Wisdom. Please go ahead.
- Prateek Shrivastava:** Thank you, ma'am. So first of all, congratulations to the management on doing fantastic job of turning the company around and improving the financials. Sir, my question is -- my first question actually is on the -- because maybe I missed it in when you were probably earlier describing. Can you if you have not described or can you do that -- can you say that again what were the in terms of the volume, what were the TMT rebar sales volume for Q4 FY26 and entire FY, you know, 2026 entire year?
- Bandi Suresh Kumar:** Yes, I'll just thank you, Prateekji. I can just read out. Rebar for Q4 is almost 50,000 tons. Means 49,760 and last year it was around 41,000 and last quarter was 39,000. It's almost 10,000 jump was there in this thing as far as the production quantities are there.
- Prateek Shrivastava:** Okay. And moving forward, let's say for FY27, what is the volumes we are targeting, sir?

- Bandi Suresh Kumar:** Roughly starting with the next quarter onwards, means it will be almost double, not the it may doubling the capacities will be mostly doubled.
- Prateek Shrivastava:** So that is for the full year, FY27, we are saying we'll double the volumes.
- Bandi Suresh Kumar:** Yes.
- Prateek Shrivastava:** Got it, sir. And what is our EBITDA per ton, sir, again for FY25, FY26, and how I wanted to know understand the, you know, the numbers how are we improving on the EBITDA per ton?
- Bandi Suresh Kumar:** EBITDA and all that, it depends upon the tonnages what we manufacture on that. So right now last year what was the EBITDA? Last quarter it was 9,000, 9,500 and...
- Prateek Shrivastava:** 9,500 per ton.
- Bandi Suresh Kumar:** Yes, so but earlier quarters it was around 6,000. Average EBITDA is around INR7,000, INR6,800, INR7,000 average yearly average.
- Prateek Shrivastava:** Got it. And what would be the guidance, sir, for coming quarters, EBITDA per ton?
- Bandi Suresh Kumar:** In the same range, basically only your improvement of the quantities will be there. It may help having a little better profitability, means the EBITDAs may improve little further because of the increase in the productions available, so the cost may go down, fixed costs will go down. Because of that there will be little difference. See, basically it depends upon the market pricing of the steel markets which are there. So right now it is around that levels.
- Prateek Shrivastava:** Got it, sir. Sir, and my second question is more on the power segment. Sir, our if I look at and if I'm understanding it right, we the power segment was something where the revenue fell, right, sir, from around what around. Yes, so why was that and then can you give an overall picture what are we doing to reverse this?
- Bandi Suresh Kumar:** No, once the some capacity expansion which we are doing, some consumptions will improve because of that thing. The remaining also we are trying some data centers and all things are coming in Andhra. We expect them to tie up with various other players. And we have taken some kilns refurbishments and all that, because of that it was down last year.
- Prateek Shrivastava:** Got it, sir. Are we seeing any sort of pressure from this war, sir, ongoing war on the -- on our raw materials?
- Bandi Suresh Kumar:** Actually we are insulated as far as the war part is there. Only for some diesel cost it may have the on the transport, but otherwise we don't have much of impact because our basic raw materials what we procure are all locally only. Our coal and both iron ore and everything. And since we are a local player initially and okay scrap supplies also we are getting it locally only. So we don't have much of any war impact as such.
- Prateek Shrivastava:** Got it, sir. Okay, thank you, thank you for answering my question, sir, and all the very best for the future.
- Bandi Suresh Kumar:** Yes, thank you, sir.

- Moderator:** Thank you. A reminder to all the participants that you may please press star and 1 to ask questions. The next question is from the line of Pankaj Motwani from Equirus. Please go ahead.
- Pankaj Motwani:** So thank you for the opportunity. My question is like, so I just want to understand what is our current capacity utilization of billet and TMT bar and when you expect these facilities to hit the steady state?
- Bandi Suresh Kumar:** Can you speak...
- Pankaj Motwani:** Yes, sorry. Yes, so I was asking what is the current capacity utilization of TMT bar and billet and when these facilities can expect so like when can we expect this utilization to hit 85% to 90%?
- Brahmaiah Thelaprolu:** Yes, so currently, so I think I would like to give the first one this thing information. The fag end of the last year, we had increased our billet capacity and rebar capacity by around 44%-45%. Okay. After the enhancement, though our productions are remain more or less same or in slightly increased compared to the last year, the percentage-wise we have reduced because of this enhanced capacities brought into the operation. So currently our TMT is around 46%-47% we have rolling mill we operated last year. And it was billet is around 55% or something, 56%.
- But going forward, if you look at once as I rightly mentioned in my first the question, that once I complete my reheating furnace, then my rebar mill capacity utilization will go to 70% plus because that I can source my billets from outside also and then increase my capacity utilization. So this year we will we are expecting as billet as well as and because we have taken some repair capacity mean capital repair work in our TMT and billet plant also. With that improved things, we are expecting around 70% plus it will go in this current year for both these things, 70% to 75%.
- Pankaj Motwani:** Got it. And my second question -- yes, continue.
- Bandi Suresh Kumar:** Yes, my second question was -- please go ahead. I am done. Sorry for that.
- Pankaj Motwani:** Yes, sorry. Okay. So my second question was like can you share your planned capital allocation strategy going forward? So particularly in respect of debt reduction or increasing capacities or acquisition of land bank, like what is your priorities going forward in and also you can like mention the timelines for each of these and also the funding sources for each of these.
- Bandi Suresh Kumar:** I would like to take that. One moment, our CMD would like to inform.
- Brahmaiah Thelaprolu:** Basically, as you are well aware, we have got some strategic investor who is bringing us around INR300 crores through some share warrants, which we are likely to get in the coming times. So the funding is coming already which is available for us there. And internal accruals whatever is generated are there. So these amounts will be utilized for the growth of the plant. So we have made a plan of growth with the state governments as to get some incentives for the expansions.
- So these are all underway. Once the plans are finalized and all that, it will be declared by way of we'll be first making a ground-breaking ceremony for that 1 million ton in the coming times and all that. So then we will certainly give you all the details about what will be the investment.

Presently they are in a -- this stage only. So as far as the land banks are there all, that we have to acquire still other land bank. We have got existing land bank. So that is our future growth only.

Pankaj Motwani: And what is the capex guidance for FY27, like how much capex we are planning for FY27?

Brahmaiah Thelaprolu: The capex basically the existing capex will come for a completion in this year itself. That is the reheating and the refurbishment capex of the furnaces for what we are having, we are doing a capex for on that part. So because of that and some kiln this thing will be done this year. This year we are expecting for a growth of our existing plant itself the production.

And the new capex will come in the once we do the groundbreaking all that, it will come at a later stage. Because we have to yet to our strategic investor what is the size of the plant and further all we have to finalize on that part. So 1 year down the line, all the capex will happen.

Pankaj Motwani: Okay. And last question, so like this quarter we have our EBITDA margin was improved to a 17% versus the earlier range of around 11% to 12%. So how should we think about sustainable margin going forward and like what were the factors in this quarter which led to the improvement of the margins?

Brahmaiah Thelaprolu: See, the first 2 quarters were very bad, as you see last year. Now the last 2 quarters have improved drastically. So we feel the steel markets have started improving on and especially for us at Andhra and Visakhapatnam being a local player, we expect to have a sustainable EBITDA margins in the coming times and improved growth of our existing rebar mills will help us to generate more EBITDA compared to last financial years and with a better profitability. That is what we have in mind.

Pankaj Motwani: Right. So can you quantify the margin like which you are thinking as sustainable for...

Brahmaiah Thelaprolu: INR7,000 margin. 40,000 to 50,000 tons will be the average. You can double the capacities, I have given the capacities will be doubled. So naturally your profitability and all will be increased.

Pankaj Motwani: Got it. Yes, that's it from my side. Thank you.

Bandi Suresh Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Rajiv Maheshwari from Praj Investments. Please go ahead.

Rajiv Maheshwari: Thank you for taking my question once again. My next question is on the pledged shares. It's been observed that the company is operating on a 100% pledged shares since quite a long time. So any thought the management wants to give on reducing it or are we okay to continue this as a strategic decision?

Bandi Suresh Kumar: No, because once your debt will go down, see, this in the banking system, we went through a bad patch 10 years back because of our financial this power plant and all that. So we have been reducing from the debt from 24% from Edelweiss to Neo Capital 18.75%. From 18.75% we

bought it to 13.1%. And now we are trying to go for a refinancing of the existing debt, which will be very low. With that and the working capital, it will come to around 9% and all that.

So we feel that when we do the refinancing, all our pledged shares will be released by the banks. So right now also it is with the banking only because it has been coming to that. And the asset banks which are there, they are almost 2,000 crores of asset banks of the company as the size of the plant what it is there and the debt is very low. Only since it has been continuing and takeover and reducing, so we also not insisted on them to that. But certainly we'll be getting it released once we leverage on our finances what we are getting through IMR, we'll be requesting them to release all our pledged shares. So in coming times the pledged shares will be released completely.

Rajiv Maheshwari: Okay, that's great. The second part is we have already witnessed the sale for April and May for the current year. So what's the percentage of growth if we compare it to Y-o-Y or Q-on-Q? How's, how's the current market scenario in for the month of April and May in terms of the growth?

Bandi Suresh Kumar: Mohit, you can answer.

Bandi Mohit Sai Kumar: Yes. So for the month of May, it was in continuation with the Quarter 4 only, but because of the heatwave across India and this war situation little escalating, May a little slump, but again we are sure we should be recovering it in June.

Rajiv Maheshwari: So was April okay, only May was impacted as a quarter or May...

Bandi Mohit Sai Kumar: A little bit, yes. Not much, but Yes.

Rajiv Maheshwari: So but are we still okay -- hello?

Bandi Mohit Sai Kumar: We are very good. I would so if I say Quarter 4 is great, April is great, May is good.

Rajiv Maheshwari: Okay, okay. So basically the growth in April was quite good, May maybe not that good and again going forward June it may again pick up.

Bandi Mohit Sai Kumar: Yes, yes, yes. See, steel cyclical industry throughout the year, the quarter like because of the monsoon, Quarter 1 end and Quarter 2 might be a little dull, Quarter 3, Quarter 4 will be picking up drastically. But now we are refurbishing and once the reheating furnace starts from the next quarter, we'll be having a great impact of the in the productions and EBITDA margins going forward in second quarter onwards.

Rajiv Maheshwari: Okay, so it will be visible from Q2 itself.

Bandi Mohit Sai Kumar: Yes, yes.

Rajiv Maheshwari: That's great. Finally, just suggestion for having a quarterly investor's call. Kindly look into it so that gives the insight. Please look into it.

Bandi Mohit Sai Kumar: Yes.

- Rajiv Maheshwari:** Thank you, thank you so much. Yes.
- Bandi Suresh Kumar:** Yes, and arrange.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Ms. Manali Bhor for closing comments. Thank you, and over to you.
- Manali Bhor:** Thank you everyone for joining the conference call of Steel Exchange India Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.
- Bandi Suresh Kumar:** Yes, thank you, madam.
- Moderator:** Thank you, sir. Thank you, members of the management. On behalf of Kirin Advisors Private Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.