

Dated: February 14, 2025

**To,**

Listing Department  
**The National Stock Exchange of India Limited,**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai – 400051

Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

NSE Symbol – **HARIOMPIPE**

BSE Scrip Code – **543517**

Dear Sir/ Ma'am,

**Sub: Transcript of the Conference Call held on February 11, 2025:**

**Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015: Transcript of the Conference call with investors.**

With reference to the captioned subject, please find enclosed herewith the transcript of the Conference Call with the Investors/Analysts held on February 11, 2025, on the operational and financial performance of the Company for the quarter and nine months ended December 31, 2024.

This is also available on the Company's website at <https://www.hariompipes.com/presentations-made-to-analysts-or-institutional-investors>.

Kindly take the above information on record.

**Thanking You,**

Yours faithfully  
**For Hariom Pipe Industries Limited**

**REKHA SINGH**  
Digitally signed by  
REKHA SINGH  
Date: 2025.02.14  
16:16:41 +05'30'

**Rekha Singh**  
**Company Secretary**  
M.No. A33986

Encl: As above



**“Hariom Pipes Industries Limited Q3 & Nine Months FY ’25  
Earnings Conference Call”**

**February 11, 2025**



**MANAGEMENT:**    **MR. RUPESH KUMAR GUPTA – MANAGING DIRECTOR -  
HARIOM PIPES INDUSTRIES LIMITED**  
**MR. AMITABHA BHATTACHARYA – CHIEF FINANCIAL  
OFFICER - HARIOM PIPES INDUSTRIES LIMITED**  
**MS. REKHA SINGH – COMPANY SECRETARY - HARIOM PIPES  
INDUSTRIES LIMITED**

**MODERATOR:**    **MR. SUMANT KUMAR – MOTILAL OSWAL FINANCIAL  
SERVICES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Hariom Pipes Q3 FY '25 Earnings Conference Call, hosted by Motilal Oswal Financial Services.

As a reminder, all participants' lines will be in listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sumant Kumar from Motilal Oswal Financial Services. Thank you. And over to you, sir.

**Sumant Kumar:** Thank you. Good afternoon, everyone. And a very warm welcome to Hariom Pipe Industry Limited 3Q '25 Post-Results Earnings Call, hosted by Motilal Oswal Financial Services.

On the call today we have the Management Team being represented by Mr. Rupesh Kumar Gupta - Managing Director; Mr. Amitabha Bhattacharya – Chief Financial Officer; and Ms. Rekha Singh – Company Secretary.

We will begin the call with key thoughts from the Management Team. Thereafter, we will open the floor for Q&A.

I would now like to request the management to share their perspective on the performance of the company. Thank you and over to you, sir.

**Rupesh Kumar Gupta:** Yes. Thank you. Good afternoon, everyone. This is Rupesh Kumar Gupta from Hariom Pipes. It is with great pride and gratitude that I address you today. As we reflect on our journey this quarter, I am sharing the progress of your company has made, despite evolving market conditions.

The Indian steel industry has experienced shifts this year influenced by global market trends and temporary constraints in raw material pricing and supply chain. Despite these challenges, we have leveraged our resilience and strategic vision to maintain a strong foothold in the market. With the easing of these pressures, we are now witnessing a positive revival, especially in the thriving infrastructure and construction sectors. This momentum reaffirms our belief in the long term potential of the industry.

In this evolving scenario, your company has continued to deliver robust performance for Q3 FY '25. We achieved a total income of Rs. 30,036.58 lakhs, culminating in Rs. 95,979.54 lakhs for the first nine months of FY '25, an impressive 16% year-on-year growth. These results underline our ability to adapt, innovate and sustain growth in the face of adversity.

Our profitability metrics highlights our operational strength and efficiency. We recorded an EBITDA of Rs. 3,962.51 lakhs for Q3 and Rs. 12,657.50 lakhs for nine months FY '25, reflecting a notable 31% year-on-year growth, our EBITDA margins have improved to 13.21% in Q3 FY

'25 compared to 11.64% in Q3 FY '24, showcasing our unwavering focus on value creation. Moreover, our operating profit for Q3 stands at Rs. 2,756.65 lakhs with a cumulative total of Rs. 9,232.9 lakhs for the nine months, representing 21% year-on-year growth. Our profit after tax has grown by 11% year-on-year reaching Rs. 1,122.96 lakhs for Q3 and Rs. 4,448.58 lakhs for the nine months. These results serve a testament to our robust strategies, efficient cost management, and commitment to sustainable growth.

Looking ahead, we are optimistic about the opportunities in India's rapidly expanding steel market, driven by government initiatives and the growing demand from critical sectors. With a clear road map and strategic focus, we are well positioned to capitalize on these opportunities and continue delivering value to our shareholders.

I would also like to draw your attention to our detailed financial results and investor presentation, which have been shared on the Stock Exchange for your review. For any specific financial and compliance related queries, our CFO, Mr. Amitabha Bhattacharya, and Compliance Officer, Ms. Rekha Singh, are available to address your queries. Thank you for your unwavering confidence in us and we continue to look forward. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chirag Vachhani from Nigotia Investments. Please go ahead. Mr. Chirag, I would request you to unmute your line and speak, please.

**Chirag Vachhani:** Hello.

**Moderator:** Yes, sir. You are audible.

**Chirag Vachhani:** Yes. Hi, sir. Sir, if we see last two quarters, there has been degrowth quarter-on-quarter wise. So, any specific reason regarding this?

**Amitabha Bhattacharya:** Okay. Any other questions in this parameter?

**Chirag Vachhani:** Sorry?

**Amitabha Bhattacharya:** Apart from that you have any other questions so that together I can start the answer?

**Chirag Vachhani:** Okay, okay. And sir, if you see last eight quarters, our Q3 is lowest amongst the four quarters, so the rationale behind this. These are my two questions.

**Amitabha Bhattacharya:** Well, thank you for your question and concern. The sequential revenue decline was preliminary due to weaker steel price and temporarily slowdown in the demand from key sector such as construction and automotive, especially in Q3. Additionally, the pricing pressure in the domestic market and an industry-wide correction in selling price impacted overall realization. Despite these challenges, our volume increased by 17% year-on-year in Q3 FY '25, and we successfully offset some revenue pressure through higher value added products. We remain confident in our

long term demand outlook with government backed infrastructure project, and solar structure continuing to drive steady growth. That is your first questions why it is lower comparatively to the Q2.

And your second question is, why it is Q4 is better than Q3? So basically in the Q4 it's a summer season and always the construction and all engineering activities mostly happen during the course of January to April. So therefore, it is not for Hariom. In that segment wise you can check from the past four, five years' data also, always the 4th Quarter is the best quarter for the industry.

**Chirag Vachhani:** Okay, sir. And sir, quarter four is the best, so any FY '24 target and FY '25 value and volume wise?

**Amitabha Bhattacharya:** So, basically, we are targeting total volume growth is almost 20% growth we are expecting. And we expect steady growth in FY '25, almost 20%, which is reaching to somewhere around 2,38,000 metric tonnes, with an increase in PAT volume terms also. And in FY '26, we anticipate continued double digit revenue growth also.

**Chirag Vachhani:** Okay. So this 20% volume wise, correct?

**Amitabha Bhattacharya:** Yes.

**Chirag Vachhani:** And sir, when we were at 100% capacity utilization, if I remember, last call you said in two years' of time, so still on that target?

**Amitabha Bhattacharya:** In terms of CAPEX, the CAPEX investment, particularly in high margin product categories like galvanized pipe and engineering structure is for an initial ramp up period. However, early signs of demand transactions are strong and we expect to see improved revenue contribution over the next few quarters. One of the most significant contributors to our CAPEX driven growth is the galvanized product segment, which has witnessed almost a 38% year-on-year increase in sales, reaching almost 86,934 metric tonnes till nine months FY '25 comparatively to 62,876 metric tonnes in nine months FY '24. This strong performance demonstrates growing market demand and effectiveness of our capacity expansion, which is balanced approach to CAPEX deployment, cost optimization and high margin product growth. We expect meaningful returns on investment to be fully realized in the coming financial period, reinforcing our strong revenue and profitability trajectory.

**Chirag Vachhani:** Okay. And sir, one last question. I mean, net margin target if I see, it is continuously declining our margins, so any target for future?

**Amitabha Bhattacharya:** So, basically if you see cost efficiency wise, we are doing extremely good. Our electricity cost price is cutting down from the last year to this year, almost more than 30%. And our impact in raw material margin is also constrained, despite the fluctuation in raw material rate and disturbing the volatility in the steel price continuously in the past nine months, which we are facing in this segment from almost all of the three years period. Even though you can say, after

COVID period this is the first time in this segment we are facing this kind of challenge. Despite that, our operating cost are constrained and we are continuously minimum our operating cost. And due to that only we are able to manage the margin and we are very much confident the margin will be truthfully growing in the coming future, because this is the lowest price which we are seeing in the steel market. The steep prices rapidly gradually grow, and as when the margin will be growing, the realization price, the margin will be much more showing good. Despite that our per tonne EBITDA is highest compared to the any market present scenario.

**Chirag Vachhani:** Yes, okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Bhagat from Prosperity Wealth Management Private Limited. Please go ahead. Mr. Bhagat, I would request you to unmute your line and speak, please.

**Bhagat:** Thank you for the opportunity. Could you please provide an update on the Rs. 700 crores fund raising? Especially I am interested in the estimated timeline and the purpose behind it. Are we expecting the fundraising to support debt reduction or any to facilitate inorganic growth opportunities?

**Amitabha Bhattacharya:** Regarding this, basically in the earlier con call also and so many times we had clarified that the present scenario the fundraising is preferred for the time being. And the company is, whatever the growth, they are always focused for growth capital. And company is planning to grow managed by their own. And it is segmental wise and it is process wise. First we have to focus on our whatever the existing capacity we are having, that resource at optimized level we have to use. At the same time, the company very much focused to add various other sector's value added products, and our product basket is also we are expanding. And we are also penetrating new geographical regions. By that we are already getting some government and private sector, corporate sector also very good volume of orders. And then in the coming future also we are expanding like that. At the present moment we are not going for any sort of fundraising. This is for the time being, it is deferred.

**Bhagat:** Okay, understood. Sir my second question would be, could you please comment on our guidance of achieving 4 lakh metric tonnes in volume and Rs. 2,500 crores of revenue, on this could you please comment?

**Amitabha Bhattacharya:** So, 4 lakh metric tonnes of volume and Rs. 2,500 crores of revenue which we had disclosed, I think in the mid of 2022. At that time the steel demand and steel prices in the top notch and the market and the demand, domestic growth, GDP growth is also looking very positive and we are still in very much optimistic and our entire team is focused and our channel are very much professionally handled. And we are very much keen to reach our goal first, as I said just a few minutes before. And it will be, we ensure that that figure definitely will be reached. Instead of maybe by the end of '26 it can be some around three to four months extra it will take. But

definitely Hariom reach this target, definitely. Because whatever the present capacity we are having, that optimum level is this much, 4 lakh metric tonnes.

**Bhagat:** Okay. FY '27 we can accept this run rate?

**Amitabha Bhattacharya:** By the end of March, not exactly financial year, it is quite difficult for us to estimate or tell at this moment. But definitely I am rest assured that as a growing demand of various value added products which we are already focused and we are getting some value added product offer, despite our major contribution by the team by pipes. We continue to enhance efficiency through automation, advanced manufacturing and cost optimization. As you see in our presentation also, we have taken 9.5% market share in the 0.3 mm and to 2.5 mm Indian steel pipe segment as reported by CARE. So, there is a high margin specialized product. Apart from that, we are doing regularly various other product portfolios which allow us to reach our target within the span of some around 18 to 20 months to reach that goal.

**Bhagat:** Okay, thank you, sir. Just last question from my end, what would be the debt that you would be expecting for next year? Are we expecting to reduce debt going ahead?

**Amitabha Bhattacharya:** The debt part is always, see, the debt part and our debt is always within the parameter. There is no debt to equity ratio remain at comfortable level and we are continuing focus on optimizing working capital to reduce debt overtime with the cash conversion cycle expected to improve from almost FY '23 if you see that, we have 153 days in FY '24 to 120 days in FY '27 we foresee further reduction in reliance on external borrowings and the debt will be coming down by our internal financial stability.

**Bhagat:** Thank you so much sir, that's it from my end.

**Moderator:** Next question if from the line of Akhil Parekh from B&K Securities. Please go ahead.

**Akhil Parekh:** Hi. Thanks for the opportunity. Our first question is on the demand scenario, you mentioned that 4th Quarter is easily the best quarter for us, are we seeing any improvement? Because we are almost now middle of Feb, how has been the demand in Jan and mid of Feb as compared to say last year?

**Amitabha Bhattacharya:** So basically, sir, if you see that from the last nine months performance, if you see the last nine months performance, our demand, we have in quantity, we have almost growth, in the last nine months we have sold around 1,38,567 metric tonnes comparatively to these nine months we have done almost 1,71,254 tonnes, which is a 24% growth in the volume. Similar line of activity, quarter-on-quarter, 4th Quarter is the best quarter and we are expecting almost or near to 2,35,000 of metric tonnes of the total volume we are expecting it will be, we are able to sell.

**Akhil Parekh:** Okay. Sure. That's good to hear. And in terms of pricing, right, I mean, the client has continued in 3rd Quarter as well. Are we seeing any price stabilization? You did mention that you are

probably closer to bottom of the pricing, would it fair to assume that 4th Quarter onwards we might see improvement in the realization now?

**Amitabha Bhattacharya:** So basically, the pricing factor, if you will see that the pricing factor already it is corrected. And from now onwards, already the government has started spending in infrastructure sector also and the steel price is the bottom line. Now we are expecting from gradually stabilized supported by the government infrastructure and spending and recovery of global demand also. So from now onwards, the steel price is going little bit up gradually. And the price corrections, beyond this whatever the price correction was happened, we are not thinking that beyond that it will happen.

**Akhil Parekh:** Okay. But are we seeing some improvement in month of Jan and Feb?

**Amitabha Bhattacharya:** Yes, already it is recorded, in our January month also we have got three positive approaches from the market. And not only earlier we are based on pipe, now apart from pipe we are having other product basket also which is also doing extremely well, as in earlier conversation also I mentioned that galvanized is also there is (+30%) growth there. So we are getting very positive response from the market on so many of value added product which we had not catered earlier.

**Akhil Parekh:** Sure, sir. And sir, in terms of industry salience, right, like which are the top say two or three industries where saliency of our products is very high and which have been impacted, say, in last two, three quarters' time? Or there has been some weakness?

**Amitabha Bhattacharya:** So, basically on industry scenario, you will hear that this year there is a low in demand and price corrections have happened and some imported coil also dumping in India. So these all have happened. And government spending has also not happened properly as they have allocated in the budget for FY '25. But now government has also started, and that demand is also coming. So on that basis, we can expect that our CAGR will be increasing 8% to 10%. As India is expecting to grow CAGR by 8% to 10%, so therefore our growth of CAGR in the last five years is also witnessed for 34% growth trajectory. So in such scenario we are also expecting some growth.

**Akhil Parekh:** And just to be specific, my question is like, whether our dependency on the government-led projects is high, or is it more to do with the private investments which can give us a better scenario?

**Amitabha Bhattacharya:** We are not directly, earlier also Hariom had not directly contributed to any government project dependency. The overall market economy are there. So on that basis, when the government is investing in the big projects, surrounding area and surrounding private projects also coming actively. So therefore, automatically it has happened. It is only not created by a government, it is created by government and private parties also. So similar way the demand is coming in both ways.

**Akhil Parekh:** Okay, got it. And lastly, sir, one book keeping question. I mean, I don't know if you have that number handy, but like we would be doing roughly Rs. 160 crores, Rs. 170 crores of EBITDA

for this year. In terms of operating cash flow or convergence, say, from EBITDA to operating cash flow, where would be stand roughly, ballpark?

**Amitabha Bhattacharya:** So basically, sir, if you see, our operating cash flow already we have disclosed in our Q2 results along with balance sheet and cash flow, where you can see that the operating cash flow is coming positive Rs. 52.88 crores, right? So we are happy to announce that we are able to manage these operating cash flows growth trajectory. And anyhow, in December also we have not officially disclosed because as per SEBI guidelines we need not disclose the balance sheet and cash flow in the period and so therefore we have not disclosed. But as investors, we would like to share with you, our cash flows remain constant and strengthened, similar to Q2.

**Akhil Parekh:** Okay, great sir. This is good to hear. And thanks a lot and best wishes for coming quarters.

**Amitabha Bhattacharya:** Thank you.

**Moderator:** Thank you. The next question is from the line of Hrishit Jhaveri from PiSquare Investments. Please go ahead.

**Hrishit Jhaveri:** Hi, sir. Sir, I had a couple of questions, first on the debt part, what will be our current debt level as of December?

**Amitabha Bhattacharya:** As on December, our current debt is, just a minute. Our total debt is around Rs. 409 crores, roughly.

**Hrishit Jhaveri:** And out of that, what would be the long term debt?

**Amitabha Bhattacharya:** Long term debt is almost Rs. 120 crores, Rs. 123 crores.

**Hrishit Jhaveri:** Okay. So we have increased it from the September number, any specific reason for that, sir?

**Amitabha Bhattacharya:** For September, sorry? From September Rs. 133 crores it was. In September long time debt was Rs. 133.57 crores, to be precise, okay. So it has come down from Rs. 133.57 crores to almost Rs. 124 crores.

**Hrishit Jhaveri:** Okay. And sir, in this quarter, we did around 57,200 metric tonnes of volume, what would be the average price realization which we achieved in this quarter?

**Amitabha Bhattacharya:** The average price realization is 52,431 metric tonnes.

**Hrishit Jhaveri:** Okay. And which you are writing is a multi-year low pricing which we are getting, correct?

**Amitabha Bhattacharya:** Yes. If you check with the last quarter also Q3 or Q2 also, versus Q2 versus Q3 there is a 6% downfall in the price.

- Hrishit Jhaveri:** Okay. Sir, as per you what would be the optimal level, above 55,000 would be an optimal level that we plan in Q4, what is the growth we expect in pricing scenario?
- Amitabha Bhattacharya:** See, pricing scenario, if we have taken into the December figure also 52,000, what it was happened, this is the lowest price. From now onwards we are expecting the price will grow gradually, not immediately, but gradually.
- Hrishit Jhaveri:** Understood, sir. But in the March quarter, how much do we expect, do we expect 55,000 range in Q4?
- Amitabha Bhattacharya:** 54,000 - 55,000 you can expect like that, but it is very difficult for me to say upfront this much can be happened because it's all depend on market.
- Rupesh Kumar Gupta:** I would like to add that basically we are not concentrating only on pipe markets, we are even concentrating on other value-added products which are enhancing the profitability of the management and the company. So, basically our whole goal is to address on to the profitability area instead of working only on the line of competition and results. So the focus and the gear has been changed of the management to understand and have the more grip on the area where the competition is very low.
- Hrishit Jhaveri:** Okay, sir, understood. Sir, one more question on the China dumping part, with the US imposing additional tariffs. So globally, obviously, it will have adverse and indirect effect on India as well, which might further dampen the prices in the coming quarters. So what's your outlook on this scenario?
- Rupesh Kumar Gupta:** So, we do not think basically this would be a great thing which will happen and the Government of India will not focus on to. Government of India is also acting promptly on enhancing and respecting the infrastructure and the capacity enhancements which other primary players are doing. So they have to focus on things. And this is not at par with only one particular company, it's with all the companies established in India for steel segment.
- Hrishit Jhaveri:** Okay, understood. And sir, on the guidance part, earlier we had Rs. 25,000 crores guidance for FY '26, I think that will be pushed to nearly three to four months which you guided. So can we expect a Rs. 2,000 crores mark by FY '26?
- Rupesh Kumar Gupta:** So the volume part we are rest assured because the price is not in our hand. As Amitabh has also addressed you before on this particular line, the pricing is not in our hand, we cannot assure you on the pricing and the top line of that. But assessment on this particular pricing as today, whatever is happening, we can estimate on volumes. So volumes we are doing good. Now if at all we see last year versus this year also, I think around 18% drop in the pricing is already there. So the volume is more important than the value of the product what we see. And our focus is on to the profitability instead of getting only the volume. That is the whole focus on.

- Hrishit Jhaveri:** Okay. But sir, in 55,000 to 56,000 price range by next year, do we expect a RS. 2,000 crores mark with the volumes in the range of --
- Rupesh Kumar Gupta:** Just a second just. If you calculate out 56,000, it's coming around Rs. 1,700 crores to Rs. 1,750 crores. So that is focused only on this particular volume level. But because the focus of the company has changed to the value added products, so hence the profitability and the numbers will obviously grow, we are confident on that.
- Hrishit Jhaveri:** Okay. Thank you, sir. I will get back in the queue, sir.
- Moderator:** Thank you. The next question is from the line of Vimok Shah from Goem Labdi Fintech Private Limited. Please go ahead.
- Vimok Shah:** Yes. Thank you for the opportunity. Sir, I wanted to know like regarding the geographical expansion plan what are the specific timeline and milestones from the expanding dealer network in the western and northern India?
- Amitabha Bhattacharya:** So basically, sir, we are actively working on expanding our dealer network, particularly in Gujarat and Maharashtra. And our focus is on increasing penetration in Tier-2 and Tier-3 cities, while also strengthening our B2B partnership with construction, automotive and solar power industries, fan industries, some government enterprise also where we have already started to supply the material also, automobile sector also. The recently introduced galvanize product segment will help us to cater in new industries and markets. As you rightly said, geographical wise slowly and gradually we are moving forward. And it has happened reflecting in our results also in the coming future also it is clear in our strategies also.
- Vimok Shah:** Got it, got it. And sir, what are the current demand trends for the steel pipes and tubes, particularly in the infra sector?
- Amitabha Bhattacharya:** So basically, if you see our presentation also, in that presentation also it is reviewed by CARE also that as per the CARE review the total pipe segment almost 96 lakh pipes demand is there. In that pipe segment, almost 15% are below 0.5 mm to 2.5 mm requirement are there, where Hariom contributed almost 9% plus. So this is the present demand scenario which is audited figure as per FY '24 data, which I can say loudly and clearly as per CARE Research report on the basis which already we have discussed in our presentation also. And in the coming future also we are expecting as your Tire 2 and Tier-3 cities are growing and urban economy strengthens, so therefore this demand in the coming future also it is coming very positive.
- Vimok Shah:** Got it. Yes. Thank you. All the best.
- Amitabha Bhattacharya:** Thank you.
- Moderator:** Thank you. The next question is from the line of Harshit Khadka from Robo Capital. Please go ahead.

- Harshit Khadka:** Thank you for the opportunity. Am I audible?
- Amitabha Bhattacharya:** Yes, yes.
- Harshit Khadka:** Thank you. Sir, so I wanted to ask, can you give some color on what would be your EBITDA margins for the value added products like galvanized pipes?
- Amitabha Bhattacharya:** For this particular quarter or you are talking about overall nine months?
- Harshit Khadka:** In general sir, for nine months and also for this quarter.
- Amitabha Bhattacharya:** Okay. So in general last year it is much better, but this year also we are getting around near to Rs. 6,500 to Rs. 6,700 in between, roughly you can say for the quarter of December '24. If you take nine months it is coming Rs. 7,000 for galvanized pipes.
- Harshit Khadka:** Alright sir, thank you.
- Moderator:** Thank you. The next question is from the line of Sara from UVR Investments. Please go ahead.
- Sara:** Hi, sir. Thank you for the opportunity. Sir, in your presentation you mentioned that today company has 800-plus SKUs, what is your targeted number of SKUs by FY 2026?
- Amitabha Bhattacharya:** So, day by day our SKUs are increasing. And that might be by the end of FY '26 we can reach in the four digits also. So that means another minimum 200 SKUs also we are expecting to add it. It is not only pipe, it's pipe, coil and other products also.
- Sara:** Sir, in Ultra Pipes, out of total capacity of 84,000 metric tonnes, what is the percentage that can be manufactured via DFT?
- Amitabha Bhattacharya:** So Ultra Pipe actually total machines are under that technology only. So whatever Ultra is producing that is under this technology, by that technology only. It is about technology, DFT is nothing but technology.
- Sara:** Yes. Okay, sir. Sir, what is the range of pipes in terms of diameter and thickness that can be produced in MS tubes?
- Amitabha Bhattacharya:** So basically, we are having 1.2 mm thickness, in MS pipes we are having thickness of 1.2 mm. And CRGP pipes and coils from 0.6 mm thickness we are having. And in terms of diameter, we are having 9 mm to 180 mm diameter set.
- Sara:** Alright, sir. Sir one last question, what is the ROC you make without backward integration in order to make MS tube? And ROCE when you make via primary route in MS tubes?
- Amitabha Bhattacharya:** Sorry, sorry. can you repeat once?

- Sara:** Yes, sir. So what is the ROCE that you make without backward integration in order to make MS tubes? And ROCE via primary route in order to make MS pipes?
- Amitabha Bhattacharya:** So, madam, basically we are not submitting any segmental reporting, it is quite difficult. And moreover, I would like to clarify that our MS pipe route ROCE is always by the integrated part through. Without integration, we are not doing any ROCE. And if you are talking about company ROCE, overall ROCE as on December '24 is 18.1%.
- Sara:** Okay. Alright. Thank you.
- Amitabha Bhattacharya:** It is quite difficult for us to classify this way, unless and until segmental reporting.
- Moderator:** Thank you. The next question is from the line of Nitesh Dutt from Berman Capital. Please go ahead.
- Nitesh Dutt:** Hi, thank you for this opportunity. Sir, in this quarter we made an EBITDA of Rs. 7,000 per tonnes. Can you give EBITDA per tonne for MS pipes, tubes, GI pipes and galvanized coil as well?
- Amitabha Bhattacharya:** So, you want to segregate asking me the individual product wise EBITDA?
- Nitesh Dutt:** Yes, EBITDA per tonne, just a broad range would also be okay, I just wanted to get an idea.
- Amitabha Bhattacharya:** For MS tubes you can take it up around Rs. 8,600 to Rs. 8,650. All the figures I am telling you, exact figures I cannot say because it is not audited. It's a limited report, but the figure is almost similar range, Rs. 8,600 you can take from MS tubes, scaffolding you can take Rs. 11,500. And GP pipe is again Rs. 6,500 to Rs. 6,800, for this quarter.
- Nitesh Dutt:** Okay. Sir, GP pipes, my understanding is you are not as backward integrated as you are in MS tubes, because you have to buy HR coils and then make pipe from GP coil. So how are you making such high EBITDA per tonne there as well because I think I believe converters in the industry typically make Rs. 3,000 in MS tubes, if I am not wrong.
- Amitabha Bhattacharya:** Yes, in MS tubes converter is generating Rs. 3,000 as we are in MS tubes, as we have the backward integration so in furnace also we are having certain EBITDA, in rolling mills also we are having certain EBITDA. And in iron ore to sponge iron manufacturing also we are having certain EBITDA. So altogether we are getting Rs. 8,500 plus EBITDA in MS pipes, despite this market scenario. And as far as GP pipe and GP coil question, if you check that the figure is Rs. 6,500 to Rs. 8,500 means almost Rs. 2,000 lower than the MS tubes. That is why, as our raw material source we are purchasing from the outside, therefore our Rs. 2,000 is lesser than the MS tubes. And from the market why we are getting better margin because of we are producing 0.4 mm thickness coil also from our tandem mill. And as I said earlier also that our coil product and other product also, apart from GP pipe, that is used for specialized steel engineering sector

where we are getting better margin in terms of realization. So that allows us blended to come this much.

**Nitesh Dutt:** Got it, thanks for that. Just one more question, sir. In the industry, primary players, right, people who purchase HR coils directly from steel producers and then make MS pipes, do you price your products slightly lower than those people or is your pricing independent of their pricing?

**Amitabha Bhattacharya:** So, basically in the price segment that is always depend by the market scenario. We are basically, in our product, we are not compare with any primary or secondary steel producer. As far as Hariom is concerned, Hariom brand, the management and Hariom has found the best market realizable value we are selling our product, and that is independently. We are not calculating or depending back calculation anything.

**Rupesh Kumar Gupta:** So, adding on to your question, Mr. Nitesh, basically our performance is based on to dealer networking and all, it's not the distributors. So the pricing part, we get a better realization, that's the whole thing what we do.

**Nitesh Dutt:** Got it. Thanks.

**Moderator:** Thank you. The next question is from the line of Sahil Rohit Sanghvi from Monarch Network Capital. Please go ahead.

**Sahil Sanghvi:** Good afternoon, sir. And first of all, congratulations on maintaining the volume growth even in such difficult times. I wanted to understand your progress on the --

**Moderator:** Sorry to interrupt, Mr. Sahil, I would request you to please use your handset.

**Sahil Sanghvi:** Yes, is this better?

**Moderator:** Yes, sir.

**Sahil Sanghvi:** Yes. Thank you for the opportunity and congratulations for maintaining a strong volume growth in difficult times. My first question is, can you help us understand the progress on some of your B2B side contracts? I mean, you were working on signing a few new customers and contracts, any progress on that front, especially on the few other government side also, any progress on that front?

**Amitabha Bhattacharya:** So basically, for B2B, GP coils and others, during the quarter and the last nine months our total volume was 10% you can say directly GP coils, in terms of volume almost 17,260 metric tonnes directly sold to B2B.

**Sahil Sanghvi:** Okay. And on the total volumes, we are still at 15% of sales to B2B?

**Amitabha Bhattacharya:** Yes.

- Sahil Sanghvi:** Okay, okay. Secondly, would you be able to help us understand how the working capital cycle will be reduced, especially on the inventory days and on the payable days, please?
- Amitabha Bhattacharya:** So basically, sir, in terms of raw material, if you check with the raw material, so last year versus this year almost September '24 or you can say last nine months, automatically it is coming down, overall raw material cycle days, it is coming down, the consumable days is coming down to almost four to five days. And similarly, finished goods is also coming down. And raw material segment also remains one to two days difference. Overall, net working capital days to sales if you are taking, it is coming down from the last financial year to this financial year last nine months, it's coming down to almost 12 to 14 days. And we are managing this cycle continuously. In terms of receivables we are approaching dealer finance very much through very much PSU banks, private banks to onboard our dealer where we are getting our data holding days is coming down, and it is our volume of sales. And at the same time, we are taking credit from the manufacturer, direct suppliers, primary steel producers so that our working capital holding operating cash flow becomes strengthened.
- Sahil Sanghvi:** Got it, sir. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Richa Chaudhry from Electrum PMS. Please go ahead.
- Richa Chaudhry:** Sir, in the last call we had given a guidance of roughly 2,70,000 tonnes of volume, so do we see that happening considering the run rate is roughly around 55,000 to 60,000 per like quarter? So do we see quarter four to be very strong?
- Amitabha Bhattacharya:** Quarter four is strong, and we are expecting, as I earlier also clarified that 20% growth in volume is there, and from last financial year to this financial year our total volume of growth will be 20%. And it is along with the proportionate increase in PAT volume also in terms. And moreover, in terms of absolute figure in volume, so 2,70,000 whatever you said, it is little bit difficult but somewhere around 2,38,000 to 2,40,000 will be reached.
- Richa Chaudhry:** Okay. And also sir, could you just mention how much is the debt levels and cash on the balance sheet as of like the last quarter?
- Amitabha Bhattacharya:** Debt level already I have clarified that the total debt, long term and short term, is Rs. 409 crores and total outside liability is Rs. 516 crores, and TOL versus TNW is almost 0.9, it is below 1.
- Richa Chaudhry:** And one last clarification, do we see any capacity expansion happening on the GP side for the next like two years?
- Amitabha Bhattacharya:** In GP side, no. First of all, we are using our existing capacity to exhaust our existing capacity, and then execute it in phased basis. We align capacity increase with the market demand and capital availability. We have the long term plans for utilizing this land and scalable capacity expansion.

- Richa Chaudhry:** Sir, right now the GP capacity is 3 lakh tonnes, right?
- Amitabha Bhattacharya:** Yes.
- Richa Chaudhry:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead. Mr. Rahil, I would request you to please use your handset.
- Rahil Shah:** Am I audible? I am on my handset.
- Moderator:** Yes, sir. I would request you to please speak a little louder. Thank you.
- Rahil Shah:** Okay. Yes, sir, just one question. I believe it's the same on the volume front. So you said you expect to close the year with 2.38 lakh tonnes, correct?
- Amitabha Bhattacharya:** Yes.
- Rahil Shah:** Can we cover the gap which we are missing out this year in the next financially year '26 and reach 3 lakh tonnes, is that our target aspiration?
- Amitabha Bhattacharya:** For the next financial year you are talking about 3 lakh metric tonnes, right?
- Rahil Shah:** Yes, which we were kind of targeting for FY '25 but we have fallen short.
- Amitabha Bhattacharya:** For FY '26 we can take this target for 3 lakh metric tonnes. So here and there, 10% plus or minus will be there because in the last financial year we can only see the volume only we can work on that and definitely we will be targeting and we will be achieving.
- Rahil Shah:** And the average selling price which is now gradually moving upwards and expected to continue ahead as well, what sort of bracket one can assume for the whole year? I mean, of course you cannot predict prices, but like where do you expect them to be?
- Amitabha Bhattacharya:** At least if it is coming to the line of FY '22 performance then the price was almost 62,000 overall, all the value-added products together. Then you can say it is nothing like it. We are always expecting that kind of value again we will be getting, but let's see what market will give.
- Rahil Shah:** Okay, okay. Fair enough. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Pankaj Motvani from Equirus Wealth. Please go ahead.

**Pankaj Motvani:** Thank you for the opportunity. My question was on the inventory part, so I feel like there is a significant amount of inventory in your books, and with the decline in the steel prices what is the quantum of inventory losses you have booked in this quarter?

And also like despite these losses, like the gross margins of the company appears to be stable, if I see gross margins it is in the range of 24%, and sequentially in the September quarter it will also be in the same range, like 24%. So, I also want to understand like despite this decline in steep prices how are we able to maintain the gross margin?

**Amitabha Bhattacharya:** So basically, raw material price fluctuations are a common challenge in the industry. However, we have effectively mitigated their impact through strategic procurement, bulk purchasing efficiencies and continuous process optimization. Our diversified product mix and agile pricing strategy have enabled us to maintain stable margins while staying competitive in a volatile market. Because of this strategy we have successfully maintained our EBITA margin which is almost 13.1% in Q3 FY '25 comparatively to 11.64% in the Q3 FY '24. So, our EBITDA for Q3 FY '25 was Rs. 39.63 crores, reflecting a 22% year-on-year growth. While for nine months FY '25 it reached Rs. 126.58 crores, making a 31% year-on-year increase. This demonstrates our ability to sustain profitability despite external cost pressure, reinforcing the strength of our operational efficiencies and strategic cost management. Apart from that, I would like to add that power cost, the power cost after the raw material is a major factor for any steel industries where we are able to manage the power cost in terms of almost of 32% reducing power cost. So which altogether allows us to maintain our margins.

**Pankaj Motvani:** So, a follow-up question on this, I just want to understand like do you have booked inventory losses in this quarter because of the decline in steel prices?

**Amitabha Bhattacharya:** No, nothing is coming, because as we have purchased, we have entered into the steel business from past more than two decades. The inventory loss we are not holding any stocks via purchasing. Therefore the steel price, whether it is coming down or coming up, especially raw material, it's not impacted to our balance sheet. We have always maintained the cycle and always our finished goods is always pre-booked, which are lying in our factory premises. So therefore so far we have not booked any sort of inventory losses.

**Pankaj Motvani:** Like as per the accounting policy we have to have inventory on cost or allow it to get lower. So like I just want to understand like even with the decline in steel prices, so like we have to evaluate inventory at lower cost because of the accounting policies. So I just wanted your view on this like why we are not booking inventory losses?

**Amitabha Bhattacharya:** No, actually if you see our P&L, we have not booked any inventory losses. And as I clearly explained you that due to the cost efficiency and our raw material cost also if you checked with our raw material cost also quarter-on-quarter basis, that is also remaining constant. Because we are not purchasing in a bulk mode and not dumping the raw material. Therefore, the fluctuation of rate or change of rate or lower of rate is not impacted our financial.

- Rupesh Kumar Gupta:** In short, basically the sense of the management, how they manage their inventories incoming and outgoing. So the price fluctuation will not impact this and we are good to investment.
- Amitabha Bhattacharya:** And moreover, we are able to pass on the cost difference in the market itself through our integrated process.
- Pankaj Motvani:** Okay. And my second question was on the EBITDA per tonne, like if you can see sequentially like EBITDA per tonne has declined from Rs. 7,600 in quarter one to around Rs. 7,500 in quarter two, and in this quarter it has declined to Rs. 6,900, like what are the key reasons for this decline? And also, what is like way for the guidance in FY '26?
- Amitabha Bhattacharya:** So basically, if you check with the realization price, that is when the realization price is quarter-on-quarter basis it is coming down on an average 5% to 6%, in terms of EBITDA decline mode is not in terms of that much of percentage, okay. So due to that our efficient operational capacity and efficient management skills we are able to manage the EBITDA. It is quite common thing that when the steel price is coming down, the realization price coming down, some absolute figure value, something is lower. But not at that much as the realization price is coming down from the market.
- Pankaj Motvani:** So you just pass on the prices to the customers, so like why are we fixing a decline in EBITDA?
- Amitabha Bhattacharya:** We have passed on whatever the additional differences we pass on to our customers, because we are not dumping the raw material in our premises as well as the finished goods. Therefore, the price fluctuation is not impacting our profitability. And as far as future questions per tonne EBITDA, yes, we are very much optimistic. And whatever our earlier FY '22 also we are earning, that much of percentage of EBITDA again we are confident it will be coming, given by the market and demand also through the demand.
- Pankaj Motvani:** Okay. So like we can expect seeing EBITDA per tonne for the coming quarters?
- Amitabha Bhattacharya:** Exactly specific numerical figure I cannot say, but yes, we are expecting positively.
- Pankaj Motvani:** Okay. And just one more question on the sponge iron status, so like what is the status of the plant?
- Amitabha Bhattacharya:** Regarding sponge iron expansion?
- Pankaj Motvani:** Yes, yes.
- Amitabha Bhattacharya:** So presently, just 20 days back we have got the CFO renewal approval from the Andhra Pradesh Pollution Control Board, now we have applied for the EC and as well as CAP to the Pollution Control Board. As you are aware that new government has formed, so last one and a half years, all the policy of the state government was not actively doing. Now after the new government now they have started to work functioning properly and we have already filed our application

which is into the pipeline. Recent past we have got the CFO renewal process for the 100 TPD, and now we are again applying for another 100 TPD for CAC which is in pipeline. And we are expecting within month or two it will be received from the department. As and when we will receive we will start the construction for additional 100 TPD.

**Moderator:** Thank you. The last question is from the line of Hrishit Jhaveri from PiSquare Investments. Please go ahead.

**Hrishit Jhaveri:** Thank you for the opportunity again. Sir wanted to highlight that do we plan any export plans in coming year, are we planning to expand our geographical presence outside India?

**Amitabha Bhattacharya:** Sir, as I said earlier also, SKU wise we have a lot of product baskets addition in Hariom. So therefore, yes, very true, that option is also open for us and we are closely working on that also. But when and how much it will happen, at present I have no practical data, so therefore I cannot disclose it. Otherwise, we are working closely on export market also.

**Hrishit Jhaveri:** Okay, sir. And do we need any significant CAPEX for at least next two to three years to reach that 4 lakh metric tonne goal? Because I think post FY '27 our capacity would be exhausted, so any strong CAPEX plans or not, sir?

**Amitabha Bhattacharya:** So, CAPEX investment, particularly in the high margin product categories like galvanized pipes, already I told in the first discussion also, it will take some more time but we are doing in the phased manner, and no present CAPEX we are doing. Whatever into the pipeline we complete it first and then we have to expand as per the demand and requirement basis.

**Hrishit Jhaveri:** Okay. So no major CAPEX planned for next year at least?

**Amitabha Bhattacharya:** At present we do not have, only on the basis of the demand and case manner we will be doing, disciplined with the financial management.

**Hrishit Jhaveri:** Okay. And just the last question, can you give a revenue or volume split up between MS tubes, GP and scaffolding as percentage of total Hariom's revenue?

**Amitabha Bhattacharya:** For Q3 '24?

**Hrishit Jhaveri:** As well as nine months if we can, it would be great.

**Amitabha Bhattacharya:** As well as nine months?

**Hrishit Jhaveri:** Yes.

**Amitabha Bhattacharya:** So basically for MS tubes and scaffolding, nine months total contributed in terms of volume 77,000, near to 77,000 roughly. And galvanized product is given almost 77,000. So both together at 77,000, 77,000 majorly.

- Hrishit Jhaveri:** Okay. So GP will remain the greater part, which will be more than 50% for the coming years?
- Amitabha Bhattacharya:** Yes, you can say that way also, GP means not only pipe, in terms of pipe, coil, and apart from GP cold rolled coil, pipes are there, and other product baskets are also there.
- Hrishit Jhaveri:** Okay, sir. Thank you so much and all the best, sir.
- Amitabha Bhattacharya:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Sumanth Kumar from Motilal Oswal Financial Services for closing comments.
- Sumant Kumar:** Sir, do you want to have a closing comment?
- Amitabha Bhattacharya:** No, we do not have any closing comment.
- Sumant Kumar:** Okay. Thank you so much, sir. Thank you, everyone.
- Amitabha Bhattacharya:** Thank you.
- Rupesh Kumar Gupta:** Thank you all.
- Moderator:** On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you for joining us. And you may now disconnect your line.