# Electrosteel Castings Limited – Q1 FY25 Earnings Concall Transcript

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Moderator: Ladies and gentlemen, good day and welcome to the Q1FY25 Earnings Conference Call of Electrosteel Castings Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions. Should you need assistance during the conference call, please signal an operator by pressing '*' and '0' on your touch tone phone. I hand the conference over to Mr. Vikash Verma from EY LLP. Mr. Vikash, please go ahead.

Vikas Varma: Thank you. Good afternoon, everyone. On behalf of Electrosteel Castings Limited, I welcome you all to the company's Q1 FY25 earnings conference call. To discuss the performance of the company and to answer the questions we have with us from the management team, Mrs. Radha Kejriwal Agarwal - Whole Time Director, Mr. Madhav Kejriwal – Whole Time Director, Mr. Sunil Katial – Whole Time Director and CEO, Mr. Ashutosh Agarwal - Whole Time Director and Chief Financial Officer and Mr. Gaurav Somani - General Manager Finance.

Before we proceed with this call, I would like to draw our attention to the fact that today's discussion may contain forward-looking statements that are subject to various risks, uncertainties and other factors which will be beyond management control. We kindly request that you bear in mind there may be uncertainties when interpreting such statements. Please note that this conference is being recorded. We will now start the session with opening remarks from the management team. Afterwards, we will open the floor for an interactive Q&A session. I will now hand over the conference over to Mr. Sunil Katial – Whole Time Director and CEO for his opening remarks. Thank you and over to you Sir.

Sunil Katial: Thank you, Mr. Vikash. A very good afternoon to all, and a warm welcome to Electrosteel Casting Q1 FY25 earnings concall. The company has been able to sustain its growth trajectory in the first quarter of FY25 achieving a notable 18.9% year on year increase in consolidated revenue to INR 2,036 crores driven by strong demand of DI pipes and fittings in water infrastructure projects in the domestic markets.

The EBITDA of the company has surged remarkably to nearly 102% year on year basis to INR 378 crores in this quarter. This is on account of company's consistent focus on maintaining operational excellence and improving cost efficiency through economies of scale and other initiatives. We have repaid INR 30 crores of debt during Q1 FY25 resulting into a net debt equity of 0.33 times during the quarter, thereby signifying the strength of our balance sheet.

The companies DI Pipe sales volume stood at 1.93 lakh tons in Q1 FY25. Export contributed 12% of this volume. Electrosteel Castings remains the preferred supplier of choice for major water infrastructure projects thanks to our deep domain know how both in domestic and export market and there is resultant brand image. The ongoing CapEx initiatives are progressively moving as planned to cater the growth demand of DI pipes. Thanks to the government's Jal Jeevan Mission and Amrut 2.0 Scheme, we plan to expand our production capacity to 1 million ton by the end of FY26.

We are also in the process of acquiring land in Odisha for the upcoming Greenfield DI pipe and fitting project. The project's scale is currently under final stages on the drawing board. We will update the same to all of you and our analyst fraternity through the exchange filings.

Thus, through judiciously planned expansion and execution process, Electrosteel Castings will continue to maintain its leadership stance in the domestic DI pipes and fittings industry and as well as hold its flag high in the export market.

I would now like to hand over the floor to my colleague, Mr. Ashutosh Agarwal - Whole time Director and CFO for taking you through the financial highlights.

Ashutosh Agarwal: Thank you Katial ji. Good afternoon and warm welcome to all the investors present in Electrosteel Castings Q1 FY2025 earning concall. First of all, I would like to brief you about the consolidated results of Q1 2025.

The total income increased by 18.9% year on year to INR 2,036 crore due to robust domestic demand. EBITDA surged by 102 % approximately year on year to INR 378 crores and the EBITDA margin expanded by 761 bps year on year to 18.5% led by the economies of scale. PAT grew by 202% year on year to INR 226 crores. PAT margins expanded by 673 bps year on year to 11.1% during the quarter.

Now, about the standalone results for the Q1, the company sold 1.93 lakh tons of DI pipe in this quarter. Total income grew by 21% year over year to INR 1,851 crores. EBITDA grew by 92% approximately year on year to INR 354 crores. And the EBITDA margin expanded by 705 bps year on year to 19.1% led by economies of scales coupled with operational excellence. PAT surged by 161% year on year to INR 212 crores and the PAT margin expanded by 615 bps year on year to 11.5% during this quarter.

About the Capex plan, the ongoing Capex of approximately INR 700 crores is progressing as per our schedule. The Company spend nearly INR 410 crores till Q1 2025 financial year and target to enhance its overall DI pipe manufacturing capacity to 1 million ton in the year 2026. Now, I shall open the floor for the question answer session. Thank you very much.

Moderator: Thank you. First question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Thank you for the opportunity. Sir, firstly about the Capex part, which Ashutosh ji articulated about INR 410 crores. So, this Capex is spent during which period and how much is left to be spent for this financial year?

Ashutosh Agarwal: Up to last quarter, we have spent INR 390 crores and, in this quarter, we have spent 20 crores.

Saket Kapoor: OK. And what will be the capacity augmentation, Sir by end of the year?

Ashutosh Agarwal: 5.5 lakh tons will be done and further 1 lakh ton will be next financial year in 2026.

Saket Kapoor: So, for the exit of FY25, we will be having 5.50 lakh tons for the South unit and what will be the capacity for our Eastern unit?

Ashutosh Agarwal: Approximately 350,000 tons.

Saket Kapoor: 350,000 tons. OK, so 9,00,000 will be at the exit of FY25?

Ashutosh Agarwal: Correct.

Saket Kapoor: OK. So, we will get the benefit of the enhanced 1,00,000 capacity in phase manner for the for H2 or will that benefit will get percolated to the next year?

Sunil Katial: No. In fact, these facilities are expected to be commissioned by the end of third quarter. So, part of the benefit, definitely we'll start accruing from fourth quarter onwards.

Saket Kapoor: Ok. Sir, when we look at the EBITDA number and also the raw material environment currently. So, this EBITDA trajectory looks to be on a steady set of state and these numbers look sustainable now, taking into account the major raw material price trends currently?

Sunil Katial: Yes, that's what looks like, though there are some I mean fluctuations, actually the coal prices have a bit softened, but at the same time the iron ore has had the upward trend in both Karnataka region as well as Odisha. So, but possibly, I mean these will get netted off more or less and we should be able to hold on to the trajectory.

Moderator: Thank you. Next question is from the line of Pinaki Banerjee from AUM Capital Private Limited. Please go ahead.

Pinaki Banerjee: Thank you, Sir, and thanks for the opportunity. So, my first question is that for previous participants, all that coking coal prices have been under pressure for some time now. So, is that aiding in your margin growth for the current moment and where do you see the trend going in future?

Sunil Katial: Actually, speaking the coking coal prices have a bit softened in the last 2-3 months, so but it's very difficult as of now to really say how it is going to look alike. In fact, there have been some fire in one of the major mine in Australia, and also a bit of a lull in the steel market and China was also on the back foot as a result of all this you know, in between, I mean this coking coal prices have taken a downward impact, but now China has started getting back so, let's see, really.

Pinaki Banerjee: Sir, your final terms and contracts with the final customers are they fixed price contracts, or do you have the option of renegotiating if the import price goes up?

Madhav Kejriwal: Sir, Close to 90 to 95% of our contracts are fixed priced.

Pinaki Banerjee: OK. So actually, the prices go up, then you can have a relative disadvantage over there. Am I understanding correct, Sir?

Madhav Kejriwal: Yes, along with the certain delay, obviously because of stocks that we have for our existing order book, it will be an impact, but that similar trend is also playing in reverse because that we will then book orders for elevated raw material prices and if the prices fall, then we will see an upsurge in the margin. So, on a mid-term to long term basis, you will see a streamlining of the margins.

Pinaki Banerjee: Actually, just now, Mr. Ashutosh said that you have repaid about 30 crores of debt. So actually, what is the current debt and cash position now?

Ashutosh Agarwal: The current long term debt is around INR 489 crores as on 30th June 2024 and the short term is INR 1,367 crores. Total is 1856 crore, but the net debt after deducting the cash available in the system is approximately INR 1,500 crores.

Pinaki Banerjee: Ok, Sir. And just like to ask you the last question, it's just hypothetical one. Sir, now in the Union Budget, the finance minister has allocated about INR 16,000 crores for Telangana and so are you seeing any opportunity over there?

Madhav Kejriwal: I think you mean Andhra Pradesh, Sir.

Pinaki Banerjee: Yes, Andhra Pradesh.

Madhav Kejriwal: Yes, most definitely. We will benefit from that, especially considering that our South plant, which is the bigger capacity one is in Andhra Pradesh itself.

Pinaki Banerjee: Ok, Sir, that's all from my end. Thanks, and all the best for the future.

Moderator: Thank you. Our next question is from the line of Radha from B&K Securities.

Radha: Congratulations. Sir, I wanted to understand that export mix has come down in this quarter to 12%. So, with increased capacity in place after 3Q, how do you see the export?

Madhav Kejriwal: Ma’am, with regards to the export, at this point, due to the robust demand in the domestic market, it's a decision that we've taken keeping in mind margins to reduce export, it's by design that this has taken place. Also, there are fluctuations in the ocean freight going to various global affairs. So, it's not really an indicator of what will be happening on a long-term basis. We would like to increase our presence in the export market in tandem with the growth that we are seeing in our capacities.

Radha: Sir, do you believe in the export markets, realizations are slightly better?

Madhav Kejriwal: It usually is, Madam, but as I mentioned, there have been some major upheavals in the transportation costs which are going to be temporary in nature and also there was good demand pull from the domestic market for this particular quarter, being close to the election period, so that's the reason why we see this trend for that.

Radha: Because of the lower supply in the export market recognition, because the domestic demand is very good. So, do you expect any loss in market share in the in the export due today?

Madhav Kejriwal: As I mentioned earlier, ma'am, this is not a trend for the long-term future. This is a momentary one. So, what you're saying would probably apply for a period of six months or so. Nothing longer.

Radha: Secondly, another 75,000 tons capacity is expected to come from the Srikalahasthi plant for FY25 out of this, how much are we planning to sell from this additional capacity this year?

Madhav Kejriwal: We would be selling most of that, ma'am. I don't think there will be any unsold capacity from the additional.

Radha: Can you do north of 8 lakhs tons of DI sales this year?

Madhav Kejriwal: We will be hitting somewhere around the ballpark figure of 8.5 lakh tons this year.

Moderator: The next question is from Kuber Chauhan from Anand Rathi. Please go ahead.

Kuber Chauhan: Thank you for the opportunity and congratulations on good set of numbers. There are two questions from my side. When you are saying about the demand, so from which region we are looking, we are getting more demand. And my second question is on the land which we have acquired in Odisha, can you give some highlight on that?

Madhav Kejriwal: Sir, I'll start off by answering the second question first. It's a little early for me to throw any light on our plans in Odisha right now. So, I shall refrain from that. In regard to the demand pool today, there is decent amount of work left almost all over the country. So, there is no single state which is really pulling a lot of demand. There are ups and downs regard due to seasonality or fund availability for that particular moment. So, at times you will see a state pulling in more but there is not really one location I think, Andhra is going to pick up for the near future, so that's going to be one market, which we are optimistic about. And of course, Odisha, Madhya Pradesh, Rajasthan, UP, etc. remain strong markets for us as well.

Kuber Chauhan: And what would be our volume on an annualized basis if you can give some percentage or any ballpark number?

Madhav Kejriwal: Our sale volume will be around as I mentioned earlier, would be around in the ballpark of 8.5 lakh tons for this financial year.

Kuber Chauhan: Ok. Thank you.

Moderator: Thank you. Next question is from the line of Mr. Gunit Singh from Countercyclical PMS.

Gunit Singh: Sir, I would like to understand with our competitors and players across the board, in DI pipes coming up with capacities in FY26 and in the coming 2-3 years, I mean, do we see there to be any margin pressures in the future with respect to DI pipes? And do we expect the, I mean the supply to outrage demand or how does the overall industry scenario and DI pipes look looks like for the coming 2-3 years in terms of demand supply dynamics?

Madhav Kejriwal: Sir, in the near-term, I look at it as a positive with the increasing capacity in the industry, because at this moment, there is a major gap between demand and supply which causes this thought and mindset of changing pipe material, but with the strong domestic industry, we will only see the demand being pulled up, so it's a kind of cycle where if availability of material increases, so will the demand. That is one part of the equation. The other is that we are very far from installing even our first virgin infrastructure for water pipeline across the urban and the rural sectors we've just about started with irrigation, so the next five years is quite an optimistic view.

Gunit Singh: Policies of vertical discrepancy between demand and supply would I mean, can you quantify the industry wise number if possible?

Madhav Kejriwal: We would be looking at a demand scenario of approximately 5 to 6 million tons over the next five years, each year and supply would be meeting this I think around the 3rd or 4th year, so we have some time to go.

Moderator: Thank you. The next line is from Mr. Avinash Nahata from Parami Financial services. Please go ahead, Sir.

Avinash Nahata: Thanks for the opportunity. I have two questions. I've been following the company for quite a long period of time when we have spoken in the past, let's say last year. So, we spoke about EBITDA per ton and the management team has indicated that 11/12/13 thousand should be the right way to look at it. If I look at last four quarters, it's an upward of 15/16/17 thousand and this quarter was more than 18,000 EBITDA a per ton the product. The sales were 1,93,000 ton, right?

Madhav Kejriwal: Yes, please.

Avinash Nahata: Yeah. So, I have two questions. What has transpired in the last four quarters, which has seen what we used to do 10/11/12 thousand EBITDA per ton and we are now doing 16, seventeen, 18,000 EBITDA per ton? What are the key reasons from both demand and supply perspective, if you can tell us? And my second question is what is the sustainable number? I had asked this question last year also when you guys said 11/12 is a good enough this number to carry.

Madhav Kejriwal: I think last year the reason for those numbers were because we didn't want to over-commit. I do agree on the fact that it was probably not envisaged that we will see such a jump in the overall margins, although now that we study the reasons, it seems like those reasons are going to be valid for the foreseeable future. So, saying that, I think being around these margin numbers is pretty much valid. The reasons are largely demand and supply related. The numbers have, as I've mentioned just a while ago was that there is a gap of around a million to a million and a half at this moment between the demand and supply, which will take some time to narrow down. It's largely related to that. There have been some unlocking of efficiencies that we've seen as we've expanded, of course, there's also the matter of economies of scale that adds to the equation.

Avinash Nahata: Yeah. So, I mean, two questions again from my side is one is we were running our plants at full capacity earlier also. I mean and 2nd from the demand side when you're saying there is a gap of 1 million ton, so that gap existed one year back also two years back also.

Madhav Kejriwal: I would not say that the same gap remained one year back and two years back as well, the demand scenario has been picking up. The avenues for the demand pull have also increased by way of irrigation starting to pick up and AMRUT 2.0 expenditure starting as well. The other aspect in regard to our full utilization of plant, we have obviously made some improvements in the overall equipment and that really helps you hit better efficiencies. You see that it is not a pro rata jump in your efficiency when you go from a certain size of equipment to a much bigger size. So that comes into play. Half a million tons steel plant and the 1 million ton both running at full capacities will not have the same performance indexes.

Avinash Nahata: OK. So, are you saying that INR 15,000 per ton is maintainable, maybe 18-19 is on the higher side, but INR 15,000 EBITDA per ton is maintainable according to you over the next I mean whatever foreseeable future you can look at?

Madhav Kejriwal: Yes, please.

Avinash Nahata: And what was the export number we did in terms of ton tonnage?

Gaurav Somani: We sold around 24,000 tons.

Avinash Nahata: Thanks a lot, and all the very best.

Moderator: Next question is from the line of Mr. Jojo Shaju from Alpha Invesco Research Services. Please go ahead Sir.

Jojo Shaju: Yeah. Thanks for the opportunity. Sir, most of my question is already answered. So just two questions from my side. One is on the exports. So, exports volume as you mentioned came down to 12%. And if I look back, it was around 20 % in the Q1 of last financial year. So just want to check what is the outlook on the export market and if you can specifically talk about Europe and Middle East market?

Madhav Kejriwal: The demand in Europe and Middle East are very much stable. In fact, in the Middle East there is an upswing in demand. Europe has seen a very temporary downswing. That's more seasonal and also, there are there were a lot of elections going on this year so a bit of a slowdown going to that account. In regard to our percentage of shares for export, because of the fluctuations in the ocean freight, there was a bit of a downturn in this quarter. I don't think that this trend will maintain for too long. We are seeing trends for us to maintain the 20% export contribution.

Jojo Shaju: Ok, Sir. And how about the US market doing for us? What is the outlook over there?

Madhav Kejriwal: The US market is very protectionist in nature and it has its own difference in material type which is one of the reasons why it cannot be completely capitalized by an outsider and it also has a very strong indigenous manufacturing ecosystem. So, owing to that, we don't see the US being a market where we can exponentially grow, but we will maintain our existing hold.

Moderator: Thank you. Next question is from the line of Mr. Bharat Sheth from Quest Investment. Please go ahead, Sir.

Bharat Sheth: Hi, good afternoon, Sir. My question is we wanted to work on to improve the contribution from joint business, so which can help us which is a higher EBITDA margin. So, can you give how the trend is and what currently is the contribution and whatever in past and they do we see in couple of years?

Madhav Kejriwal: I'm sorry. So, you'll have to elaborate a bit on that question please.

Bharat Sheth: See, we have two products, joints and the pipes, correct?

Madhav Kejriwal: At this moment, we have been continuously expanding our capacity for fittings. I think that is what you're referring to.

Bharat Sheth: Correct. Yeah. Fittings correct.

Madhav Kejriwal: We are looking at having an installed capacity of 24,000 tons even for the Greenfield project of Odisha, there are plans at this point to see if we can expand it. Of course, nothing is concrete. We are hopeful that we maintain the contribution of fittings at around 5 to 10% and going forward, I think that will be a good value add for us. You can say cherry on cake scenario.

Bharat Sheth: Ok, so currently it is in what range and where do we see in FY25 and FY26?

Madhav Kejriwal: It contributes around 4 to 5% at this moment.

Bharat Sheth: OK. And we want to take it to 10% in two years' time?

Madhav Kejriwal: Somewhere between 5-10.

Bharat Sheth: Ok, thank you. And all the best.

Moderator: Thank you. The next question is from the line of Deepesh Sancheti from Maanya Finance. Please go ahead Sir.

Deepesh Sancheti: Yeah. Well, I just wanted to know the capacity utilization is 100%, right?

Madhav Kejriwal: Yes, please.

Deepesh Sancheti: Yeah. So, what is the raw material mix? How much of the raw material like how much iron ore and how much is that coal? Does that affect our raw material prices in terms of percentage?

Sunil Katial: As a percentage, the coal prices are around 52% and iron ore is around 26-27%.

Deepesh Sancheti: 26 to 27% OK. And what is the order book right now?

Madhav Kejriwal: We have approximately 11 months of order book.

Deepesh Sancheti: 11 months and with the increased capacity, are we looking? I mean, how much is the order book is from exports and from domestic?

Madhav Kejriwal: Approximately 15% would be from export and the remainder from domestic.

Deepesh Sancheti: OK. And I know you get this question, but any update on the money from JSW?

Madhav Kejriwal: Being an election quarter, there was a lot of lulls on that front, to be very frank.

Deepesh Sancheti: OK, there was a bit lull, but now with the same government elected, do we expect that this will expedite?

Madhav Kejriwal: I've been wrong in my assessment of this in the past. I'm still optimistic because it's moving in the right direction, but it's a little slower than what we expected. So, I think it's best if I don't give any timelines at this point.

Deepesh Sancheti: Right. But there has been no advancement or anything, nothing in this quarter, at least?

Madhav Kejriwal: From the last concall, no Sir, there have not really been any advancements at the same time, it's not going back either. So, there's nothing negative.

Deepesh Sancheti: OK. So, we are hopeful. Now just want wanted to understand with our Odisha expansion and other state expansion, how does the change of government affect our expansion plans, or you know do we get the orders from state government or from directly from central government? How is it?

Madhav Kejriwal: The orders are coming in from the state government, but I think both the past and the current government are quite efficient and focused towards the infrastructure development, so I don't see any change in stance over there.

Deepesh Sancheti: OK, so with the Maharashtra elections or any other elections coming in for the future also we don't see any big change?

Madhav Kejriwal: Not at all. I'm of the view that now every government has realized that infrastructure development is a core part of what is required to be done and I find that focus is there water is also a very essential, probably the top one or two points for what's in focus so I don't see any real impact coming in due to the government change there might be a slowdown due to fund allocation for a temporary period, but nothing more.

Deepesh Sancheti: OK. And just wanted to understand this JSW matter, is it stuck with the central government, right? Which ministry is generally involved in this?

Madhav Kejriwal: It's the Ministry of Coal, please.

Deepesh Sancheti: Ministry of Coal. OK. Thank you so much, Sir. Thank you. All the very best and we are hopeful that you'll get the money soon.

Madhav Kejriwal: Thank you for that. We are very hopeful too, Sir.

Moderator: Next question is from the line of Radha from B&K Securities. Please go ahead ma'am.

Radha: Thanks again, Sir, your guidance of 8.5 lakh tons volume. Does it include fittings and cast iron pipes or this is purely DI pipe?

Madhav Kejriwal: These are just the ductile iron pipe figures, ma'am.

Radha: OK. How much are we expecting to do in fittings and cast iron?

Madhav Kejriwal: Approximately 36,000 tons in cast iron and 22,000 to 24,000 tons in fittings.

Radha: 24,000 tons in FY25?

Madhav Kejriwal: Yes, please.

Radha: Sir, wanting to know the sales volumes of DI fittings and cast iron for this quarter as well as for last year first quarter.

Gaurav Somani: In fittings, we sold 4,100 tons in this quarter and last year, same quarter it was 3,900 tons.

Radha: OK. Thanks.

Gaurav Somani: Cast Iron pipes, we sold around 9300 tons and in the previous year quarter, it was 5000 tons.

Radha: OK. Thanks, and all the best.

Moderator: Thank you. Next question is from the line of Siddhant of AVS Equi-invest. Please go ahead, Sir.

Siddhant: So, a part of my question is answered. I was asking regarding the EBITDA margin. We had discussed previously that 18,000 per ton is the best scenario. So, can we expect this for the entire financial year or will we like there were some specifications like is there only specific quarter and performance?

Madhav Kejriwal: We're optimistic to have these tailwinds stay for the entire year in fact, for the remaining three to five years. So, to answer your question, yes, of course I can't give you a specific number on the percent itself.

Siddhant: But can we do 18,000 per ton like scenario for this financial year whole? Because realistically I'm thinking about that on the year-on-year basis, you sell around 8 lakh tons. So, given that number, like can I come up with that expectation?

Madhav Kejriwal: Sir, as I mentioned, it's a little difficult to give you a specific number, but we will be in the in the ballpark of this, yes.

Siddhant: Another question is regarding the payment side of structure, because most of the orders are from the government directly. So how does the payment structure, is it structured well in advance and or is it like you know the difference in?

Madhav Kejriwal: Our domestic part, majority of our orders come in from EPC contractors. It's private companies. They in turn have their linkage with the government. At times when as it was asked previously in this concall, when there's a government change, sometimes there's a bit of a slowdown from the government to the EPC contractor doesn't turn out, and comes down to us as well, but for around 85% of our order book, which is through EPC contractors, it's all backed up by LC's bank guarantees or advance payments.

Siddhant: OK. Thank you. Thank you so much.

Moderator: The next question is from the line of Mr. Surendra Khemka, individual investor. Please go ahead, Sir.

Surendra Khemka: In March quarter, the plant was shut down while it was not shutdown during Q1 FY25, the sales numbers should have been higher in Q1 FY25. I mean, our ton wise production was less, it should have increased, right?

Madhav Kejriwal: Sir, when you are coming out of the expansion, it takes some time to ramp up the production. So that is the reason why the total tonnage is where it is plus owing to the seasonality factor of it of largely heat, you know there is some minor inefficiencies that come in in the first quarter.

Surendra Khemka: I am from Assam and here Electrosteel is sold at premium price only. Our plant is in Durgapur, right? In Bengal, right?

Madhav Kejriwal: Yes, not it is not in Durgapur.

Surendra Khemka: Is it in Bengal?

Madhav Kejriwal: One is in Bengal and one is in South.

Surendra Khemka: I have seen your prices are premium only, around 18-18.5% it is. Our customers get diverted due to the high prices, due to premium price.

Madhav Kejriwal: Sir, our Electrosteel is a very old brand and in today's time, there is a lot of demand, so we command the premium for that reason.

Moderator: Thank you. Next question is from the line of Mr. Rajesh Bhandari from Nakoda engineers. Please go ahead, Sir.

Rajesh Bhandari: Good afternoon, Sir. Congratulations for the good numbers. I wanted to know this Electrosteel, that mining thing was there, have we received the payment money?

Madhav Kejriwal: So, it was in the Electrosteel Casting company that the coal mine was present and this has been recently allocated, not recently, but it's been some time since JSW has been allocated the mine. Unfortunately, the processes that lead up to the final finalization of the value are still going on so although things have been moving on the right track, there is no real firm date as to when we can see this materialized.

Rajesh Bhandari: What is the expected amount, Sir?

Madhav Kejriwal: As per the value on our books that is going on, INR 1,258 crores.

Rajesh Bhandari: And sir other thing I was seeing is debt approximately attracts INR 160 crores interest on that so why? These days there is a fashion of QIP. Everyone Is taking QIP then us being an established company, why are we not taking QIP?

Madhav Kejriwal: We see a sustainable level. More of the debt if you see, is related to the working capital. Debt is well taken care of, looking at this trend, we don't feel the need of QIP right now.

Rajesh Bhandari: Sir, Blackrock is your shareholder which is 8 trillion so because of that name itself, huge crowd will get attracted.

Madhav Kejriwal: Thank you for your suggestion, Sir. We shall take that into consideration.

Moderator: Thank you. Next question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Alright. Thanks again. What is the average cost of coking coal for this quarter? And with respect to that, what is the inventory that they're holding and coking coal cost for the inventory that they're holding?

Madhav Kejriwal: I think that's too detailed an answer to provide.

Radha: OK, Sir, could you tell me what is the how many months of inventory are we holding as of now?

Sunil Katial: Around 4 and a 1/2 months.

Radha: OK. The second thing is this acquisition that we are about to do for Singapore, there we have planned to expand in the overseas areas. Could you explain what is the opportunity size that you're looking at?

Madhav Kejriwal: So, ma'am, the thought behind Singapore is that with our growing capacity, markets which we have earlier avoided due to Chinas influence the Southeast Asian market of Vietnam, Thailand, we would like to start exploring that we've become more competitive on the pricing front with the Chinese so we thought that Singapore is the best place to be for these markets as a hub, this opportunity came in front of us so it was best to capitalize it.

Moderator: Thank you. Next question is from the line of Mr. Saket Kapoor from Kapoor and company. Please go ahead.

Saket Kapoor: Sir, firstly if you could explain me what led to this increase in our consolidated profit this time when we look at our turnover that has risen from INR 1,832 crore for standalone to INR 2,012 crore approx. for consol. Whereas the raw material consumption is similar the same amount. If we keep the consol and the standalone numbers, the material consumption is same. So, if you could just explain and I think this is the first quarter wherein we are seeing these higher amounts of profit at consol level, earlier consol levels used to report lower profit. So, if you could let explain any exceptional part for this quarter?

Madhav Kejriwal: So, Sir, as per the accounting norms, because of the lower export from India, the stock build up at the subsidiaries are lower. Thus, there's an amplifying effect of the sales both here and in the subsidiaries, which was erstwhile replenished by new stock from India. And we would have to reduce that from the stand-alone numbers as per the accounting norm earlier, there were exports were less so because of the negation factor did not come into picture.

Moderator: Thank you, Sir. I now hand the conference over to the management of Electrosteel Castings limited for their closing comments.

Madhav Kejriwal: I would like to thank everybody for taking out their valuable time and listening to us patiently at the end of this very interactive call. I would like to reinstate that the company continues to grow along with maintaining its balance sheet strengths and further is well positioned to benefit from the growing water interest spending in case of any query, please feel free to connect with EY, our IR consultants. Thank you.

Moderator: Thank you. On behalf of Electrosteel Castings Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you so much.