



MDN/CS/COMPLIANCE/2025-26

November 19, 2025

To,

BSE Limited,
P.J. Towers Dalal Street,
Mumbai- 400001
Scrip Code: 541195

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051
Trading Symbol: MIDHANI

Sub: Transcript of the Analysts and Investors Meet/Conference Call held on November 14, 2025.

Dear Sir/Madam,

1. Further to our letter dated November 14, 2025 intimating you about the audio recording of Analysts and Investors Meet/ Conference Call on Q2 – FY26 Results, held on November 14, 2025, please find below the transcript of the aforesaid Conference Call.
2. The transcript of the call is also made available on the Company's website.

This is for your information and record.

Thanking you,

Yours faithfully,

For Mishra Dhatu Nigam Limited



Paul Antony

Company Secretary & Compliance officer
company.secretary@midhani-india.in

Encl: As above

मिश्र धातु निगम लिमिटेड

(भारत सरकार का उद्यम)

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MISHRA DHATU NIGAM LIMITED

(A Govt. of India Enterprise)

Registered Office: P.O. Kanchanbagh, Hyderabad, Telangana-500058



“Mishra Dhatu Nigam Limited
Q2 FY '26 Earnings Conference Call”

November 14, 2025



MANAGEMENT: **DR. S.V.S. NARAYANA MURTY – CHAIRMAN AND
MANAGING DIRECTOR – MISHRA DHATU NIGAM
LIMITED**
**MRS. MADHUBALA KALLURI – DIRECTOR FINANCE –
MISHRA DHATU NIGAM LIMITED**
**MR. PADAVITTAN BABU – DIRECTOR, PRODUCTION
AND MARKETING – MISHRA DHATU NIGAM LIMITED**
**MR. A. P. RAO – AGM FINANCE – MISHRA DHATU
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**MR. PAUL ANTONY – COMPANY SECRETARY AND
COMPLIANCE OFFICER – MISHRA DHATU NIGAM
LIMITED**

MODERATOR: **MR. VIKASH SINGH – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Midhani Q2 FY '26 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh. Thank you, and over to you, sir.

Vikash Singh: Thank you, Shavane. Good morning, everyone. On behalf of ICICI Securities, I welcome you all on Q2 FY '26 Midhani results con-call. I would like to thank the management for giving us the opportunity to host the call. From the management side, we have with us Dr. S.V.S. Narayana Murty, Chairman and Managing Director; Mrs. Madhubala Kalluri, Director Finance; and Mr. Padavittan Babu, Director, Production and Marketing.

Without taking any much time, I'll hand over to Chairman sir for his opening remarks. Over to you, sir.

S.V.S. Narayana Murty: Thank you. Good morning to all of you. Hearty welcome for Midhani Q2 FY 2026 Earnings Conference Call. This is Narayana Murty, CMD of Midhani and with me present today are Smt. K. Madhubala, Director of Finance; and Shri. P. Babu, Director of Production and Marketing. I'm also joined by Mr. A. P. Rao, AGM Finance; and our Company Secretary, Mr. Paul.

The detailed financial results for the quarter and half year ended has been disclosed to stock exchanges. However, I'd like to take a few minutes to highlight some of the key figures from the results. Midhani has achieved a turnover of INR209.73 crores during the second quarter of FY '25-'26, against a turnover of INR262.12 crores recorded in the corresponding period of the previous year.

For the first half of FY '25-'26, the turnover is INR380.22 crores against turnover of INR425.57 crores in the corresponding period of the previous year. Value of production during the second quarter of FY '25-'26 stood at INR256.38 crores, and VoP for first half of FY '25-'26 was INR497.67 crores, registering a growth of 3.9% against the value of production of INR479.01 crores recorded in the corresponding period of previous year.

In terms of profitability, profit before tax during the second quarter of FY '25-'26 was INR19.13 crores and the profit before tax during the first half of FY '25-'26 was INR38.12 crores. Profit after tax during second quarter of FY '25-'26 was INR12.77 crores and the profit after tax during the first half of '25-'26 was INR25.58 crores.

There has been a decrease in the top line performance on the year-on-year basis. However, there is year-on-year increase in the production, and there is no decrease in bottom line performance with respect to EBITDA and PAT margins. The EBITDA and PAT margins for the first half stood at 21.82% and 6.73%, respectively. Additionally, the order book position remains robust at INR1,869 crores as on 1st October 2025. This gives a very good visibility for FY '25-'26 and beyond.

One of the important developments that I wish to bring to all of you is that Midhani has entered into Memorandum of Understanding on November 10, 2025 for creating a metal bank at Midhani to ensure uninterrupted production and supplies of projects of national importance. You all know that we import a number of raw materials.

And there have been instances where there were supply chain interruptions due to which we could not book some of the exports, because of the non-availability of some of these raw materials. And this MOU was outcome of Ministry of Defense vision. And considering Midhani's strategic importance across all strategic sectors, this initiative was taken.

And another important thing is we have signed a MoU for a bulletproof jacket, its name is ABHED. And it is a technology developed by DRDO and Indian Institute of Technology Delhi and this will significantly increase the forthcoming orders for bulletproof jackets.

So with this brief introduction, I now request the stakeholders for their questions. Thank you so much.

Vikash Singh: Operator, please announce our Q&A session.

Moderator: The first question is from the line of Henil from Equicorp.

Henil: Sir, I've got a few questions. So with respect to the decrease in revenue, sir, could you give some further explanation because we've also seen an increase in our inventories? So is it some orders that have actually slowed or we've actually delayed or deferred the shipment, which is why the inventories have also built up and the revenues have also gone down.

S.V.S. Narayana Murty: Okay. Just to give a small brief, the Midhani has order books predominantly 3 varieties of materials. One is steel, second is super alloys and third is titanium alloys. And the processing time from the starting of the melting to booking sales, it depends on the nature of material and orders we are executing in a particular quarter.

Typically, steel takes about 2 months for processing from melting to the book phase. And super alloys and titanium alloys, particularly super alloys, will take longer time for processing, nearly 4 months, it takes. So sometimes what happens is even if you start producing in 1 quarter, we'll not be able to book sales in that quarter. So it will get booked in the next quarter.

That is the reason why you have the -- even though value of production has gone up, we were not able to liquidate in the previous quarter, which we'll be doing in the current quarter. So that is the basic thing. And there are many super alloy grades which we have melted in the previous quarter, which are under processing, downstream processing, like rolling, forging and other things. So that is the reason why you are finding that decrease in the sales.

Henil: Okay. So sir, also if you could, given the status of the advanced ultra-supercritical thermal power project, so there was -- the budget have actually released some funds, but I think so it's still moving very slowly. So for the demonstration plant at NTPC are going to do it in Bilaspur and then about 50 gigawatts was guided. So how is the progress out there, because I think so even orders for ourselves slowed down?

S.V.S. Narayana Murty: Yes. See, Midhani is very proud that we are the people who have developed one of the grades of nickel-based super alloy, it is called 740 grade super alloy. And it is a nickel-based super alloy in collaboration with Indira Gandhi Center for Atomic Research and Nuclear Fuel Corporation, Hyderabad. Midhani has successfully melted the material. It has been processed into the tubes. And in order for these tubes have been already -- it has been tendered by BHEL.

And we are hopeful that we will be a part of the tube manufacture -- I mean the raw material supply to the tube manufacturers. Because one of the conditions that was put is, only tube manufacturers can participate in the tender in the BHEL tender. And whoever is the tube supplier, Midhani will produce this material and supply because this is a special grade that is required for the processing of steel and only Midhani can make this currently in India.

Henil: So sir, if you actually look in the nutshell, so our non-defense order book is actually getting a lot of traction in this space, nuclear energy and the thermal energy side. So how should we look at the ratio? Because it used to be 80-20, 80% defense and 20% non-defense. So how should we see as these projects start actually picking up and if you could also give the potential of the -- I mean, on the thermal energy side, nuclear energy and the space projects for Midhani?

S.V.S. Narayana Murty: Yes. So actually, if you look at our order book, 70% of the orders are from defense and our total order book as on today is INR2,220 crores, out of which about 70% of the orders are from defense, 20% are from space and about 10% that includes energy and other current standing. So we expect the contribution from energy and others also to increase.

Henil: So if you look 2, 3 years under and how would this mix change for us? Would it be more of 60-40 ratio or probably a little more?

S.V.S. Narayana Murty: Yes. We expect at least maybe 10% to 15% maybe exports in the coming 2 to 3 years. That is what we are expecting. And there will be increase both from space as well as other. Energy, we are expecting because once this order fructifies, the ultra-supercritical order, that will have significant increase in the energy side. So we are expecting that defense to little come down and that space being occupied by energy, exports and space.

Henil: Sir, lastly, before I get in the queue, sir, if you could also give some more understanding and clarity on the ABHED part, because you already have a power jacket and it didn't really pick up because I mean of the weight. So ABHED -- in the last call, you said it is for very strategic use also. So what is the kind of potential you are seeing? And is it like a technical textile base, where you'll actually compete with the technical textile players on this particular piece?

S.V.S. Narayana Murty: To be frank with you, ABHED is the real technology, okay? Actually, if you look at, Midhani has entered into the armor business more than 20 years back. Slowly, the nature of armor has come down from using some steel plates to ceramic plates and there are called -- what are called soft armor and hard armor. That combination gives the best protection levels for the bulletproof jackets.

So this particular technology, we -- as we mentioned, we already had Bhabha Kavach technology. But the level of production, the weight of the body armor is significantly lower compared to the other things. This is the lightest bulletproof jacket that currently is in existence.

So we have taken this -- last Monday, we have taken the ToT from IIT Delhi. And this will be the future technology for all the bulletproof jackets. It is having one of the lightest bulletproof jackets and with highest protection level, okay?

So we hope that we will be in the thing. And other people who are textile manufacturers and all, I mean, this is a different kind of thing altogether. ABHED is going to be a game changer in the bulletproof jacket business. And hopefully, we are hoping that we'll get a significant number of orders for this particular ABHED jacket.

Moderator: The next question is from the line of Nishita from Sapphire Capital.

Nishita: Can you give a revenue mix between the 3 varieties that you just mentioned, that is steel, superalloys and titanium alloys? What is the revenue mix between these verticals?

S.V.S. Narayana Murty: Okay. So if you look overall, I can give you the figures. Super alloys, for example, we have -- so we have total percentage of super alloys is 21%, titanium alloys is about 19%, maraging steel is about 15% and specialty steel is about 37%. And all other grades, minus all the above 4, it comes to about 80%. So this is a revenue hit of 8%. So this will be in terms of revenue and our product mix. Yes, alloy-wise revenue.

Nishita: Okay. Okay. Understood. Also, my next question was you earlier guided to reach INR1,300 crores in top line for FY '26 and we've had a deep growth in H1 FY '26. So are you still confident that we'll be able to achieve the INR1,300 crores of top line and EBITDA margin guidance of 23% to 25%?

S.V.S. Narayana Murty: Yes. Our target is to reach INR1,300 crores and many of the things as I told you, they are under WIP, and we will be processing in Q3 and Q4, we will be working harder to reach the target. Target has already been fixed at the starting of the year and we are moving towards that. Both for EBITDA as well as the top line will be maintained as per whatever we have told earlier.

Nishita: Understood, sir. What will be the growth drivers for H2 FY '26, because to reach INR1,300 crores of top line we need to have a minimum of 40% of growth year-on-year in H2? So what are going to be the growth drivers?

S.V.S. Narayana Murty: Yes. The growth drivers will be the super alloy business and titanium alloy business. These are -- proportionately, we have higher revenue from these two things. And instantly, I wish to inform you that we have INR600 crores worth of titanium order book currently. So we'll be executing them and to reach that INR1,300 crores business. And we have about INR450 crores of super alloys orders currently. So that itself is exceeding INR1,000 crores of order book. So by executing these things, we are confident that we can meet the targets.

Nishita Shanklesha: And it takes about 4 months to execute this -- these orders, right?

S.V.S. Narayana Murty: Yes.

Nishita Shanklesha: Okay. Understood. And do we have any order pipeline like are you bidding for any further orders? What is the order pipeline?

- S.V.S. Narayana Murty:** Yes. So current order book is about INR2,200 crores, I told you already. About INR500 crores worth of orders are in pipeline, where we have already participated in tenders. And by March 2026, we'll be able to realize this INR500 crores orders.
- Nishita Shanklesha:** Okay, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Abhishek Kumar Jain from Alfa Accurate. Please go ahead.
- Abhishek Jain:** Thanks for opportunity. Sir, apart from the 21% growth in the top line, you had also guided significant expansion on the margin side also 300 to 400 bps in FY26. So are you still intact with that guidance?
- S.V.S. Narayana Murty:** Sorry, we didn't get you like your -- are you asking that our margins on EBITDA and all that at what level. So it will definitely be at the previous year's. Previous year, like it will be, we are expecting around 23% EBITDA margins overall during the year.
- Abhishek Jain:** So in the first quarter, you had mentioned that you are looking for that 200, 300 bps of the margin expansion in FY26. But if you see the second quarter numbers, there is significant dip on the gross margin and EBITDA margin. So I just wanted to understand, are you still intact with that target?
- S.V.S. Narayana Murty:** Yes. Actually, as we mentioned the reasons for the decrease in the revenues, even though we have done the production, but certain productions, which are at the final stages, where the revenues can be seen in Q3, number one. So since because the revenues have been decreased though the percentages looks like, but if we look at the EBITDA margins in terms of revenues, the EBITDA, PBT and the PAT levels.
- All the three at par with even the previous year. And as we mentioned that the overall expectation of 23%, which we are expecting the EBITDA margin. And since our targets, we are again still targeting for INR1,300 crores and we are putting efforts to reach that end. Definitely, once INR1,300 crores as come, 23% EBITDA is not an issue and it will definitely come. It will -- we are confident of that.
- Abhishek Jain:** And how is the current composition of the raw material sourcing virgin matters versus scrap?
- S.V.S. Narayana Murty:** With respect to metal bank, yes, we are using something like more than 20 types of raw materials that go into the production of the nickel-based super alloys and other special steels. We import them because such kind of high purity raw materials are not available in the country. And so we had a discussion, Ministry of Defense has initiated a program by which we should have self-sufficiency in the raw materials.
- So we have identified some 6 critical raw materials that are supposed to be stored in large quantities, which are essential. So we are going to create a metal bank with the 6 raw materials, which support already we have signed MOU. So maybe coming 6 months to 8 months, we will be able to have this metal bank in the campus of Midhani at Hyderabad and that will ensure uninterrupted supply.

Because some of the times, even lack of one element in an alloy is going to create a problem. We cannot take the melt because -- or we cannot process the material. See even if one element is not there. So with respect to that, this initiative has been taken. And this is a very important initiative to have Atmanirbharta of Government of India. So this is the initiative that we have taken. And last Monday, we had an exchange of MOUs in presence of honorable Raksha Mantri.

Abhishek Jain:

And sir if we see the historical trend your inventory is increase is higher than the net sales number. So I just wanted to understand that how much you are ready for the recycling and using the alloy scrap and increase the usage of the scraps in your overall production?

S.V.S. Narayana Murty:

Yes. So actually, in any processing of material generation of scrap is inevitable because the product has to be made and there will be -- during processing of material, there will be losses and there will be generational scrap. And this scrap goes into -- goes back into production and then inventory -- I mean, when the production is more, more scrap is generated.

Okay. So how much of this scrap can go back and how to reduce that you are thinking, but we are not allowed by certain customers to use more than certain minimum quantity of -- certain minimum quantity of scrap, because the -- there are certain requirements, for example, Gaganyaan applications of ISRO.

We are allowed to use only a certain amount of scrap. And it all depends on product mix. If the customer is saying that I want virgin material, we have to use pure raw materials. So typically, the ratio of the virgin material to scrap will be in the ratio of 60% to 40%. So sometimes when huge orders are there where virgin materials have to be used, scrap generated cannot be put back into production line and there will be accumulation.

But we are continuously thinking and trying to understand how we can put the scrap back into operation. We slowly we'll be reducing. It all depends on the product mix and that we are processing in a particular year or a particular quarter. And you can see the up and down in the scrap utilization or accumulation. So is a brief thing for your question. sir.

Abhishek Jain:

And sir, you are also involved in the Kaveri engine manufacturing program, just wanted to understand the outlook of that and how much -- what will be the role of Midhani?

S.V.S. Narayana Murty:

Midhani is a 52-year-old client, which is having expertise of more than 40, 45 years in the production of super alloys and titanium alloys. The essential elements that go into the manufacturing of an engine, aero engine are super alloys and titanium alloys, predominantly. Those hard sections will be super alloys and the lower temperature sections will be titanium alloys.

And we have both the thing. Midhani has continuously supported this Kaveri engine program or in the futuristic upcoming programs, whatever programs are there under Government of India. We are continuously striving to develop new grades. Recently, in fact, some of the grades for one of the aero engines of a public sector undertaking has been -- we have been cleared.

Midhani has been cleared for productionization by certifying agency. So there are continuous efforts to make newer alloys and producing them and getting certified and supplying to the

customers. So these are continuous efforts because large number of grades are used and these grades can be built only in Midhani because this kind of technology are available -- the kind of facilities are available by Midhani. So we closely work with our customers to develop these grades and get them qualified. And we do internally a lot of research for each of these materials and we are with our aero engine manufacturers yes.

Abhishek Jain: So if I say that the long-term outlook that you are involved in the ultra high temperature super critical power plants, Kaveri engine power programs and so many defense programs. So I just wanted to understand what is your revenue guidance for the medium to long term because that - if I see that revenue growth in the last 5 years, 6 odd years, it is very -- it's not very up to the mark. So I just wanted to understand at the investor point of view that what would be your revenue target by FY30 or FY28?

S.V.S. Narayana Murty: No, it is like this. We are having certain kind of facilities currently we are operating. And as your point, I appreciate we are having a lot of plans for increasing our revenues and we are having the strong capex plans okay? And we will be targeting every year at least 10% growth, okay?

And we have ambitious capex where we can install some new equipment to improve the productivity basically, okay? So some of the older equipment we are we are replacing it and by utilizing the capex and installing new equipment, we expect our growth to be 10% year-on-year.

Abhishek Jain: So sir, defense is an emerging sector at this point of time and everybody is expecting very strong growth as the company is growing well, the growth rate is very high. So in that case, as you are involved in many program, just taking the 10% growth, is it not very much conservative on your side?

S.V.S. Narayana Murty: Yes. So basically, it is like that. By the time -- once we install the new facilities, we expect it to be higher on a very conservative note, I'm revealing this 10% figure. Yes, we want to have better figures. In the coming years, you will see a bigger growth.

Abhishek Jain: So can we expect that a 20% plus CAGR growth in the next 3, 4 years because there are so many programs?

S.V.S. Narayana Murty: Yes. Once our long-term capex plans are in place. Certainly, your figures can be matched.

Abhishek Jain: Okay. And what is your capex plan, sir, for the FY '26, '27?

S.V.S. Narayana Murty: Yes, we are working on that. We are in discussion with our ministry and we should be ready with maybe by end of Q3, we'll be able to make those plans and probably in the next con call, we can give you detailed figures. We are in the process of making currently.

Moderator: Thank you. The next question is from the line of Manoj from Equicorp Research. Please go ahead.

Manoj: So, my first question is about the metal bank. If you are going to have this 5, 6 materials, we are going to store for a very long time. Isn't it going to involve substantial capital from our side?

And will it be subsidized by any of the government departments or it will be calculated in the costs while bidding for the contracts?

S.V.S. Narayana Murty: Yes. The first answer is no. It is not going to be in the books of Midhani. And this is as per MoU, it is a metal bank being established in Midhani's campus owned by customers, okay? Owner is the customer, whoever our MoU partners, they are the customers and the location is Midhani, okay?

Manoj: Okay.

S.V.S. Narayana Murty: And only infrastructure is, Midhani's infrastructure, we are only facilitating the required infrastructure and it is a customer-owned, Midhani operated metal bank.

Manoj: This is great news for us. I mean it will not block any of our production plans actually...

S.V.S. Narayana Murty: Absolutely. Absolutely, you're right. And there has been a long thinking in Ministry of Defense and as advised by them, and as per our suggestions, this has been established. And soon within 6 to 8 months' time, we will have the metal bank being installed within the Midhani's campus.

Manoj: Sir, my second question is, what is the current capacity utilization across our facilities and businesses and what is the optimum sale we can generate from the current capacity at the optimum level?

S.V.S. Narayana Murty: Yes. So if you look at -- okay, capacity utilization, if I would give you -- we have multiple stages of operations for processing of any material. We have melting that is we melt the material, then downstream processing. That is we'll do forging of the material, rolling, hot rolling, cold rolling, wire drawing and all these things. Depending on the product form that we are supplying, it will undergo a series of operations.

So melt, we have subsequent capacities, okay? And if you are selling castings, that is directly ingots, process stops there. So we have 100% capacity utilization. If you go to forging, probably we are having two forge presses. There also, we are having, wherever it is required for operating, we also go outside and get some of the things done. We outsource it and of course, we have a white plate mill.

We have other hot rolling mills and cold rolling mills. So, depending on the product mix, whatever product we are processing, some of these equipment are used. So it all depends on the product mix that we are targeting. And accordingly, the capacity utilization will be there.

Manoj: Sir, my next question is, if we have to achieve, if you decide to achieve a turnover of INR5,000 crores, I'm just asking that. Then what is the road block? Is it the demand? Is it the capability? Is it the source of supply -- or where is the bottleneck? Or is it the capex limitation? Where is the limitation, if you have to achieve? And is there a potential to achieve this kind of turnover in the next 3-4 years, 5 years?

S.V.S. Narayana Murty: Yes. So, it all depends on the orders. A, if enough orders are there, next roadblock our bottleneck will be the infrastructure availability. And the third thing is, of course, processing. Midhani is

capable of making literally any type of alloy, okay? We have 500 grades of materials in our portfolio and about 100 of them are aeronautical grades that are required for aero engines.

We supply materials to ISRO for all the solid rocket motor booster. We supply materials for all the missile programs included in Brahmos, Akash, which are used in Operation Sindhoor. So it is not the question of capability. Capability exists. We have a very strong R&D team in Midhani.

We have wealth of knowledge. We have profit sheets for so many grades. It is only question of infrastructure. If infrastructure is available, that is the reason previous question, I also emphasized that we need to have some capex for it. We can produce more, okay? So our idea also is towards growth, how to grow at 20%, how to grow at a higher level, how to get?

So orders are available. In fact, if you look at the EXIM data, something like INR8,000 crores worth of super alloys and titanium alloys are being imported into the country. So there is enough requirement for the material. So it is only a question of having the right kind of infrastructure so that we can book the orders, even we can export the materials.

I mean there are enough people looking for orders in competitive market and Midhani exported last year -- 10% of its revenue has come from exports itself. So, enough opportunity is there. Certainly, it's a -- bottleneck is the infrastructure. If we upgrade some of the equipment and some of the facilities that we create. These figures are possible.

INR5,000 crores, it may take a little time, but it has to be in a progressive manner. So we -- to start with how to achieve maybe we have to go towards INR1,500 crores to INR2,000 crores and slowly in a gradual manner, there is a significant possibility to increase in this area. And this is a very niche area. Again, I want to tell you.

Manoj:

So if you -- sir, you have the money, or if somebody is willing to put in money, say government or somebody else, right? Say, you are given INR500 crores or INR1,000 crores, is there a potential to invest in this kind of capex and accelerate the growth in a big way? I mean, what's the medium-term capex plan? Is it like INR200 crores, INR300 crores, INR500 crores, or even more than that?

S.V.S. Narayana Murty:

Yes. I agree, actually, okay, we will be, I mean, we are currently working out by end of Q3, we'll be able to give you the correct figures. We are in the process of making plans to what are the right kind of equipment to put and where we are going out for -- I mean, downloading of our facilities. So that capex plan, we'll be sharing probably in the next conference call. Yes, as you told infrastructure is required, and we are in the process of doing that. And our ministry also is encouraging us to go ahead with this kind of thing. So we will do that.

Manoj:

Sir, only the last question, comment, whatever you say about the solution. If I understand, I mean, in terms of the business potential, which is huge. You said INR1,000 crores worth of imports are happening. There is a significant export potential, right?

So the only thing is instead of rethinking about 10%, 15% growth or something, we need to fix a vision. Somebody has to fix the vision saying that, okay, we want to achieve INR5,000 crores

in the next 7 years or 6 years. And then work backwards of what is needed, what capabilities, what money, what facilities, what sustainability.

And that is how that needs to be planned, right? I don't think for the kind of capability and kind of things we have, we need to talk about 10%, 15% growth. I think it looks to happen from a different angle. And if that happens, then there will be a push for doing a lot of things. So, I genuinely hope that over the next couple of quarters, we should have a lot more clarity and significant push towards the growth for the next 5, 7 years, I sincerely hope so. And hope to meet you sometime soon, sir because we see significant potential in our business, actually

S.V.S. Narayana Murty: Thank you very much, actually. You are most welcome to Midhani. Anytime you can come and visit our plant. And we are also doing visioning exercise. Already, we are into the exercise of 2030 and 2047. And we are a significant partner in Viksit Bharat, proposed by Honorable Prime Minister.

So how to take the company forward is one of the most important targets currently, we are working. And certainly in the coming quarter or 2, we'll be able to share our futuristic plans as this will do, and we look forward to your visit. Thank you.

Manoj: Thank you, sir. Thank you very much for the opportunity.

Moderator: Thank you. The next follow-up question is from the line of Henil from Equicorp. Please go ahead.

Henil: Sir, some questions related to the space start. So we had done a consortium order some -- few years back on the PSLV side for ISRO. Sir, are we empaneled for PSLV, GSLV, SSLV and LVM3 projects? Or is there something where -- is there some part where we are not actually there?

S.V.S. Narayana Murty: Your question is absolutely right. And if you remember we are a part of ISRO, okay? We are catering right from the first PSLV onwards. Midhani's material is what you see in the -- when the launch vehicle lifts, whether it is PSLV, GSLV or LVM3 or any of these SSLVs. You see the Midhani's rocket motor casing that is what gets ignited on the ground. Midhani's has been a partner of ISRO for last more than 40 years.

So we have been supplying. And for all these things, not only for solid rocket booster, we also supply materials for liquids engine that is Vikas engine. We supply materials for cryogenic engine, both for GSLV Mark 2 and Mark 3 and we supply materials for semi-cryogenic engine, and we are looking forward.

ISRO is going with great guns for next-generation launch vehicle. They are having engines. We will be part of that one. And SSLV, whatever order has been given to HAL, we'll be part of that. Every ISRO launch vehicle and satellite, Midhani's materials will be there.

Henil: Okay. So the Gaganyaan mission and the human assisted mission, will also be a part of that very strategic mission, right?

S.V.S. Narayana Murty: Absolutely, in Gaganyaan mission, all solid rocket boosters, I mean that maraging steel, whatever is produced in Midhani is being used. In fact, that is in one of the previous questions I told. The rigorous quality checks that are done by, I mean, by ISRO for Gaganyaan mission that they don't permit us to use the scrap because it has to be human rated vehicle. Yes.

So that human rated vehicle, the quality controls are so high, so we cannot have any deviation in the quality and meeting their requirements. We are very proud. Midhani is very proud to meet the human requirements for ISRO's Gaganyaan program. We collaborate closely with them. And in fact, we are the major suppliers of materials for ISRO in Gaganyaan program.

Henil: Okay. So also we were also trying to put a metallic powder plant as an input substitute. So how do you see this particular segment? Is it going to be order specific -- orders for the powder unit? Or is it going to be on a consumable basis? So, the orders will be continuously recurring from your plant.

S.V.S. Narayana Murty: Yes. Actually, if I have to elaborate on this, metal powder project is coming from additive manufacturing industry. Midhani has been making the alloys like super alloys or titanium alloys for so many years. Last 40 years, we have been melting. We are masters in making the alloys.

Now one of the branches, this is the one approach that is making a big block and machining to realize the component. Recently, additive manufacturing industry is growing at a very fast pace. So in order to meet the additive manufacturing industry requirement. Currently, all the powders, particularly titanium and super alloys powders are imported.

India is not having capability to make these powder -- powders as an input material for additive manufacturing, that is 3D printing. Now, since Midhani already has a lot of expertise in making these alloys, it is only a question of converting the alloy liquid metal into powder. So we have already initiated, there is a purchase order. Okay?

So we are pursuing with the company to supply this equipment. With this, the advantage is Midhani is also producing metal powders for additive manufacturing. And there is a huge potential. All powders are getting imported.

So, first of all, we can cater to the all markets within the country. And there is a huge export potential for powders also. So, with this idea only, this initiative was taken. And we hope that we will be able to establish, okay? So, this additive manufacturing powder making facility, maybe in the coming 6 months, we should be able to do. Already PO is placed. So, there are some hiccups. So, we are expecting that the problems will be sorted out and we'll be able to install the facility. Yes.

Henil: So, this would provide significant skin in the game for us, because a lot of aerospace manufacturers are actually looking at 3D printing for very precision part, I mean, construction side. So with this, I think, sir, the aerospace will be a very good vertical and I think aerospace is the most profitable vertical for us among all the wholesale if I am not mistaken.

So if you could also just some more understanding of the MoU that we signed with AD and the Aero India 2025 Summit the MD and 100 grade, alloy grade. Sir, what is the actual use case and we've also been supplying some aeronautical grade alloys for the Tejas Mk2 program. So since the Mk2 program process also there?

S.V.S. Narayana Murty: Last sentence, I could not hear. Can you repeat?

Henil: Sir, we were also empanelled to provide some aeronautical grade alloys for Tejas Mk 2 program. Sir, since the program is little delayed and there's still some time to pick up I mean, what's your understanding over there?

S.V.S. Narayana Murty: Okay. See, luckily, we are the company producing materials for the Tejas Mk2. Yes, there are number of grades in that and we have already started processing these materials. There are a significant number of steel, super alloys and titanium alloys in this. And they have to be first of all type tested and qualified and we are in the process of doing that. And we are also -- whatever you mentioned under Aero India, those grades we are currently producing gas.

Henil: And lastly, we had also alluded to a INR700-plus crores order in Q2. But if I just do the math, I think, it's about INR250 crores that we've actually got and INR300 crores that we got in October. Sir, there is actually the disconnect -- are the orders deferred or are we still yet to receive the tenders because the tender this has not been open?

Management: Another INR500 crores that's in advance , we are expecting before March over and above whatever we already booked around INR990 plus, we are expecting another INR500 crores of orders from defense and navy sector before March '26.

Henil: Okay, and for ABHED project.

Moderator: Sorry to interrupt sir. Should you have any follow-up questions, please rejoin the queue.

Henil: Sure.

Moderator: Thank you. The next question is from the line of Rakesh Roy from Boring AMC. Please go ahead.

Rakesh Roy: Yes. Sir, my first question regarding, can you guide us about how much order book we are expecting at the end of March FY '26? Because as you say, you are in second half, you will do nearly INR900 crores revenue or full year INR1,300 crores, so our total order book is here by INR2,000 out of INR2,900 is completed. So how much order book we are expecting at the end of March?

S.V.S. Narayana Murty: Okay. No. Presently, we are adding INR2,220 crores order and another INR500 crores already finalized there. That makes around INR2,700 crores. Even INR900 crores we will do it is going to be INR1,800 crores. Actually, we are thinking even some more order will come. The first April 2026, we expect at least INR2,000 crores opening balance will be there minimum. So that will be easy to plan even next year also.

- Rakesh Roy:** Okay. My next question, sir, as you say bullet proof helmet. So you get the DOT from the IIT Mumbai product will be made in Hyderabad facility or Rohtak facility or can you update on Rohtak facility, any update on any order new order from the urban investor?
- S.V.S. Narayana Murty:** No, Rohtak facility is presently we are doing vehicle armouring and body armouring from like a prior order we got. Sir told that IIT Technology ABHED also, we have already made and it is under the testing that is going on. Now already we have done around INR12 crores in the first half till October and we have another some INR40 crores.
- So there is a good visibility and we are pursuing some more order. So maybe by end of the year, the Rohtak will be doing much better than means initially whatever we are doing. And to add to whatever our Director of Production and Marketing told, this ABHED technology taken DOT from DRDO plus IIT Delhi whatever we have signed and taken the technology transfer.
- This is a very, very niche technology. And we have already processed bullet proof jackets using this technology and we have already tested, ballistic testing also has been completed. So we are very much impressed with that. And we hope that we'll get a significant number of orders for ABHED jacket.
- Rakesh Roy:** ABHED for bullet proof jacket?
- S.V.S. Narayana Murty:** Yes. If you recall, we are already into the business of making bullet proof jackets. We have a facility at Rohtak which is making already this. So we have all the facilities that is the facilities required the SAP and HAP, no, whatever soft armour panel and the hard armour panel and autoclaves, all the facilities are available, how to test them, how to do raw material inspection? All these things are there. It is only the processing of these, the ABHED jacket, there is small differences are there.
- And we will be processing them as per the thing and whatever capex required for it is small and that is will be installing those equipment. And I mean, we should be able to get all these things, ABHED jackets within 6 months, everything will be made. So we are ready for getting orders for this particular jacket.
- Rakesh Roy:** And last question, sir. Sir, any product we are supplying to a shipbuilding, sir, any our product is going to shipbuilding industry?
- S.V.S. Narayana Murty:** Yes. Yes, absolutely. We are having -- we supply steel for all shipyards, like Hindustan shipyard. Okay, we are working with Mazagon Dock Limited for some of the indigenized steels. There are grades which are currently being imported. So we are discussing with them on indigenization of steel and we'll be soon developing these steel grades. Henceforth, will not be -- we need to supply -- I mean, import these steel. Yes, with shipyards we are doing.
- Rakesh Roy:** Okay. Why I'm asking the government is just thrusting on the shipbuilding industry in India. So in that case, sir, how are you looking this industry growing in the next 5 years, 6 years and where do we stand sir?

S.V.S. Narayana Murty: Yes, we expect significant orders. See, Midhani, the advantages whoever gets order we'll be getting the raw material order because these steels are very, very in high-end steel and such. These are not like the steels that are made in steel plants, conventional steel plants. These are all wide plates that go into wide and thick plates that go into the building of ship.

And these are all very special grades and majority of them are either German or either French origin. So we have the capability to make these materials. And the more they grow, the more we grow. So the more number of orders they get for shipbuilding and we will be getting correspondingly orders for raw materials.

Rakesh Roy: Okay so for shipbuilding especially to steel or super alloy?

S.V.S. Narayana Murty: They don't use -- I mean some of the ships use titanium alloys because it is in water, seawater. But majority of the materials are steels.

Rakesh Roy: Great sir. Thank you.

Moderator: Thank you. The next question is from the line of from Jyoti Singh from LIC. Please go ahead.

Jyoti Singh: So my first question is pertaining to the exports. Since we're exporting to more than 20 countries, so what kind of opportunities are we seeing and how do we plan to increase it going further from the current level?

S.V.S. Narayana Murty: Yes. If you look at our exports last year, we have exported orders worth of INR95 crores, about INR94 crores, okay. So currently, we have already supplied to the tune of INR21 crores, okay, till now, till second half. And order book is around something like around INR25 crores worth of order book is currently we are executing. This year, we were a little -- fell short, because total exports may be around INR50 crores.

One of the reasons why we are falling short is because there were some raw material constraints for processing of some of the titanium alloys. We need to import materials from abroad. So where we are having currently some geopolitical situation is not so good. So we are not getting -- some supply chain disruption was there.

Deliberately we have not booked some of the orders, even though we've been approached here, because the typical time line for processing of -- I mean the import order is about 3 to 4 months. They want material very quickly. Even the import of the materials may take 3, 4 months. So we didn't want to necessarily enter into that. So deliberately, we have not booked some of the orders, but there is significant potential. If you look at the super alloys and titanium alloys, we are competitive in the open market and we'll get orders by competition.

So we can look once these things are settled, we should be able to make that INR100 crores, INR150 crores exports every year. And not only that there is one more important point that I want to mention that Midhani is going for NADCAP certification, which is essential for export orders.

So by Q4, we'll be completing this NADCAP certification also, which will enable us to export the materials. So that will have -- I mean all these applications, whatever are required by the export market, okay, our foreign customers, they look for this application, and we'll be completing by Q4.

Jyoti Singh: Okay. The second question is pertaining to your order book. If you can guide on the execution plan or time line for your current order book in hand?

S.V.S. Narayana Murty: The time line for executing the current order book, okay? So currently, we are having about INR2,200 crores, and we expect another -- anyway, we are moving towards something like -- yes, we should be able to complete by 12 to 18 months, whatever orders currently we are having. And some of the grades are developmental grades so that higher time, longer time is for those developmental grades. Production grades will take not more than 12 months at the most.

Jyoti Singh: Do we see any sort of issue including the raw material for the order book that we have so that this gets executed in time.

Management: Presently, except one or two raw materials, there is no much issues. We are already concurrently planning raw material procurement and we are planning already existing order book action plan is already initiated.

Jyoti Singh: The third question is on -- based on your growth in the factory, if you can guide us on what are the current capacity utilization -- and what sort of revenue to be expected from the facility in the next couple of years?

S.V.S. Narayana Murty: Okay. As I told previously, the capacity utilization depends on the product that we are supplying. All the equipment will not be used for all the products, okay? If it is only for -- I mean ingots, only melt furnaces are required. If it is for wire and barb, electrodes or welding wire, it needs significantly almost every equipment.

So depending on the product mix that we are targeting, the capacity utilization will be there. For some of the products you may not touch any of the existing infrastructure. So it depends currently the product mix that we are processing.

Jyoti Singh: That's it from my side. Thank you so much for the detailed answer.

Moderator: The next question is from the line of Rushabh from RBSA Investment Manager LLP.

Rushabh: Thank you for the opportunity. So just harping on to earlier participation question. You mentioned that demand is not an issue. Capability is not an issue, but just on the infrastructure side, we are falling short. Just want to understand, sir, what steps have you taken in the last two years, including the raw material availability which is imported, that would ensure that going forward, this is not a big issue for us.

How do we plan to manage this? Given maybe this may be a once in a decade opportunity for a company like us, we should be going all in to capitalize?

S.V.S. Narayana Murty: Yes. So one of the things that we are doing is for raw material security, as I've informed, we are setting up a metal bank, National Strategic Materials Reserve, which will take care of at least major things. Because if any supply chain disruption is there, even for any of the raw materials that go into making up alloys, even when material is not available, that is the problem. So this is the first initiative.

To your question, what initiatives you have taken in the last two years for that. Creation of Metal Bank is one of the initiatives that is taken. And hopefully, within six months, we should be in a position to establish this facility in our campus.

With respect to capex, your another question, what are the things that you are doing? Capex, we have been continuously trying to install. So in last so many years, so many new equipment have been added. But in the core area where we need the forging. So we are in a discussion to have some very important equipment okay, to process the forging line. So there, we are going to install higher capacity, to meet the next maybe 15 years kind of thing.

We are having 15, 20 years, we should be in a position to make -- continuously grow. So that kind of equipment we are planning to put. I'll be -- we'll be in a position to give detailed figures in end of Q3 or Q4. And seriously, we are thinking about how to -- what kind of machines are required, okay? So it is there.

So there is a good plan. We are also doing the plan for 2030 and 2047. So we should be in a position to have, I guess, more orders, execute more orders, increase the top line and grow at a pace maybe 10% to 20%. That is a target that we are currently thinking of, on a very conservative note.

Rushabh: And sir, you earlier mentioned in our earlier calls that we are in the process of empanelment with the global aero engine majors. So how -- what stage are we in empanelment and how long before we see orders from them?

S.V.S. Narayana Murty: Yes. So some of our foreign people, they are auditing our facilities and some of have already completed the second level of audit. And once they give -- once they are satisfied and give a certification with this NADCAP and all, we should be in a position to get orders from them, okay? Once they start giving orders, we'll get good orders for exports. So once they complete certification of our plant that we will be able to get.

Rushabh: This process may take one year or so or?

S.V.S. Narayana Murty: Some of the people we are towards -- maybe within 6 months, we should be able to complete.

Rushabh: Okay. And sir, we understand that super alloys is a significant portion of our revenue. But can you share the break up, maybe the titanium or the critical component alloys, how much is it as a percentage of revenue? Can we have some break up?

S.V.S. Narayana Murty: Yes. So if I have to break up just a minute, I can share the details. So if you look at our super alloys, revenue will be 21% of the total revenue. Titanium alloy will be 19%, maraging steel

15%, special steel including the steels per naval and other applications and even that is through obligations, it will be 37%. It is a very big chunk. All other grades will be about 8%.

Rushabh: Okay. And sir, five years down the line, how does this mix change for us? Given whatever you are planning. I think we are planning to go into more value added areas have in different industries. So how does this mix change? And how does help the margin profile?

S.V.S. Narayana Murty: Yes, margin profile to share with super alloy margins will be a little higher. Maraging steel, our margins will be higher.

Management: All alloys we will try to maintain same level of...

S.V.S. Narayana Murty: Overall 23% EBITDA can be expected, 23%.

Rushabh: Okay. Okay. Understood. Okay. And sir, there's one more company called PTC Industries. Do we compete with them in any products or capability wise we would be at par with them, right? Or where do we stand, sir?

S.V.S. Narayana Murty: Yes. I mean, basically, we are having steel, super alloys and titanium alloys. So they are also putting up facilities. There is enough market for everyone to grow, okay? It is not that competition. There is a significant business. I told you previously, there is INR8,000 crores worth of materials are getting imported. The cake is big, so people can -- people have opportunity to participate and get -- they are also doing -- I mean, coming up with a lot of new facilities.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. Now we have reached the end of the question-and-answer session. I now hand the conference over to the management for the closing comments.

S.V.S. Narayana Murty: Yes. So thank you. It has been a fabulous meeting. I think we had for nearly one hour, and I think many of the questions, I hope that we have given satisfactory answers. And we hope to grow and whatever little decline was there in the Q2 performance due to non-booking of some of the products in our WIP, I think, we'll be able to liquidate them in the third quarter. And we will be moving forward at the targeted INR1,300 crore sales, whatever we have told during Q1 time.

So thank you very much. Thank you all for joining today's meeting.

Moderator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.