

Electrosteel Castings Limited
Q3 & 9M FY 2026 Earnings Conference Call
February 06, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and Nine Months FY 2026 Earnings Conference Call of Electrosteel Castings Limited.

As a reminder, all participant lines will be in the lesson-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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hiral Keniya from EY LLP. Thank you, and over to you, sir.

Hiral Keniya: Thank you, Iqra. Good evening, everyone. On behalf of Electrosteel Castings Limited, I welcome you all to the company's Q3 and Nine months FY 2026 earnings concall.

To discuss the performance of the company, we have with us from the Management Team, Mr. Madhav Kejriwal – Whole-Time Director; Mr. Sunil Katial – Whole-Time Director and CEO; Mr. Ashutosh Agarwal – Whole-Time Director and CFO; and Mr. Gaurav Somani – General Manager (Finance).

Before we proceed with this call, I would like to draw your attention to the fact that today's discussion may contain some forward-looking statements that are subject to various risks, uncertainties and other factors, which would be beyond Management's control. We kindly request you to bear in mind that there may be uncertainties while interpreting such statements.

We would 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 for his opening remarks. Thank you, and over to you, sir.

Sunil Katial: Good afternoon, everyone, and thank you very much for joining us today. At the outset, I would like to mention that this is a period of resilience for the company as well as Ductile Iron Pipe sector, where we are navigating short-term challenges, which now gradually are getting better visibility on the road ahead.

For the quarter, our sales volume of ductile iron, cast iron, fittings was down by 3.5% quarter-on-quarter basis and realizations also declined. Thus, it has impacted our top line, which was partly compensated by the sale of intermediary products such as cokes, sponge iron, pig iron and ferroalloys. I would like to share our perspective on the current environment and how we are positioning ourselves going forward.

Over the past few quarters, the domestic water infrastructure sector has gone through a challenging phase, as all of you know. And this quarter also reflects that environment. Demand for Ductile Iron Pipes has remained subdued, largely due to temporary delays in Government spending under JJM at both central and state levels. Drinking water and urban infrastructure projects, which are closely linked to Government funding, saw much slower execution during this period. As a result, industry-wide production levels were impacted and also the pricing remained under pressure.

As mentioned in our earlier concall, I would like to emphasize that this slowdown appears to be temporary rather than structural. We all know that during the budget discussion when the Government has come out with whatever are their plans regarding the funds on JJM and all that. And definitely, the focus of the government remains, which definitely is bringing a better sentiment to the whole water infrastructure sector.

We are now seeing definitely some signs of improvement after that. Funds releases under these key water supply programs like AMRUT and JJM are just starting to resume in the remainder of this year. According to multiple recent reports, the Government of India has revised the Jal Jeevan Mission budget outlay for the current financial year 2025-2026 to approximately Rs. 17,000 crores in the revised estimate, which may be released before March 2026.

In the budget presented on 1st of February 2026, for the next year, Rs. 67,600 crores has been allocated against JJM. These developments reiterate our confidence that the recent slowdown was largely administrative and fiscal in nature and not due to any shift in policy intent at the government level. We expect demand conditions to improve gradually with a stronger rebound expected from now onwards.

Coming back to our performance:

Despite these headwinds, Electrosteel has managed its operations with disciplined prudence and a lot of focus on cost reductions. Our strong footing in the overseas market has helped us in strengthening our exports. Export volumes during the quarter was up 11% Q-o-Q basis. Our balance sheet remains strong, reflecting the company's financial resilience and conservative approach during these challenging times. Looking ahead, the long-term outlook for the water sector remains positive.

India's structural drivers such as rapid urbanization, rising per capita water demand, climate resilient infrastructure needs, replacement of aging pipelines, interconnectivity of different rivers, etc. continue to be very strong. We are also eyeing for demand for pipes coming from river linking in coming few years. The Government's continued focus on improving safe drinking water to every household and strengthening sewage and water network supply supports sustained demand over the medium to long term.

So with this, I would like to hand over the floor to Mr. Ashutosh Agarwal – our Whole-Time Director and CFO, for taking you through the financial highlights. Thank you very much.

Ashutosh Agarwal:

Thank you, Katialji. Good afternoon, everybody, for joining this call for Q3 and Nine months FY2026, results of Electrosteel Castings Limited. Some brief information on our agenda.

Sales volume of DI pipe, fittings, and CI pipe during this quarter stood to 1.34 lakh tonnes, down by 31% Y-o-Y basis, which impacted the financials of the company also. For Nine months, sales volume was 4.36 lakh tonnes, a 26% reduction as compared to corresponding period. The decline in volume was primarily due to slowdown in the domestic market. However, export piped volumes grew by 11% Y-o-Y basis, partially offsetting the weakness in domestic market and providing support to overall business performance. During the quarter, other income includes income and provision written back to the extent of Rs. 28 crores received from South Eastern Railway on account of railways sidings.

On the standalone level, gross debt stood to Rs. 1,436 crores. This decreased by Rs. 455 crores from the previous quarter due to lower working capital requirement. Long-term debt stood to Rs. 406 crores and short-term debt stood to Rs. 1,030 crores. Net debt at a standalone level stood to Rs. 812 crores. During the quarter, arbitration award of Rs. 370 crores received by the company on account of wagon scheme with respect to South Eastern Railway, which was unencumbered and released to the company.

I will now take up to you consolidated basis the results for Q3FY26:

The total income stood to Rs. 1,526 crores, lower on year-on-year primarily due to reduced volume in the domestic market. EBITDA stood to Rs. 88 crores with an EBITDA margin of 5.8%. PAT was reported at a loss of Rs. 22 crores. This includes an exceptional item of provision made for Rs. 38 crores towards new labor laws. On the consolidated basis, the performance for nine months are as under. Total income stood to Rs. 4,602 crores, EBITDA Rs. 474 crores, and EBITDA margin 10.3%. PAT Rs. 145 crores and PAT margin 3.2%.

On a standalone basis for Q3FY26 results:

Total income stood to Rs. 1,290 crores, lower year-on-year by 23% due to the lower volume as stated earlier. EBITDA, including other income, stood to Rs. 83 crores with EBITDA margin of

6.4%. PAT reported loss of Rs. 20 crores. As stated earlier, Q3 and nine months FY26 results includes exceptional item on account of provision of Rs. 38 crores on account of new labor laws. Highlighting on standalone performance of nine months are as under. Total income more or less Rs. 4,000 crores, EBITDA Rs. 442 crores, EBITDA margin 11.1%, PAT reported to Rs. 142 crores.

With this, I would like to open the floor for question-and-answer session. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rajesh Agarwal from Moneyore. Please go ahead.

Rajesh Agarwal: Any idea how much the payment of JJM has been released in starting January because a lot of EPC contractors were saying they have received money and what is the pending amount?

Madhav Kejriwal: Good evening, this is Madhav. At the moment, the Rs. 17,000 crores has not yet been released. Whatever money EPC contractors are getting is from the side of the state government because the state governments had the budget prepared. They just could not go ahead with it because the central shares were not being released. Even as of now, the Rs. 17,000 crores is pending cabinet approval, which we are very optimistic that it should happen in the next four to five days or maybe one week at best. And after which the central share of Rs. 17,000 crores will be released.

Rajesh Agarwal: If both are released, then the complete money gets released by this year i.e by March 2026?

Madhav Kejriwal: Sir, so the Rs. 17,000 crores is the central share. There will be approximately a similar amount, you can say around 45%, I mean, central to state is about 50-50. So you will have around Rs. 34,000 crores spent this year as opposed to the initial budget, which was Rs. 67,000 crores by the central and another Rs. 60,000-67,000 crores by states. So there's a severe drop of almost Rs. 90,000 crores for this financial year in the total spending between state and center.

Rajesh Agarwal: Okay. So as soon as you feel that the amount gets released, will it result into fresh tendering or fresh orders?

Madhav Kejriwal: Most definitely, sir. I am quite sure that come Quarter 2 in the next Financial Year, things will start looking healthy again. Even the First Quarter of next Year, we are very sure that things will definitely be better off than Quarter 3 and Quarter 4 of this Financial Year, which I am pretty sure is going to be the lowest point for our operations.

Rajesh Agarwal: Sir, third question. A lot of contractors were saying, because I heard them in the concall, once they get the money they will evaluate whether they want to take fresh orders or not. So what's your comment or view on that? Because they said they have burnt their fingers, the money is not coming. So they may evaluate if they have to take fresh orders or not.

Madhav Kejriwal: Sir, it's a situation of once bitten, twice shy, I would say. And every businessman, sir, if they see opportunity as much as they want, they will not be able to prevent themselves from stepping into it. At the moment, things are seeming very pessimistic. You must understand that the humans are very sentimentally driven like how the markets are. Logic does not always drive our decisions. But in the mid-to-long term, I am very certain that things will go back to being normal.

Rajesh Agarwal: And sir, suppose the budget, which has been reduced, what you sold Rs. 90,000 crores now it has come to Rs. 17,000 crores. Now this has been extended up to 2028. Suppose we take the run rate of Rs. 60,000 crores for next two years, 2027 and 2028, you feel that is sufficient for us to complete pending projects?

Madhav Kejriwal: Sir, Rs. 60,000 crores would be central's share and another Rs. 60,000 crores, you can say, will come from the state. Although, from the current requirement, it seems that the states will have to provide a bit more because the outlay total is, I think, approximately Rs. 8.5-9 lakh crores to Rs. 9 lakh crores. The center has only allowed for another Rs. 1.6 odd lakh crores. So as against, I think, Rs. 2-2.5 lakh crores or Rs. 2.5 lakh crores that was needed. You can say that there will be a 40:60 or 35:65 split between the central and state going forward over the next two years.

Rajesh Agarwal: And sir, the corruption case and everything, that has been sorted out? There's a corruption case, the files are pending with the PM to release the money and that has all been sorted out?

Madhav Kejriwal: Yes, sir. I would look at the progress. If you see over the last three to five months, we have been hearing a lot of news about irregularities that have come up in JJM, which has caused the pause button to be pressed. Now they have come up with many, I would say, very prudent prerequisites to release of fund, which will make sure that this does not happen, including channelizing payments through the SPARSH platform directly to the contractor from the center rather than channelizing it through the accounts of the states. So this will allow for better control and for smoother operations.

Rajesh Agarwal: Sir, apart from JJM are you seeing traction in any other business, any other sector? A lot of DI pipe manufacturers are saying there are a lot of huge export orders for Middle East. So are we supplying to Middle East or not?

Madhav Kejriwal: Absolutely, sir. Around 40% of our exports are to the Middle East. In fact, we are the largest exporters into the Middle Eastern market, even if you take into consideration the Chinese. So Electrosteel as a company exports more into the Middle East than any other organization. Of course, there are indigenous manufacturers who are supplying more into the market than we are. But as exporters, we are the largest.

Rajesh Agarwal: And how is the realization there for export orders?

Madhav Kejriwal: It would be with the current dulled down situation of the domestic market, it's marginally better, but usually, it's the same. Certain specific countries have more stringent requirements, so they allow you to derive a small premium. But overall, it would be similar to the domestic market, please.

Rajesh Agarwal: And sir, the last question, the realization was pressured due to demand or there's any other reason for the realization to be under pressure?

Madhav Kejriwal: It's just a demand-supply mismatch.

Rajesh Agarwal: Thank you. Best of luck for the future.

Moderator: Thank you. The next question is from the line of Eshaan from Aakash Emprise. Please go ahead.

Eshaan Kulshreshtha: Thank you, sir, for the presentation. So, I could see that the gross profit have fallen by 1,222 basis points Y-o-Y. Can you share, like, can you throw some light on why it has fallen?

Madhav Kejriwal: So it's largely down to three things, please. One would be the reduction in the per tonne realization. Number two, would be the overall lower production levels due to muted demand. And I would say number three, there has been some corrections even at the end of certain raw materials, which are stabilized, and that's why the overall revenue per unit has gone down. So it's mainly these three factors.

Katialji, if you'd like to add anything to that, please?

Sunil Katial: No, no. Fair enough. I think these are the major reasons. But the crux of this is a mismatch because of the manufacturing capability in the country and the demand going practically to around 50%. Because if we see overall, the JJM component in the total water requirement is close to 50%. And I mean, so far due to whatever anomalies have been found in the execution of water infrastructure projects, the funds against JJM have been put on a total hold so far. So it has reduced the demand so substantially, I think which has created a practically NSR collapse. And the stock swelled with every supplier. So everybody came under a cash crunch and a business issue. So definitely, these are the major reasons. But I think looking forward, now we are expecting now things should be really looking up.

Eshaan Kulshreshtha: Understood. Sir, do you expect the gross margin to get back to the similar levels of around 50% or something like, once the cycle gets stabilized?

Sunil Katial: Honestly speaking, we are thinking it will be somewhere midway. It's yet to be seen, I mean, it takes a bit of time because it will not immediately recover, it will gradually recover. It is for sure that it will have a correction, because at the moment, where the whole business proposition is there all around. This industry is in a very unstable type of zone. Practically, everybody is in business trouble. So we are expecting NSR definitely will improve, but it will take some time. It

will gradually start improving and possibly somewhere midway it will stabilize. It won't be to the level where it was one and a half years back or so, that's what we think.

Madhav Kejriwal: Just to add to that, please, we also are looking at a situation where, going forward, we will be able to capitalize better on our product portfolio with the addition of Ductile Iron valves that we will be introducing in the domestic market. So I suppose we can be looking at a 30%, 35% gross margin number.

Eshaan Kulshreshtha: Okay, understood. All the best.

Moderator: Thank you. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Good afternoon, sir. Sir, I wanted to know, the Budget that has been released plus the trade deals that we have had with Europe, UK, Australia and USA, will it have any positive impact on our business?

Madhav Kejriwal: Sir, I cannot commit exactly much, because the exact details have not yet come out. The European Union is a very big export market for us, but their process to materialize this deal is very long, because they have to get it approved at the commission level, at the union level, which takes a six months to a one year time period. So that might cause some delayed additions. It's difficult to quantify what will be the benefits because we are unaware of the details of what is being signed.

There have been some smaller things that are to benefit us, such as our trade deal with Oman, which will make us more competitive in that market. Similarly, with the U.S. market trade deal happening, I am hoping that our other products like fittings and such will get a slight boost. These are not going to make a substantial difference. But definitely, once we get more details, we will be able to identify opportunities. I am sure that we will work towards trying to take as much advantage of that as we can.

Rajesh Bhandari: And what's your opinion on the budget that's been presented, what benefit we could get?

Madhav Kejriwal: Sir, the biggest benefit with the current budget is that the Government wants to infuse capital in Jal Jeevan mission with full enthusiasm, so that's the most encouraging thing for us. Like our CEO sir mentioned, our 50% market used to come from JJM, but it is on a steady decline. And slowly it's starting to fizzle out and other markets like irrigation and river linking will take over. But the sudden full stop on the outflow of capital by the government was a big turning point for us as our performance shows on the financial front.

Rajesh Bhandari: What was the reason, why they had blocked the payments?

Madhav Kejriwal: Officially, last year the JJM had finished. They had to extend it considering the progress that was done. But when they went into the details to see what work has happened, what has not happened, it had come to the manifest that there are a lot of irregularities in the implementation. Many places the faucet has been installed, but there is no pipe attached to it, it was kind of a sham fulfilment that was happening. Since the detailing needs to be done at the grass root level to understand the reality, so just to figure out the problems were how deep, it took them much time to figure it out. Our country is quite large, and water is a state matter, because of that it took a while for the government to put everything together.

Rajesh Bhandari: But now how will it be, because if payments are stopped for all then how would someone work?

Madhav Kejriwal: I do not think everything would stop. I believe the process that they have applied now, the payment should smoothen up.

Rajesh Bhandari: How much payment hold-up is there, sir?

Madhav Kejriwal: At the company level, I do not think there's so much of a problem because all our payments, majority, I would say, 95% of them are backed up by LCs or BGs. At the Government level towards the contractors, I would say approximately Rs. 30,000 crores-Rs. 35,000 crores is pending for the works. So I think with this Rs. 17,000 crores central share and Rs. 17,000 crores that will come from the state, all of this will get geared up. So we will start the next financial year on a fresh note.

Rajesh Bhandari: How much payment was pending for us, Rs. 500 crores-Rs. 1,000 crores?

Madhav Kejriwal: Exact figure, Gaurav, why do not you share the exact outstanding for domestic?

Gaurav Somani: Rajeshji, as Madhavji mentioned, we do not have much of outstanding on account of JJM. Most of our receivables, in fact, you can say all our receivables are either LC backed or Bank Guarantee backed. And we have received collections on time. So we do not have significant any outstanding on account of these.

Sunil Katial: So usually it is impacted for a business impact. The opportunity has been lost to do business. We have a loss there.

Rajesh Bhandari: Sir, the loss that has occurred, plus we also have an inventory of Rs. 220 crores.

Gaurav Somani: Sir, if you see, our debtors has reduced compared to previous quarter. Our inventory has reduced, our debtors too has reduced.

Rajesh Bhandari: But this Rs. 221 crores of inventory that's there, what about it?

Ashutosh Agarwal: It is all inclusive, including pipes and everything.

Rajesh Bhandari: It shows changes in inventories of finished goods, stock in trade and process work.

Gaurav Somani: Sir, that inventory has been used to do the sale. This quarter production was less and sale was more. There was an inventory reduction this quarter.

Ashutosh Agarwal: From opening to closing.

Rajesh Bhandari: What is the order status now with us, for how many months?

Gaurav Somani: Our order book would be of around seven months.

Rajesh Bhandari: And what is the progress on valves, sir?

Madhav Kejriwal: Sir, valve is, I think the integration work between our team and their team has picked up quite well. We have also formed a small team over here for the domestic market. Our approval processes have started for the markets that TIS was not in, mainly it would be the Spanish, French, U.K. markets, and the Middle East and Indian markets. These are the places where we are seeing that we can contribute largely in. So, one is, we have an obstacle of approvals because of which there's a delay. We are in that stage right now, I think another three months to six months, and we would be able **(Inaudible 0:32:01.6)**.

Rajesh Bhandari: Sir, how much turnover and value would we get?

Moderator: Rajesh sir, sorry to interrupt you, can you rejoin the queue for more questions?

Rajesh Bhandari: One last question. Is it permitted? Sir, valve business and future prospect as a shareholder, what can I expect from the company?

Madhav Kejriwal: Sir, currently, the turnover has seen a growth. They follow a calendar year, so if you look at the growth of revenue calendar year wise, we have seen an approximate 10% growth from the previous year's operations. So, I am assuming that with the synergy that will come after the approvals are in place for the other regions, as I mentioned, 15% to 18% growth rate year-on-year for the next three to four years is quite achievable.

Rajesh Bhandari: And the company's future prospects, as a shareholder? This is my last question.

Madhav Kejriwal: Sir, about company's future prospects, if you see our product portfolio and the market which it caters to, of water, it will always be there. As they say, the demand for water and alcohol is perennial. So, I am quite optimistic.

Rajesh Bhandari: Sir, but all the companies relating to this industry are all in loss.

Madhav Kejriwal: Temporary slump, sir I suppose.

Rajesh Bhandari: Do you believe in the next six months it will cover up?

Madhav Kejriwal: I am quite certain.

Rajesh Bhandari: Okay, sir. Let's hope for the best.

Moderator: Thank you. The next question is from the line of Ujjain Shah from Molecule Ventures. Please go ahead.

Ujjain Shah: Thanks for the opportunity. Sir, just wanted to understand first of all is that last year we have seen the changes to JJM that was Rs. 17,000 crores flow has been done by the government and still the government is estimating the Rs. 67,000 crores. So is that a right understanding that the government has allocated a budget from Rs. 50,000 crores to Rs. 67,000 crores, or likewise that it is a historical state and the spending was done by the state government.

Sunil Katial: So, in fact, the basic understanding of Jal Jeevan Mission is that 50% by the state and 50% by the center. So earlier, it was that center was generally sending the funds first and then the state was accordingly apportioning equal amount and then executing the project. But thereafter, it has been found out that there were some diversions in these funds. That is why all these delays and last few months whatever happened, resulting into a non-issuance of the funds for JJM.

So going forward, now the central government is saying that first state should come forward and give a plan and also show the allocation on their part, and then only the funds will be allocated by them. So they have put the onus on the states by issuing a circular to that extent. So in view of this last one month's development, whereby the government now is really trying to finalize all this, we are expecting that possibly the share of the states may go in excess of 50% in the times to come. So that's how it is looking like.

Ujjain Shah: Sir, just wanted to dig down deeper on this. So assuming that Rs. 60,000 crores has been allocated by the government, that justifies that half of will be spent by the state and half of will be spent by the central or this Rs. 67,000 crores will only spend by the central only?

Sunil Katial: No, equal amount. I am saying Rs. 67,000 crores is the central kitty, the states have to spend possibly more than Rs. 67,000 crores. So it will be Rs. 135,000 crores actually put together.

Ujjain Shah: Total. Okay. Got it. And sir, just wanted to understand right now, I understand the demand scenario, but wanted to understand also the supply constraint and supply side as well. So there is also one of the product which is the OPVC, which is saying that, that could replace the DI pipe. I understand that it is a very difficult task and tall task to shift from this product.

But I am coming with the same question is, once there is so stringent things which will be going on and once the EPC players have a very stringent control on their spend, will the shift to that new pipe, which is called OPVC? The reason being that would be a cost control measure for EPC player and the cost benefit for them, or it is just a haywire, it won't happen this way.

Madhav Kejriwal: I would say that with the new requirements that are there to allocate funds for these projects, which include a long-term O&M period, the EPC contractors will prefer putting a ductile iron pipe which is proven in its durability and its strength over and above an OPVC pipe. If it was a dig, lay and forget kind of project, they might still go ahead with **(Inaudible 0:38:46.)**

Sunil Katial: And to clarify, I mean, apart from the longevity of service of ductile iron pipes, there is also an issue of microbiology and all that. Actually, the water quality, I mean, loss of micro plastics into the water, all these are under very, very strict, I mean, checkup from medical and hygiene point of view. So its not looking like that this sector really will be able to replace.

Madhav Kejriwal: I was mentioning that logics that are required to allow for the payments to go through smoothly, which include a stringent plan on O&M, operations and maintenance, metals towards ductile iron which usually have a lower lifespan and generally more fragile as a piping material.

Sunil Katial: I think connection has a serious problem. Actually, Mr. Madhav, in fact, is not in station. He's not in the office. He has joined from a remote place, and that's why we are sorry for these intermittent disturbances. I think we all want to address to your points. I mean we are all there, and he is also from an remote location, so we are sorry --

Ujjain Shah: No, no, that is perfectly fine, sir. Just last point coming to this is, considering the current realization, overproduction and everything is happening with us. So just wanted to understand when should we expect a normalization coming back going forward? And what are new strategies we have been keeping in mind considering the scenario which is happening right now?

Sunil Katial: Two points there. One, your first point first that we are expecting that now onwards actually gradually the rebounding of the situation should start. And as very rightly said, the whole of ductile iron pipe sector is in a bit of a problem. So it may take a bit of a time, maybe three, four months, that's what we are thinking. But the market sentiment has started already getting waves of positivity, not only from the budget declaration that the Government's focus remains, but also from all these European Union deals, USA agreements, that is creating a positive wave only. So it may take a bit of a time, maybe three to four months' time for things to really shape up back. That is one part.

And second is that we are definitely thinking that we should also have a diversification. So we should add to our product basket. So we are also trying to work towards adding more products

to our kitty to bring a better stability to our overall business. In the times to come, I am very sure that we will be able to give you more of information once we have finalized those.

Ujjain Shah: And sir, sorry but this is my last question. Just want to understand, is there a possibility just to want to get your view on OPVC because can we add as a product category in our portfolio, which will help ultimately the EPC players to selecting from one company and ultimately ultimate have a diverse product diversification. Is that a possibility we have been looking at it or we have been not looking currently?

Madhav Kejriwal: Sorry about my connection. So sir, there have been multiple times that we have studied the opportunity of getting into plastic pipes, but we firmly believe that for the applications or in the markets that we are, Ductile Iron pipes is the best material that can be used. So we believe that to get into a pipe product that would oppose our bread-and-butter product would not be the most feasible thing to do. If we had a network of retail businesses and we were already investing in the retail plastic pipe, then we could add this to our portfolio. But with our current line of work, it does not fall well into place. And we, as an organization, also do not believe that OPVC per se is a great alternative. It's very commercially viable up to a certain diameter, but that diameter constitutes a small percentage of our sales.

Ujjain Shah: Thank you. That's quite detailed sir. I will join back the queue.

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

Radha Agarwalla: Sir, regarding the coal block case, Rs. 250 crores was declared and your result block states that even this Rs. 250 crores has been challenged by JSW. That is on one hand. And on the other hand, I do understand that the soft costs are yet to be finalized, but considering everything Rs. 1,200 crores of assets is still sitting on your books. So given the scenario, how much of write-off do you think should be done in this financial year-end of these assets? And how much in reality are you expecting the compensation?

Madhav Kejriwal: Ma'am, I think it's a little early in the day to be answering that question. As you can see that there are some clear numbers that are coming out and these numbers are exactly what is reflected in our books. Of course, the person who has to pay will always try to delay the payments. So they are doing their part of what they can do, and we will have to do our part. Eventually, what will happen is difficult to predict, but all we can say at this moment is that whatever numbers that are reflected in our books of accounts is what, after multiple scrutinizes, is coming up by the Nominated Authority at the Ministry level also. So our numbers are definitely ones which are holding true and are in good faith.

Radha Agarwalla: The second question is in the nine months, as you highlighted that you have executed about 4.2 lakh tonnes of DI. So out of this how much of the payments have you received and how much is pending? And is there any pending of last year's receivables?

Madhav Kejriwal: I couldn't quite get that question. Could you repeat that, Radha, please?

Radha Agarwalla: Yes. I am saying that in the nine months, you have executed about 4.2 lakh tonnes of DI Pipe. So out of this, what percentage of payments have you received? And how much is pending? And is there any pending receivables for the last year's execution?

Madhav Kejriwal: Gaurav, apart from our subsidiary payments which sometimes run beyond 8-9 months, could you give an answer to how much is pending beyond nine months in the domestic market? I do not think it would be anything.

Gaurav Somani: Our debtors, ma'am, it's on time. And in fact, if you see, if you compare it from March end the number which was there, the debtors outstanding, it has reduced during the year. We are receiving collections on time and domestic collections are around, say, 50 to 55 days cycle. So we do not have any outstandings which are overdue.

Radha Agarwalla: Okay. And going forward, sir, for fourth quarter, considering the scenario, you said that you are expecting to improve after three to four months only. Then how do you plan to execute?

Madhav Kejriwal: Ma'am, fourth quarter will be more of weathering the storm situation as we have in Quarter 3. So we will have to hold the fort for another couple of months till we are able to start seeing improvements, which I am very optimistic about starting April 2026.

Radha Agarwalla: Understood. So 50 - 55 days cycle only it is pending, I am assuming that --

Madhav Kejriwal: On the domestic side.

Radha Agarwalla: Yes, sir. On the domestic side. So I am assuming that at least for, till first quarter of FY 2026, all payments have been received. Is that sort of fair understanding, sir?

Madhav Kejriwal: Absolutely. Yes, please.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: Sir, firstly, in terms of the Q4 deliverables, we will be in line of what we have done for Q3 as you have been telling just now we will be 1,34,000 that is the pipes and the fittings, which will be delivered for Q4 also or can we see any uptick?

Sunil Katial: Saketji, in Q4, by volume, it will be similar to Q3 only.

Saket Kapoor: Okay. Sir, in the opening remarks or during the interaction, sir, was mentioning about some portal through which now the entire EPC planning and all is done. Can you mention the name once again, its SPARSH portal or something, Madhavji you were mentioning?

Madhav Kejriwal: That is not the planning part, sir. That is the payment of the central share to the contractor will be done through the SPARSH portal, yes. SPARSH platform.

Saket Kapoor: Okay. So sir then taking that into account and since the funding is to be released by March 2026, I think so then the uptake should be better than what we are planning as of now. We are doing it in terms of our understanding that no money is to be received by March 2026. This is what our guidance for deliverables is according to that aspect only?

Madhav Kejriwal: Sir, cycle of demand is such, the government pays the contractor and then the contractor pays us. Now the mismatch that has happened is that because our payments are backed by LCs and BGs, the contractors had to pay us, but then they are not paid by the Government. So on the pretext of this pending payment is received, the contractors will start further work. So this is more of a relief from a pain for the contractors than a kick starter for demand on an immediate basis. Once this pain is relieved for them, then with the onset delay they will start. So I am assuming that, that is the reason why we are mentioning that the uptick will start from April and not within the fourth quarter.

Saket Kapoor: Okay. And sir, very categorically, you have mentioned that we have to weather the storm. So representing the promoter side, sir, what are the course correction exercise currently in the organization that you must be putting into implementation or in the programming stage so that we could be a much more efficient organization going ahead.

And sir, secondly, I think so there was some embargo over the promoter and our honorable CFO also for participation in the capital market. So that part of the story is now over, that period is over?

Madhav Kejriwal: Yes, please. That part is over.

Saket Kapoor: That part is over. So what I feel is that a message from the promoters would also be from -- in the point of the valuations at which currently our company market cap or enterprise value is a point of creating acquisition would have sufficed a lot of nerves for your investors if you are well below 50%.

Madhav Kejriwal: I would agree with that statement, sir. I cannot comment further to that than just saying that I would agree to that and as for the strategy part, one bit of the strategy is what we did with the acquisition of the Italian company, which is a high-technology valve manufacturer. Although, it keeps us in the water industry, it opens up a broader portfolio, and this is disconnected to only the Ductile Iron Pipe business because valves are used regardless of the material of the pipeline, whether it's plastic, steel or ductile.

And this is also a high-technology company. So there is a very strong moat around its product line. As for other strategies, Mr. Katial had mentioned rightfully that we are looking at

diversifying our portfolio, and we are working very diligently towards creating a strong organization for all our shareholders, which will be robust against such surges and dips in the future.

Saket Kapoor: Ma'am, I will just conclude, ma'am. Everybody has got their fair share, ma'am. Allow me to conclude. Sir, when we look at the river linking project part of the story for the state of Rajasthan and Madhya Pradesh, there have been announcement regarding the order tendering and all. So have we seen anything on that front from the EPC players? And any portion of our order book is resembling about the demand from the river linking part of the story, sir?

Madhav Kejriwal: Sir, Ken-Betwa, which is between UP and MP are picking up faster than the one between Rajasthan and MP. But like I have mentioned in previous calls, I was a skeptic till 2 years back, but the last 1.5 years and 2 years, I have seen that things are really moving forward. Of course, a lot of things are still at project's DPR stage, but definitely, work is happening now on the ground slowly, and I am quite optimistic that this will play out. At least these 2, I am very optimistic on the UP and MP- Rajasthan projects.

Moderator: Thank you. The next question is from the line of Rajesh Agarwal from Moneyore. Please go ahead.

Rajesh Agarwal: Sir, what was the turnover in the calendar year for the valve company. Turnover and EBITDA margins?

Madhav Kejriwal: So taking everything in line, our turnover was approximately EUR 37.8 million. So you can say close to Rs. 400 crores, please.

Rajesh Agarwal: And the EBITDA margins?

Madhav Kejriwal: Gaurav, do you have the numbers immediately with you? If cannot remember, the color...

Gaurav Somani: It should be on the higher side of 12%, 13% approximately.

Moderator: The next question is from the line of Eshaan from Aakash Emprise.

Eshaan Kulshreshtha: So sir, I have one question regarding how much of the coverage in JJM has been done so far? Is like the portal is showing around 80%, so the actual number is 80% only --

Madhav Kejriwal: Sir, actual number will be close to 55%-60%, sir. Because - if you see the news, you will see that there is statements that around - 60% - 70% of 80% is functional. In fact, that even leads us to a lower number. So you can say around 50%- 55% is what is functional work that is done. For the rest of it, some infrastructure has been built, but those are not functional household tap connections. So they will require some more infrastructure building behind them.

Eshaan Kulshreshtha: Okay. And - out of that, how much is Electrosteel expecting, like is it a substantial share, like 40%-45%?

Madhav Kejriwal: So sir, at the moment, around 20% of the domestic ductile iron market is our share. It fluctuates between 18% - 25% depending on how much we export. So that is the current expectation.

Eshaan Kulshreshtha: This is a domestic share that you have.

Ashutosh Agarwal: Yes.

Madhav Kejriwal: Yes.

Eshaan Kulshreshtha: Okay. And it is the largest share?

Madhav Kejriwal: I would say there are two to three players all with similar capacity, sir. So we all have similar market shares -- between 18% to 20%- 25% between 3 players and then everybody else has a 10% to 15% odd market share.

Moderator: Ladies and gentlemen, due to time constraints, that was the last question. I would now like to hand the conference over to the management from Electrosteel Castings Limited for the closing comments.

Sunil Katial: Thank you, everyone, for joining us today and for your continued trust in our company. We remain committed to driving sustainable growth, strengthening our balance sheet and creating long-term value for all of our stakeholders. We appreciate your support. We look forward for updating you in our progress in the upcoming quarters. And we are hoping definitely the things are going to look up from now onwards. Thank you very much.

Ashutosh Agarwal: Thank you, everybody.

Madhav Kejriwal: Thank you.

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