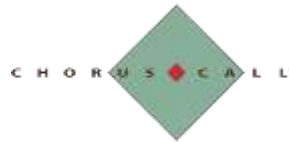




“Steelcast Limited  
Q4 & FY26 Earnings Conference Call”  
June 01, 2026



**MANAGEMENT: MR. CHETAN TAMBOLI – CHAIRMAN & MD**  
**MR. RUSHIL TAMBOLI – WHOLE TIME DIRECTOR**  
**MR. SUBHASH SHARMA – ED & CFO**  
**MR. UMESH BHATT – COMPANY SECRETARY**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Steelcast Limited Q4 and FY26 Earnings Conference Call. 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Arpit Mundra from EY. Thank you, and over to you, sir.

**Arpit Mundra:**

Thank you Iqra, Good evening, everyone.

We welcome you all to Steelcast Limited's earnings call to discuss the Q4FY26 & FY26 financial results. Today, from the management side, we have with us Mr. Chetan Tamboli – Chairman & Managing Director, Mr Rushil Tamboli – Whole Time Director, Mr. Subhash Sharma - Executive Director and Chief Financial Officer; and Mr. Umesh Bhatt - Company Secretary.

Please note, a copy of the disclosures is available in the Investors section of the website as well as on the stock exchange. Further, a detailed Safe-Harbor statement is given on Page no. 29 of the Investor Presentation of the Company. Please note that anything said on this call, which reflects the outlook for the future, or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

Now I shall hand over the call to Mr. Chetan Tamboli for his opening remarks. Over to you, Sir. Thank you.

**Chetan Tamboli:**

Thank you Arpit bhai. Good evening, everyone.

We welcome you to Steelcast Limited's earnings conference call to discuss the Company's performance for the quarter and full year ended 31st March 2026. Our Board meeting concluded on Saturday and the financial results along with the investor presentation have been uploaded on the stock exchanges and the Company's website. We trust you have had an opportunity to review the same.

Now, let me begin by sharing an overview of the global and Indian economic environment:

During FY26, the global economy continued to demonstrate resilience despite geopolitical uncertainties, evolving trade policies and supply chain realignments. Global GDP growth remained relatively stable at around 3.3%, supported by investments in technology, infrastructure and industrial capacity.

However, the operating environment remained dynamic due to geopolitical tensions, energy price volatility and shifting global trade flows. These developments have accelerated supply chain diversification, with companies increasingly adopting "China + 1" strategies, benefiting countries like India.

India, on the other hand, continued to be one of the fastest-growing major economies globally, with GDP growth estimated at ~ 7.3% – 7.6% in FY26.

This growth has been supported by strong domestic consumption, sustained infrastructure investments, and a continued policy thrust on manufacturing and localisation, all of which have contributed to the resilience and expansion of the Indian economy.

Industrial activity remained robust, driven by expansion across manufacturing, mining and infrastructure sectors, all of which are key end-user segments for our business.

Let me now briefly touch upon industry trends before moving on to our financial performance. The global metal casting industry remains a critical enabler of industrial growth, with demand driven by sectors such as construction equipment, mining, energy and engineering. The industry is expected to grow at a healthy pace, supported by ongoing infrastructure development, a revival in industrial capital expenditure and increasing investments in energy transition and renewable sectors. India continues to strengthen its position as a global manufacturing hub, benefiting from rising localisation, expanding export opportunities and deeper integration into global supply chains. In this evolving landscape, Steelcast is well positioned to capitalise on emerging opportunities, supported by increasing outsourcing by global OEMs, continued diversification of global supply chains and a rising demand for specialised, high-performance castings.

**Let me now briefly highlight our financial performance for FY26 and Q4FY26.**

Starting with the performance during the current year vis-à-vis previous year, and current quarter with preceding quarter.

**FY26 Vs. FY25 (Y-O-Y):**

- ▶ During FY26, the revenue from operations was at ₹ 423.17 crore, an increase of 13.33% of from ₹ 373.39 crore in FY25.
- ▶ EBIDTA during the year was at ₹ 129.64 crore, a growth of 17.30% from ₹ 110.52 crore in FY25. EBIDTA margin was at 30.64%, an increase of 104 bps from 29.60% in FY25.
- ▶ PAT during the year was at ₹ 86.86 crore, a growth of 20.31% from ₹ 72.20 crore in FY25. PAT margin came at 20.53%, increase of 119 bps from 19.34% in FY25.

**Q4FY26 Vs. Q3FY26 (Q-O-Q):**

- ▶ During Q4FY26, the revenue from operations was at ₹ 112.43 crore, an increase of 15.43% of from ₹ 97.40 crore in Q3FY26.
- ▶ EBIDTA during the Q4FY26 was at ₹ 34.25 crore, a growth of 9.74% from ₹ 31.21 crore in Q3FY26.
- ▶ PAT during the Q4FY26 was at ₹ 23.18 crore, a growth of 12.58% from ₹ 20.59 crore in Q3FY26.

Ladies and gentlemen, the quarter reflects an encouraging performance for the business. While overall volumes have improved compared to the immediate past period, there has been some moderation when compared to the corresponding period of the previous year. Revenue trends follow a similar trajectory, with sequential growth supported by strong contributions from both export and domestic segments. Encouragingly, demand has continued to improve in recent months despite ongoing global uncertainties, particularly in regions affected by prolonged

geopolitical tensions. In this environment, the export segment has clearly emerged as a stronger growth driver, consistently outperforming the domestic business across both the quarter and the full year. During the year, exports contributed over 60% of revenues, reaffirming our strong global positioning, while we continued to witness steady traction from North America and other developed markets alongside increased engagement with global OEMs driven by ongoing supply chain diversification.

The Company has maintained strong discipline on costs. Material costs were effectively managed despite volatility in commodity markets through agile procurement strategies such as just-in-time sourcing, ensuring stable consumption levels.

However, certain cost pressures were evident during the quarter. Manufacturing expenses increased due to higher maintenance activities, machinery repairs, and provisions related to export-related obligations. Additionally, higher fuel prices, coupled with increased production activity, led to a rise in power and energy costs. Other operating expenses remained largely stable, and consumption of stores and spares was managed efficiently with only marginal movement.

Despite this short-term pressure on margins, the broader annual performance remains strong, underpinned by healthy growth in volumes, revenues, and overall profitability compared to the previous year.

I would also like to address a key point regarding the impact of elevated fuel and freight costs, especially in light of the ongoing Middle East situation. There may be a question on whether we will receive price adjustments from customers in subsequent quarters to compensate for these incremental costs. I would like to clarify that, yes, wherever applicable, we do expect to receive such adjustments in the coming quarters. These adjustments and Rupee depreciation will help offset cost impact observed during the current period.

In summary, while the quarter reflects some margin pressure arising from external cost factors, the underlying business fundamentals remain strong and resilient. With improving demand trends, robust export performance, and a continued focus on disciplined cost management, the Company is well positioned for sustained growth going forward. At the same time, we continue to maintain strong financial prudence, with a debt-free balance sheet and healthy cash reserves of around ₹114 crores, providing us with the flexibility and strength to navigate uncertainties and capitalize on future opportunities.

On the operational front, we remain focused on enhancing capacity and cost efficiency, supported by our 2.4 MW hybrid power project, which is under commissioning by June 2026 and is likely to improve sustainability while generating annual savings of approximately ~ ₹3.6 crore.

At Steelcast, strong governance and robust operational controls remain central to our growth strategy. The Company has established a comprehensive governance framework supported by strong internal control systems and audit mechanisms, with regular oversight by the Audit Committee and senior management to ensure high standards of financial discipline and

transparency in reporting. At the same time, we actively manage key risks arising from the cyclicity of end-user industries, foreign exchange fluctuations, volatility in raw material and energy costs, as well as geopolitical and supply chain disruptions. Our diversified customer base and presence across multiple sectors and geographies help mitigate concentration risks and enhance overall business resilience.

The Middle East war has significantly impacted various industries in India, particularly those that rely heavily on imported crude oil and gas such as Energy Sector, Oil and Gas, Trade and Logistics etc. Effect of this war on crude oil prices and inflation, trade and balance of payments, remittances and employment, financial markets and investor sentiments and energy security has underscored the urgency for India to develop strategies that mitigate economic vulnerabilities and adapt to the evolving geopolitical landscape. So far, the Company has been successful in managing these disruptions through its various efforts and is further confident to navigate through these disturbances in future also.

Looking ahead, global demand remains steady with a gradual recovery across industrial sectors, while India's strong infrastructure push and continued growth in manufacturing are expected to provide sustained support to demand. At the same time, ongoing supply chain diversification is creating significant opportunities for export-oriented players like us. In this context, we remain confident of sustaining our strong growth momentum, maintaining stable margins and delivering healthy long-term growth, with an estimated CAGR of around 20% over the next three years and particularly for FY27.

In conclusion, FY26 has been a year marked by resilience, disciplined execution and meaningful strategic progress for Steelcast. Despite facing near-term uncertainties, we have delivered a strong financial performance, further strengthened our global positioning and continued to invest in key growth drivers that will support our long-term expansion. We remain firmly committed to creating sustainable long-term value for all our stakeholders.

At STEELCAST, the smart goal for our top management team is to make STEELCAST more than Rs. 100 Cr. PAT Company in FY27.

We also have an aspiration to double our sales in FY29 compared to FY26 with present capacity.

We were contemplating to decide on increasing capacity by Dec.26. With increase in demand and new parts getting converted to serial supplies, we will decide by end July. 26.

With that, I would now like to open the floor for questions.

Thank you.

**Moderator:** We will now begin the question-and-answer session. The first question is from the line of Harshil Solanki from Equitree Capital.

**Harshil Solanki:** Sir, I had a few questions. Firstly, one of your large clients has indicated that demand remains strong, partly driven by the data center opportunity and the associated capex in that space. In

that context, do you see a similar trend emerging in India, where domestic demand could increase due to upcoming data center investments? Secondly, we had earlier supplied defense components to an overseas market—are we now looking to expand into other geographies as well by showcasing our products and capabilities? Lastly, I wanted a clarification on capex: you mentioned that a decision may be taken by June 2027, so should we understand that you may proceed with capex earlier without necessarily waiting to reach 75% utilization levels, given the current visibility on demand?

**Chetan Tamboli:**

Yes. Thank you for this. Now increasing demand due to data centers. According to our knowledge, there is practically no requirement of steel castings in data centers. So there will not be any significant increase in demand because of this data centers.

Second, regarding export of different products, our parts have been approved by them. We are now only waiting for getting orders for serial supplies, because of the Iran-U.S. war orders are getting delayed, but we expect in the next 1 or 2 quarters will happen.

In terms of capex, I was saying that initially, we were trying to decide this towards end of 2026 with increase in requirements from all our customers and also approval of all the new parts developed by us, which are being converted to serial supply. We don't want to wait till December '26 for capacity expansion, and we will decide this by end of July 2026.

**Harshil Solanki:**

Okay. So this is what I'm trying to understand that earlier we were going to wait till 75% utilization levels, but now you are going to do it earlier. So are you trying to say that your capacity utilization will ramp up significantly in FY27 and hence, the need to put on a capex. Is that understanding right?

**Chetan Tamboli:**

Our current year capacity utilization is expected to be around 63%, 64%. And the indications from customers are quite strong. So we don't need to wait until we reach 75% utilization. We can go ahead and decide much earlier. So hence, we are in a very advanced stage of finalizing the capex for capacity expansion. And we will be ready with this by July 2026 end.

**Harshil Solanki:**

Okay. And what is the order book for FY27, if you can highlight?

**Chetan Tamboli:**

Generally, in our company, the cycle is typically around 110 to 120 days, and in terms of value, it stands at approximately INR 130–135 crores.

**Harshil Solanki:**

This is for Q1, right?

**Chetan Tamboli:**

Yes. This is as of effective 1st April.

**Moderator:**

We move on to our next question. We will take our next question from Meet Mehta from Prasun Exponentials.

**Meet Mehta:**

So, my first question is that, let's say, you improve your utilization going forward and as the new driver of growth comes in, so do we see any impact on realization like from high value to lower value work are you doing or something like that?

**Chetan Tamboli:**

Any other question you have?

**Meet Mehta:** That and also that after like when you are saying the capex, you will decide. So any ballpark how much you will increase the capacity like from like 20%, 30% something like that.

**Chetan Tamboli:** Our realizations are quite steady. In spite of the geopolitical tensions and the near-term uncertainties, our realizations are steady. There have been increase in cost. And with we having sales price variation formula with all the customers, any increase in cost, we have permission to pass them on. So there is no really effect on realizations. And in terms of capacity expansion, we will be ready with the exact numbers by end July 2026. We are now halfway through our exercises. So you'll have to wait till end July.

**Moderator:** We will take our next question from the line of Mihir Desai from Desai Investments.

**Mihir Desai:** Sir, just wanted to highlight that you spoke on the new part development. So can you please give me some color on this? Is this China Plus One or how is the demand for this? And is the demand for this product impacted due to the recent macro developments which are there?

**Chetan Tamboli:** Yes. Like in our case, the new part development is a constant exercise. Close to more than 50 parts are under different stages of development. As and when they are ready, they are sent to customers for approvals, which then get converted into serial supplies.

Surprisingly, in spite of the near-term uncertainties and the geopolitical tensions and the Middle East war and prior to that Russia-Ukraine war, there has been no impact on the pace of new part development coming to us. In fact, lately, we have seen this significantly increasing in the last 4 to 6 weeks. And so this has been our constant endeavor there.

**Mihir Desai:** Okay. Sir, just a follow-up on this. Can you please highlight like what are the applications of this part maybe industry-wise?

**Chetan Tamboli:** Due to confidential reasons, we may not be able to go too deep into this. But the major end-user industries we supply are mining, earthmoving, construction, locomotives, railroad. So these are the industries where we are receiving new parts development. And the applications will be going into some machines depending upon which customer and which geography. But basically, these are all coming from these industries, as I said.

**Mihir Desai:** Okay. And sir, if it permits, if you can guide on the kind of kg the product would come, the weight, it would be a higher weight products.

**Chetan Tamboli:** No—these parts vary based on customer requirements within our existing capability range of 5 kg to 2,500 kg. Development orders come across this entire range, and there isn't any restriction to a specific weight segment; it depends entirely on what the customer needs within our capabilities.

**Mihir Desai:** And sir, if you can guide on how '27 looks.

**Chetan Tamboli:** So I just said in my speech, which just got concluded some time back that our smart goal is that we want to grow 20% plus in FY27. And keeping in mind that even for the 3-year period till FY29, we will have year-on-year cumulative growth of 20% plus.

**Mihir Desai:** Okay. That's a very good growth, sir. And sir, just wanted to check on the defense part. Like are we doing anything working towards defense or we have added a few orders?

**Chetan Tamboli:** No. Defense, we have really not, we have shifted our focus from defense to various other industries where we see a lot of opportunities and where we have a lot of strength. So defense, we do if we come across our bandwidth and our capabilities, but the focus is on industries like mining, earthmoving, construction, locomotives, railroad, ground engaging tools. So this is where the business is coming and this is where we are focusing on.

**Mihir Desai:** Sure, sir. Sir, and my last question from my side is that as you guided the growth on the top line, sir, what is the guidance on the margin? Like is there a scope in margin improvement? And how where this incremental alpha will come from, sir?

**Chetan Tamboli:** So if you really see last several quarters, we've been operating with EBITDA margins anywhere from 28% to 30% and PAT margins of 18% to 20% I feel on a sustainable level basis, sustained EBITDA margins of 25%, 26% is a reasonable thing to expect going forward.

**Moderator:** We take next question from the line of Manjunath K, an Individual Investor.

**Manjunath K:** Chetan Bhai, congratulations on delivering a strong set of numbers despite the global uncertainty. I have a few questions. Firstly, on the railroad segment—you had mentioned in the previous meeting that certain critical components were under stress; could you provide an update on how that has evolved this quarter? Secondly, in light of the Iran–U.S. conflict, there has been an increase in gas, petrol, and logistics costs—could you quantify the extent of this increase and indicate how much of it will be passed through or compensated under our cost-plus model over time? Thirdly, could you share details on the planned capital expenditure, including the overall project cost and the expected timeline for execution? Lastly, what kind of contribution are we expecting from ground engaging tools in FY27?

**Chetan Tamboli:** We did face some challenges in the railroad developments we have been working on, and we have not yet been able to fully resolve them. However, at the same time, we are seeing strong opportunities across other sectors such as mining, earthmoving, construction, and locomotives. The competitive intensity in these segments is relatively more favorable compared to railroad, so while we continue to work on resolving the issues there, we are actively capitalizing on the opportunities available in these industries. As mentioned earlier, we expect growth to be driven by these five sectors, and we remain confident of delivering 20%+ growth over the next three years, including FY27.

Regarding the increase in costs, there has indeed been a rise, which started around March 1. Raw material costs have gone up by approximately 10% across the board, and the impact on sales prices is expected to be around 4–5%. We have already received partial compensation effective April 1, with the remaining adjustment expected from July 1. Overall, we believe we will be largely covered for this cost increase. Additionally, the depreciation of the rupee should provide some support, and with exports contributing over 60%, we remain well positioned going forward.

- Manjunath K:** My last question, sir, Q4 of '25-'26 was almost 12% higher. What's the reason why it came down, PAT and top line of '25-'26 compared to this year compared to last year?
- Chetan Tamboli:** I would recommend that you, one should compare yearly numbers.
- Manjunath K:** Of course, year-on-year, it's wonderful only the last quarter versus last year.
- Chetan Tamboli:** But these are aberrations. this happens. So I would always see an annual numbers. So that's very important for us. And I would also see the numbers of the preceding quarter.
- Manjunath K:** Sir. My last question, sir, regarding the ground engaging tools, what will be the contribution in this year? And what's - type of customers? And I mean, what is the contribution to top line and margin in this line, sir, ground engaging tools?
- Chetan Tamboli:** In terms of margins, we work on the margins what you have been seeing? So in FY26, the ground engaging tools contribution in total sales was 1.1% in the next financial year FY27, we plan to go up to 3.8% and this comes from our existing customers, but I cannot give you names of customers.
- Moderator:** Next question is from the line of Aman Srivastav from Bellwether capital
- Aman Srivastav:** Yes. So, sir, we mentioned in our PPT about repeat orders from overseas defense. So, sir, can you throw some light on quantum of this order and which geography we are comfortable sharing?
- Chetan Tamboli:** It will be very difficult to give details on geography and all. But these are parts for compact vehicles, which are generally used in ground wars. And the prototypes have been approved. The prototype batch has been sent, that has been approved. So we are only waiting for serial supplies. And if everything goes well, we could have sales for this segment in the region of INR15 crores to INR18 crores.
- Aman Srivastav:** Okay, sir. So sir, is it on the same cost-plus model as a forecasting or is pricing margin structurally different in defense? And also, does defense carry working capital characteristics different from the blended like 90, 95 days receivables?
- Chetan Tamboli:** The business model for this defense will be same like our existing customers only because unless people agree on compensating for cost increases, we don't do business. And that too, we ensure that it's an automatic formula put in place. So if there is cost increases, we get price increase. If the cost reductions, we give price reduction. And what was the other thing you asked? I missed your second point.
- Aman Srivastav:** Second was like does defense carry working capital characteristics different from your blended 90, 95 days receivables? Is it longer or short term? ..
- Chetan Tamboli:** You mean working capital cycle?
- Aman Srivastav:** Yes.

**Chetan Tamboli:** By and large, all working capital cycles are anywhere ranging from 75 to 110 days. So these products also will fall under that.

**Moderator:** Next question is from the line of Sahil Goyal from Equinox Capital Venture.

**Sahil Goyal:** Sir, my question is on the EBITDA margin side. Now we are doing around 28% to 30% level of margin and you are guiding going forward for '25, '26, the decline of 2%, 3% of the margin. What is the reason?

**Chetan Tamboli:** No—what I meant is that over the longer term, say a few years, it would not be prudent to expect margins beyond 25–26% on a sustainable basis. While we may achieve levels closer to 30% at times, I would advise investors to consider 25–26% as the more realistic and sustainable EBITDA margin.

**Moderator:** We will take our next question from the line of Saket Saurabh from Sagari Capital.

**Saket Saurabh:** Sir, I have a few questions. You mentioned an aspiration of around INR 100 crores PAT for FY27; however, based on current performance, we are already at approximately INR 87 crores. Given that we are also targeting around 20% top-line growth, and with the renewal plan expected to go live by the end of Q1, it seems that PAT growth could potentially exceed 20%. Additionally, the cost savings from this initiative should further support profitability. So, in that context, should we expect PAT growth to be higher, possibly in the range of 25% or more? Could you please share your thoughts on this?

**Chetan Tamboli:** See, this 20% was I said about volume growth. The second thing, what we said volume growth in FY27. The second thing I said was more than INR100 crores PAT. So more than INR100 crores means it could be INR101 crores or it could be INR115 crores also. But we wanted to be part of this INR100 crores PAT company group.

**Saket Saurabh:** Got it. It's more of an aspiration that you just highlighted.

**Chetan Tamboli:** Yes. Aspiration and strong aspiration, and we are going to work very hard on this.

**Saket Saurabh:** Fantastic, sir. So by that Logic, I think our next aspiration will be INR1,000 crores kind of, right, by FY30, because you are looking at doubling our revenue in the next 3 years. Is that a fair assessment?

**Chetan Tamboli:** So what I said was that another aspiration what we have is within the present capacities, we want to double the volumes theoretically, the number should be INR860 crores in FY29.

**Saket Saurabh:** Sir, I have another question. In the past, despite being a fundamentally strong company across multiple parameters, we had faced some challenges due to concentration risks both in terms of geographies and customers. However, based on your recent commentary and as someone who has been tracking the company for a few quarters, it appears that significant efforts have been made to diversify both geographically and across industries.

In this context, I have a small request—would it be possible to include a more detailed breakup of revenues in upcoming presentations? Specifically, a sector-wise split (such as auto, non-

auto, earthmoving, ground engaging tools, etc.) as well as a more granular export breakdown (for example, North America and other regions). Additionally, if this data can be presented as a multi-year trend, it would provide better visibility into the progress of diversification over time.

**Chetan Tamboli:** Sir, your suggestion well taken, and we will try and implement this from first quarter of FY27.

**Moderator:** Sir, we'll take the next question from Manjunath K, an Individual Investor.

**Manjunath K:** Chetan Bhai, when we see our results and surplus consistently. Any thoughts on any bonus issue? It will increase our what we call acceptance and I think bonus is not issued for quite long. Any thoughts on this, sir? And capital is just INR10.1 crores.

**Chetan Tamboli:** Yes, yes. So I think a very good question. So there are several things we are thinking not able to decide on what we should do. But as of now, there is nothing in the horizon, I should tell you, frankly. But we will try and make sure that whatever we do is in the larger interest of all our 16,000 shareholders.

**Moderator:** As there are no further questions, I now hand the conference over to the management for closing.

**Chetan Tamboli:** Thank you and on behalf of Steelcast I would like to thank each and every one who was on this call and I also want to thank Ernst & Young, who are our advisor and also the Steelcast management for robust performance and we will meet in the investor call of Q1FY27. Thank you all, Thank you!

**Moderator:** Thank you very much. On behalf of Steelcast Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.