2nd June, 2025

National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block – G
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
Code : IFGLEXPOR

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Code: 540774

Dear Sir/Madam,

Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our letter dated 21st May 2025 and 26th May 2025, please find enclosed herewith transcript of Earnings Conference Call on Q4FY2425/FY2425, held on Monday, 26th May, 2025. A copy of this is also being hosted on Company's Website: https://ifglgroup.com/investor/meetings-reports/ .

Thanking you,

Yours faithfully,
For IFGL Refractories Limited.

Mansi Damani
Digitally signed by Mansi Damani
Date: 2025.06.02 18:29:46 +05'30'

(Mansi Damani)
Company Secretary

Encl: As above

"IFGL Refractories Limited

Q4 FY '25 Earnings Conference Call"

May 26, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on May 26, 2025 will prevail.

MANAGEMENT:	**MR. JAMES MCINTOSH – MANAGING DIRECTOR – IFGL REFRACTORIES LIMITED** **MR. ARASU SHANMUGAM – DIRECTOR AND CHIEF EXECUTIVE OFFICER INDIA – IFGL REFRACTORIES LIMITED** **MR. AMIT AGARWAL – CHIEF FINANCIAL OFFICER – IFGL REFRACTORIES LIMITED** **SGA, INVESTOR RELATIONS ADVISORS – IFGL REFRACTORIES LIMITED**
MODERATOR:	**MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IFGL Refractories Limited Q4 and FY '25 Earnings Conference Call hosted by Monarch Networth Capital Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listener-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Networth Capital Limited. Thank you, and over to you, sir.

Sahil Sanghvi: Thank you, Steve. Good evening, everyone. On behalf of Monarch Networth Capital, I welcome you all to the Q4 FY '25 Earnings Conference Call of IFGL Refractories Limited. We are pleased to have with us the management being represented by Mr. James McIntosh, Managing Director Mr. Arasu Shanmugam, Director and CEO, India; and Mr. Amit Agarwal, Chief Financial Officer. We will have the opening remarks from the management, followed by a Q&A session. Thank you, and over to the management, please.

James McIntosh: Good evening, ladies and gentlemen. Thank you for joining us on the IFGL Refractories Limited Q4 and FY '25 Earnings Conference Call. I hope you and your family and friends are in good health. Along with me on the call, we have our Director and CEO India, Mr. Arasu Shanmugam; Mr. Amit Agarwal, our CFO; and SGA, our Investor Relations advisors. We have uploaded the results and presentation on the stock exchanges, and I hope everyone have had a chance to go through the same.

FY '25 has been another defining year for IFGL Refractories, a year that tested our resilience, challenged our capabilities and at the same time, laid a solid foundation for our future. It was a year marked by both external headwinds and internal transformation, and I'd like to take a few moments to walk you through both aspects.

We operated in a highly volatile and unpredictable overseas environment. Fluctuating steel prices, global inflationary pressures and overall economic instability, created significant headwinds across our subsidiary markets. We continue to invest in building our team and infrastructure to take all of this forward meaningfully. However, it's our expansion into new segments, scaling up recycling initiatives and strengthening our domestic and overseas manufacturing footprint, having the right people, capabilities and systems in place is essential, and that continues to be a top priority for us.

Amidst the global challenges, our financial performance demonstrated stability and resilience. On a consolidated basis, we achieved modest Total Income growth of 1% for the full year, with EBITDA margins at 8.7%. For the fourth quarter Total Income grew by 13% and margins stood at 8.2%. On a stand-alone basis, we delivered our highest ever full year Total Income of INR 1,014 crores, marking an 11% year-on-year growth with strong EBITDA margins of 1% In quarter 4, our standalone Total Income increased by 26% to INR 273 crores with margins at 15%.

As many of you are aware, several international markets, particularly Europe, faced significant headwinds during the year. Our operations in Germany were amongst the most impacted with weak demand in the foundry segment contributing to a subdued performance. The broader business sentiment in the region remains cautious. However, I want to highlight the efforts of our Hofmann team who, despite the downturn, remain focused on product development and technology upgrades. They have successfully identified new application avenues for our foundry products.

While market conditions remain tentative, especially in Europe, we continue to monitor developments closely and take prudent timely steps to ensure operational alignment and readiness for recovery.

Coming to our U.S. operations, which experienced a decline primarily due to sluggish demand, we are now seeing early signs of a recovery. In recent policy direction from President Trump, emphasizing Make in America and proposing tariff protections, it is expected to be positive for the domestic manufacturing and improve the steel production landscape.

Moving to our U.K. operations. Sheffield Refractories showed tremendous resilience in its results in a difficult market, especially with British Steel, who are now a major customer. We are very confident Sheffield growth will continue to strengthen through new markets, opening a wider European mills.

For Monocon, at the beginning of this year, we had a major management change with a view to reposition the company, especially in the research and technical side of the refractories. And over the coming months, we'll continue to develop the market penetration of new product development approaches. This, we view as very exciting time for the company and have allocated a dedicated capex budget to drive upgrades, improve efficiencies and support business development efforts.

Encouragingly, we are beginning to see initial signs of recovery in the region, and we believe this, coupled with our internal efforts, will enable a gradual turnaround in performance over the next few quarters.

So in summary, we remain confident in the growth prospects of both our domestic and international operations. While the global landscape remains uncertain and warrants a cautious approach, we have used this period of volatility to restructure and optimize our international businesses, ensuring that we are well positioned to respond swiftly when the opportunities emerge.

Before I conclude, I'm pleased to share some important updates regarding shareholder returns. The Board of Directors has recommended a dividend of INR 7 per equity share, including a final dividend of INR 1 per equity share of face value INR 10, representing a 70% payout for FY 2024-25, reflecting our continued commitment to delivering value to our shareholders.

Additionally, the Board has approved a bonus issue subject to shareholder and regulatory approvals. The proposed bonus is in the ratio of 1:1, meaning 1 bonus equity share of INR 10 each will be issued for every 1 fully paid equity share held. This move underscores our confidence in the company's growth trajectory and our intent to reward shareholders for their continued support.

With this, now I would like to hand over to Arasu for his comments.

Arasu Shanmugam: Thank you, Jim. I am pleased to share that we delivered a 26% revenue growth on a stand-alone basis for the fourth quarter and an 11% growth for the full year. This strong performance was largely driven by our focus on the Indian market, a strategic shift we initiated few years ago and that is now yielding tangible sustained results. Historically, IFGL's stand-alone business was heavily export oriented with around 60 to 70 percentage of revenue coming from overseas markets.

However, recognizing the immense potential of India as the world's fastest-growing steel and infrastructure economy, we made a deliberate and prudent decision to realign our strategy and invest more aggressively in domestic opportunities.

Today, we feel proud to share that our domestic stand-alone business grew by 27% this quarter and 20% for the full year. Over the past few years, we have consistently delivered 20% plus year-on-year growth in this segment. As a result, our domestic business now constitutes over 70 percentage of our stand-alone revenue, a complete reversal from where we were just a few years ago. Exports now account for approximately 28% to 30%, and we continue to serve our global customers with the same commitment, but from a more diversified balanced base.

We entered a non-ferrous refractory segment; a move we believe holds immense promise for the future. This was not a tactical shift, but a well-planned strategic expansion aimed at diversifying our product portfolio as a measure of spreading risk.

We are also actively exploring new opportunities in cement, glass, coke and other nonferrous refractory applications, which are expected to become important contributors to our future growth. We are currently working on a technology transfer from our Sheffield refractories operations, particularly in the iron segment to our Indian facilities. We expect this technology transfer to be completed by this quarter, first quarter, which will enhance our product capabilities and cost efficiency in India.

A major milestone was the formation of joint venture in December. This JV will allow us to enter and scale rapidly in high potential sectors such as cement, glass, nonferrous metal and coal gasification industry. The estimated project cost is INR 300 crores. We have already acquired land in Bhachau, in Kutch District of Gujarat, which is a critical step towards long-term expansion strategy. The development work is currently underway in the newly acquired land. In the ferrous segment, we continue to maintain strong traction, securing orders from leading steel majors and mills.

Our research center plays a critical role in the development of high-performance refractory products with ongoing technology transfer from our United Kingdom subsidiary in Sheffield

Refractories enriching our product pipeline. Our refractory recycling program is also something which we are focusing on this, the key driver of circular economy. This is also aligned with global environmental priorities and aims to significantly reduce input costs and improve margins.

Moving forward, we made meaningful progress in expanding our manufacturing capabilities and backward integration with the following developments. We commissioned and stabilized our alumina product line and fully commissioned a state-of-the-art Continuous Casting Flux plant in Visakhapatnam; operationalized a new Tar Impregnation Plant at our Kalunga unit; secured government approval for land at Khurdha, Odisha, where establishment of a manufacturing facility for producing DBM bricks.

So while we continue to strengthen and scale in our 4-decade-old ferrous business, we are also laying the foundation in the nonferrous segment, which we believe has tremendous headroom for growth in the years to come. Our domestic strategy continues to deliver strong results, and we believe that our disciplined execution, diversified product portfolio and investment in people and technology will continue to be our biggest strength in navigating the road ahead, both in India and globally. With this, I hand over to Mr. Amit Agarwal, our CFO, for financial performance.

Amit Agarwal: Thank you, Sir. Let me just give you a brief on the financials. Starting with the stand-alone financial highlights. Total income in Q4 for FY '25 stood at INR 273 crores registering a strong 26% year-on-year growth. For full year, we delivered our highest ever total income of INR 1,014 crores, making an 11% increase over FY '24. EBITDA for the quarter was INR 40.5 crores, reflecting a 7% year-on-year growth.

For full year, EBITDA stood at INR 140 crores. EBITDA margins were 14.8% for quarter 4 and 13.8% for the full year. Profit after tax came at INR 16.9 crores in quarter 4, an increase of 9% year-on-year. For FY '25, PAT was at INR 57.6 crores.

Breaking it down further by geography, our domestic business recorded a robust 27% year-on-year growth in FY '25 quarter 4 and a 20% increase for the full year, reaching INR 721 crores. The domestic market now contributes 72% of our stand-alone revenue in FY '25, up from 67% in FY '24. Our export business delivered a 36% growth in quarter 4 of FY '25, indicating some early signs of recovery in select markets.

However, on a full year basis, export declined by 6%, totalling INR 277 crores, largely due to economic slowdown and demand compression across key overseas markets. As a result, export contributed 29% to our stand-alone revenue in FY '25, down from 33% in last year.

Let me move forward to consolidated financial highlights. Our consolidated financial highlights also include our international subsidiaries. Total income for quarter 4 FY '25 grew by 13% year-on-year, reaching INR 452 crores. For the full year FY '25, our total income stood at INR 1,670 crores, reflecting a modest 1% growth in the globally challenging environment. Our EBITDA came at INR 37 crores for the quarter and for the full year, EBITDA stood at INR 146 crores.

EBITDA margins were 8.2% in quarter 4 and 8.7% margin for FY '25. Profit after tax stood at INR 8 crores for quarter 4 and INR 43 crores for full year. With respect to liquidity position, we had a debt of INR 32.99 crores with a strong balance sheet. Cash and cash equivalents stood at INR 169.35 crores on a consolidated basis as on March '25. Our ROCE stood at 6.3% and ROE at 3.9%. With this, I shall now leave the floor open for question and answer.

Moderator: Thank you very much. The first question is from the line of Sahil Sanghvi from Monarch Networth. Please go ahead.

Sahil Sanghvi: Many congratulations for the growth that you've delivered on the stand-alone business. I just wanted some bit of more details on what has been the driver for this growth? I mean I understand it's coming largely from the domestic market. But is it all the existing products? Or is it some contribution from the new products, which were these products? And is it because of some of the new capacities set up, like steel plants is there where we had new dispatches going? Some bit of more details on this growth, sir? And how sustainable is this?

Arasu Shanmugam: Yes. See, it is basically if you look at our Vishakhapatnam work, we have ramped up. I mean the magnesia carbon brick business, which was not there earlier, now we started that. And also, we have acquired new customers where TTM. I mean earlier, it used to be 9, 10 sites, now it has become 17. So it is basically growth in our iron and steel sector, which is a strong sector for us as well as FY '24, if you look at there was no sales from non-ferrous sector. And this year, we have close to INR 8 crores to INR 10 crores, we have done as a new, which are all seeds of future growth.

So it is both entry into the new with a modest way, which also added and our ramping up of by Vishakhapatnam plant in both brick business as well as some of our existing product, multiplication of customers for additional revenue. These are the 3 major drivers which helped us in securing 11% growth on annual basis. Have I answered your question?

Sahil Sanghvi: Yes, sir. Just a bit more follow-up on that. So sir, non-ferrous side, which are these products that we are selling on the nonferrous side?

Arasu Shanmugam: Now, right now, the nonferrous side, the products are alumina monolithic and alumina bricks, alumina bricks was something new FY '25 IFGL entered into.

Sahil Sanghvi: Right, sir. Right, sir. And can you give a rough number as to all the new products that we've started in FY '25, what kind of revenue it might have contributed, maybe a percentage or some understanding on how the new products are shaping up?

Arasu Shanmugam: So I'll have to dig into the details like alumina bricks and monolithic in non-ferrous sector, roughly, as I was mentioning, around INR 10 crores. And then other product and the enhancement of the business is existing; I need to take the exact numbers.

Sahil Sanghvi: And about the magnesia carbon bricks and mold flux powder, I think that -- how well are they contributing, sir? Or will they ramp now?

Arasu Shanmugam: For example, we were doing no brick business in the earlier. But after July, I mean, up to, I think -- after August '24, we started supplying around 400 tonnes per month, something like that. So...

Amit Agarwal: 2,400 tonne.

Arasu Shanmugam: Correct. So these are the thing. And casting flux, yes, they are just on the level of now only 400 tonne month level, but we have the potential to go up to 1,500 tonnes. But it is still on ramp-up. And it has got its own business development cycle because it is most critical operation in the customer end, which directly affects their final product quality. So consciously, we have taken and some of the initial success have already come, and we are expecting ramp-up a little faster than what has happened in FY '25 in coming years.

Sahil Sanghvi: Interesting, sir. That's very good effort from your side. Sir, last question from my side, sir, is that what is your target for capex in FY '26 and '27, I mean, the magnitude, if you can indicate how much you'll spend?

Arasu Shanmugam: We have roughly calculated the cash outflow is expected to be something close to INR 55 crores, though we will take up a capex of close to INR 90 crores, which will spill into FY '27 also. This is all the regular capex, what I mentioned in existing plants. Continuously, there has to be quality enhancement, productivity enhancement of the existing product line, okay?

This is the first one. And . But naturally, the greenfield project, which we have already planned for Khurdha project, which will also come. So I think I would ask Amit to give kind of cash flow we are estimating for FY '26 on new projects.

Amit Agarwal: So Khurdha, we'll be spending around INR 40 crores to INR 50 crores this year, and the rest will be spent in the next year.

Arasu Shanmugam: Following year.

Amit Agarwal: Following year.

Sahil Sanghvi: Go ahead, Amit, sir. Please complete.

Amit Agarwal: Yes. And some additional fund will be diverted to the JV, which we have just started working on it.

Sahil Sanghvi: So roughly INR 100 crores to INR 150 crores will be the capex roughly for FY '26 in total?

Arasu Shanmugam: Roughly correct.

Amit Agarwal: Yes, yes.

Sahil Sanghvi: And similar number will continue for '27?

Arasu Shanmugam: Slightly more because in Khurdha, we will be spending more than INR 50 crores because that time, almost our activity will be at the peak in FY '27.

Moderator: The next question is from the line of Mayank from Asian Market Securities.

Mayank: Sir, what about this working capital thing. This year, we have seen a very sharp increase in working capital. Could you just throw some light on that? And how it would be in '26, '27?

Amit Agarwal: No, it's because of the some stock we have built up strategically and we have new operation added, Vizag operation. So there are some stock and some amount of stock, we say, we have received a bit early than expected. So this has added to the increase in the working capital, but I think this is a temporary one, and we'll work on it to reduce it further.

Mayank: Reduce it further to the earlier number?

Amit Agarwal: At the earlier level. So as we are on the ramp-up, this has happened.

Mayank: Okay. So this is related to which plant, Visakhapatnam?

Amit Agarwal: Yes, yes. This Visakhapatnam, we have added 2 lines. Then in Rourkela , we have received some stock early. Then this quarter, we have increased sales also. So these all have added to it.

Mayank: Okay. And sir, on this Foundry business in the Hofmann, what is the view because one of the competitor has given very negative outlook on the foundry businesses.

James McIntosh: Yes, it is negative. I mean, as I said in the speech there, we feel that we'll get some new products that we'll be working on that could bring us some nice areas. However, with the change in government and -- especially in Germany, we believe that especially in the infrastructure investment and also in the military investment announced by the German government that this could be positive for us because obviously, foundries are involved in these areas. So hopefully, we will start to see some turnaround.

We had a good -- very good month in April. But obviously, that's for next year. But generally speaking, it's a fair statement that the competitor has made. It's a very difficult position in Foundry and has been through the whole of last year.

Mayank: And you expect this to improve next year?

James McIntosh: I wish I had a crystal ball, and I could tell you; we believe that there are positive statements made by the German government that could be positive for the Foundry industry. We have to see if they come to fruition and whether the rest of Europe follows suit and invest in a similar fashion. And if they do, then we believe this could be positive. But obviously, that's for governments to decide.

Mayank: Okay. And sir, on this dead burn bricks magnesia, magnesite bricks and of course, the cement bricks in which you are getting -- you are doing expansion. What is our strategy to counter the Chinese competition like what pricing -- at what pricing we will be selling those? Anything you can highlight on that front?

Arasu Shanmugam: You see, there are 2 projects what you mentioned. So I would say we are going to be in a market where a number of players are going to be maximum 3, and we become 1 among 3. So we will have a better negotiating abilities in this market. And we are also very, very bullish about the profitability of this product. That's what we can explain now for time being. But as we move closer to frutification of the project, we'll come out with further details. But otherwise, this is not going to be a market where it is crowded like other commodities.

Mayank: Dead burnt brick is a market of almost INR400 crores, INR500 crores is what is it?

Arasu Shanmugam: No, no. Come again, not clear.

Mayank: What is the size of -- market size of dead burn bricks in India?

Arasu Shanmugam: See, that whatever dead burnt bricks, what I mentioned is like, it's like almost the capacity of the plant, what we are now looking in our project capacity, that exactly the same number is available as a market potential right now. By the time we reach the commissioning of the plant, the growth and other things which are projected, we are going to have double the potential of that our plant.

So right now, these are the things like, for example, our plant is going to be 21,000 tonnes. So the market potential by that time will be double this, 44,000 tonnes. So we have double the market as a potential for us to enter when our plant is going to be ready. So it is well-established market and then -- and we have a tremendous opportunity there.

Mayank: So you are saying only 2 or 3 players will be there in this?

Arasu Shanmugam: No, in this will be almost, including us, it will be 2 players and a very meager...

James McIntosh: I think for me, any time that you start to talk about detail like that is not a good thing. And really here, we are talking about a market which we have identified as a highly concentrated market. Normally in a highly concentrated market, you can expect pricing to be much better. You can expect the capability of the supplier to have a stronger capability than the buyer. There are a number of positives that we've identified, and moving into this market. And I think that's enough said. We don't want to go into too much detail here.

Mayank: Okay. And lastly, on the raw material prices movement, like this margin in the Q4 that you have seen, has it stabilized or there is more to be seen because of the recent price upward movement that we are seeing in -- again, in the alumina as well as in the fused magnesia and all.

Arasu Shanmugam: So fused magnesia as far as is concerned, there are some power cost increase from the places where the source we are getting. So we are expecting that. But by that time, we are also expecting to cover it up with some kind of price increase from our customers because as now it has become almost evident that customers are also aware of this. So yes, there will be some volatility on raw material side as we move forward, and we are hoping to cover it up by the major portion passing it on to customer.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: To dwell upon, I mean, in your opening remarks, you said that we are transferring the technology for iron side of the business from Sheffield and entering into the non-ferrous. Sir, in both sides our competitive landscape, market opportunity and how we are placed among the competitive player.

Arasu Shanmugam: So you have talked about 2 markets which are distinctly different. One is iron side; another one is non-ferrous. So I'll come to iron side first. IFGL historically, we are more concentrating, focusing on the large portion of value addition in many iron and steel making, which are actually at the end of value chain, which is in tundish and the bottom of the ladle. So that is our major concentration so far. And as I was explaining, with the brick plant in Visakhapatnam, we have now taken steps to enter inside ladle through ladle lining, which is magnesia-carbon bricks.

And the one area where absolutely we were not there is iron. That is the blast furnace when the hot metal is tapped outside and it runs through the casting -- cast house, it is called cast house trough. You would have heard the word trough, the trough and cast house. The technology, what we were talking about is on the cast house refractory, which is generally awarded in long terms, anywhere between 1-year and 3-year term and it is given on rupees per tonne of throughput of hot metal for INR2 million, INR3 million kind of -- that's the kind of contract.

But if you look at in India now, there are not many players. There are only 2 players who are actively involved in it and many customers have expressed additional alternate vendor, and that's where we come with a very successful track record of doing this business in the U.K. with customers like Tata Steel, British Steel and many other customers very well established over 3 decades. And we come with credibility in such a manner that customers are aware of our -- the original technology providers' performance everywhere.

And it is something like when are you bringing this to India. It's like -- I would say it's like a pull instead of push from our side. So that's why we are very bullish, but we want to take the preparations and other things in such a manner that we go to the first contract with full confidence. So as far as the confidence is concerned, we are going to build it over and the opening, yes, I mean, will not be an issue. This is what on the iron side.

Bharat Sheth: And sir, what is that -- I mean, over a 3-year time frame, one has to look at, I mean, the opportunity.

Arasu Shanmugam: In 3 years down the line, I think, there will be a lot of new blast furnaces also where we will have opportunity from the beginning. So I mean, we are anywhere looking at somewhere like INR 25 crores to INR 30 crores revenues through this product line.

Bharat Sheth: Sorry, I missed what number you said, sir?

Arasu Shanmugam: Around, let's say, in 3 years down the line, especially it's around INR 25 crores to INR 30 crores.

Bharat Sheth: Okay. And then non-ferrous side, what is the opportunity?

Arasu Shanmugam: Non-steel side, as we are talking about once when the project is ready, there the ramp-up will take place, which can go up to -- as we have indicated earlier also, it's around INR 200 crores. And now we have just started.

Bharat Sheth: Okay. And sir, if you can give a little more colour on the JV. How that JV will play out? And what is the strength of that JV will be?

Arasu Shanmugam: Since I already mentioned in the previous question, like this JV will yield the position where again, like Mr. McIntosh mentioned, it is also another concentrated market where only 3 players, including us, will be there, and we will have a better negotiating capability. And cement growth is also very bullish. Somewhere we are at 500 million to 550 million tonne cement producer in India. By coming '29, '30, this number is going to be 900 million. 900 million so the market is growing faster and the 3 players will be there because that gives us a big opportunity for headroom for growth.

Bharat Sheth: Okay. Great, sir. And sir, if I have to look back, I mean, say, from 3 years' perspective, how do we see our EBITDA margin, which was, of course, I mean high double digit where we said it is not sustainable now, but coming to mid-single digits. So sustainable kind of EBITDA margin, how do we think about it?

Arasu Shanmugam: See, I mean, as I was telling these 2 projects, like our conventional product mix whatever we have, as we said, it's going to be around 14% is the guidance stand-alone. But these projects, the one project what we are talking about for non-ferrous, cement and other market is expected to deliver not less than 20% on EBITDA margin. But whereas on the DBM, it is even will go as high as 29% to 30%.

So as we grow in our conventional product mix plus addition of this high margin, I think our -- on a conservative basis, protecting 14% plus throughout in stand-alone basis is a clear possibility, clear possibility.

Bharat Sheth: Okay. And last question to our McIntosh, James, sir. How do we see, I mean, turnaround of -- I mean, if not, I mean, making substantial profit, but [inaudible 0:40:46] bidding of the subsidiary?

James McIntosh: Sorry, could you repeat that? You seem to break up. I didn't have a complete question.

Bharat Sheth: Sorry. My question is related to, I mean, all international subsidiary, when do we see a kind of [inaudible 0:41:40 recovery] 1 year or 2-year time frame? And what exactly is required to happen that?

James McIntosh: Yes. I mean, really, we believe that we will see a significant shift in the American market. As I said now with the President Trump coming in, he in his last term as President, created an excellent market condition in steel. And both of our businesses in the United States and Canada are obviously heavily invested in the steel industry. We believe a similar situation will occur. Already, we see an improvement.

Right. That's a lot better now. No, as I was saying, we believe that America will be positive. So far, the beginning of next year has shown a very good situation for both of our American operations in terms of sales growth. And this is all of a result of our present customers, increasing their output, which is very, very positive. We believe that the overall long term during the Trump presidency will be positive for domestic manufacturing and domestic steel.

For the German industry, as I said earlier on regarding the Foundry, we hope that with the European changes and the investment in infrastructure and the RMs manufacturer, etc, we will see some positive developments in the Foundry industry. But as the present caller or the other caller had mentioned, the comments of the other competitors is absolutely true, and we also share that it's a very difficult situation.

With regard to the industry, we believe that our Hofmann operation has utilized the time in the downturn very well. The plant infrastructure, everything in the company has done very well. We are ready to grow into any upturn in the industry, which comes. With regard to the U.K. operations, the Sheffield Refractories has had a very strong year, especially in a very difficult marketplace. We believe that the assistance of the U.K. government and the operation of British Steel is a big positive for our -- especially for our Sheffield operation, and this will result in a very positive effect on their profits this coming year.

And we also have some new growth areas that we've been working on with Sheffield and our Monocon operation in the wider European markets, which look very positive. Monocon, as I mentioned in the speech, we had quite a significant management change. And the focus that we had in developing IFGL 3 years ago when we were looking at research, we were looking at various developments in the company and improvements and how we were approaching our business, especially with regard to the domestic.

We are now going through a very similar process in Monocon, especially in the technical and research side, we had a major growth in personnel and focus on new product development, new market development and our sales strategy is focused on growing our personnel and people world wide.

Already, we're starting to see some very good signs, very good signs from the point of view of trials, but we have to be realistic. And this will take a couple of quarters before we see significant changes to the Monocon operation. But the most important thing is that the development that we have there in terms of the company will be long term, very positive because it's bringing us more towards our core competence, which is in refractories rather than other product areas that Monocon were working on in the past. I hope that answers your question.

Moderator: Yes, sir, the current participant has been disconnected. We'll move on to the next question. It's from the line of Harssh Shah from Dalal & Broacha.

Harssh Shah: A few questions from my side. So firstly, if the management team could kind of help us understand what kind of strategic role would Mr. Mihir Bajoria would be kind of playing post his appointment as the Managing Director. Just wanted to understand the level of involvement he may have in the Indian operations.

James McIntosh: As Managing Director, Mihir Bajoria will perform the same function as I had during my tenure as Managing Director of the company. Obviously, from the domestic Indian side, we have a very strong team under Arasu, who's our CEO in India and also a director. But below Arasu, we have a very strong executive team. And this team is the team which creates the decision-making and the focus for our operations. We feel very strongly that Mihir Bajoria will add to the legacy of the company and strongly support the focus that we have for the domestic growth.

Harssh Shah: Okay. Got it. Secondly, any specific, say, timeline as to when would say the commercial production for the JV we have with Marvel Group start in which financial year or specific H1, H2, anything of that sort?

Arasu Shanmugam: FY '29, it starts delivering in FY '29.

Harssh Shah: FY '29, the JV with Marvel?

Arasu Shanmugam: Yes. I mean that means what? It will start somewhere in the FY'28. So the H2 of September, October. So that's the time to start commissioning of the plant.

Harssh Shah: Okay. And the greenfield Odisha plant?

Arasu Shanmugam: Almost in the similar time, it will parallelly run. So that also will come at the same time.

Harssh Shah: Okay. Because I think we were of the opinion that it would kind of commence maybe in FY '28 or to the end of '27? I mean, I think the previous calls that we had, I think they are indicating...

Arasu Shanmugam: Khurdha project will be exactly on the same line what we mentioned, like end of '27 or I mean, Q4 of FY '28?

Amit Agarwal: End of the quarter FY '28.

Arasu Shanmugam: Yes.

Harssh Shah: Okay. Okay. So I mean, has there been any sort of delays or this was something that you had already expected this in terms of timelines?

James McIntosh: No, I think this was always the timeline. For me, the thing is that unfortunately, plants take time to build, and these are going to be big plants. I think that for me, the interesting thing from -- especially as Arasu mentioned earlier, when you look at Visakhapatnam, we made the decisions to do the work that we have now completed in Visakhapatnam what, 2 years ago. And already, we -- in the Visakhapatnam plant, Arasu, its already No. 2 in our operation in India, yes?

Arasu Shanmugam: Yes.

James McIntosh: Which is very positive. So the good thing about both of these plants, correct me if I'm wrong, Arasu, but the good thing about both of these plants is once we have the plants completed, and commissioned, the ramp-up in the business side, we believe will be very strong and very, very fast.

Arasu Shanmugam: You are absolutely right, like what Mr. Harssh Shah mentioned, now so in FY '28, we are going to start the Khurdha plant, where almost from the same time, the same year, even though mid of the year we start, but we will be almost 35% of the capacity utilization in the year 1, which is absolutely a tremendous one. The next year, we are expecting the capacity utilization ramp up much faster.

Harssh Shah: Okay. Got it. So meaning, say, before these 2 plants kind of come on stream. So is there a possibility that the stand-alone operations, right, till those 2 plants commence, can we grow at somewhere around 15% to 20% CAGR in the stand-alone operations only?

Management: Absolutely.

Arasu Shanmugam: Standalone operation, 20% growth year-on-year without these 2 projects are a complete possibility. And we have the plan for that.

Management: Yes.

Harssh Shah: Okay. So basically, then when you say standard operations, so are we also including the refractories that are made in India and then exported. So we are including that also, right?

Arasu Shanmugam: Absolutely.

Harssh Shah: Yes. Got it. Got it. Got it. Okay. So then my related question, then what would be the utilization -- overall utilization ballpark figure if you could give.

Arasu Shanmugam: On what?

Amit Agarwal: Current utilization.

Harssh Shah: Yes.

Arasu Shanmugam: See, plant utilization -- let's say, let me give you an idea just the refractories is a discrete product and line to line, it differs. For example, one line for slide gate and its accessories, we are almost now 90%, 99% capacity utilization where we have already taken up the expansion so that we don't miss out any future opportunities. And there are other areas like Purging plug where we are a leader, we are already almost like 90 plus. And other areas, we are ramping up.

So -- and the unit of measures for all these products are differing from -- if it is ISO, we measure in terms of number of pieces and slide gate, something is mentioned in pieces. So the overall number will always -- percentage will be a misleading one, which we don't want to get into. But the real profitable product line of our mix, they are all in excess of 70% to 80% capacity utilization.

Other things like it is always a mix of product, you can -- you also understand that in a product where commodity type also we do like monolithic. There, the capacity utilization will be now from present level of around 25%, 30%, it will go up to 40%, 50% because we are also entering into other areas.

So it won't be prudent to give an overall number because the unit of measures and the discrete manufacturing of refractory will mislead us.

Harssh Shah: Got it. Okay. And one question on the JV with the Marvel Group. So if I, I mean, have you all decided how the accounting treatment would be? Would it be like a line-to-line consolidation or would it be just reflected above the PBT line item?

Amit Agarwal: No, no, it will be line-to-line addition we have mentioned in our quarter 3. It's a subsidiary for us.

Harssh Shah: Okay. Got it. And last question from my side. So on the margin front, right, you did already mention previously that the 2 new projects that you have much better margin profile, right? So I mean, if one has to take a 3-year, 4-year kind of perspective, is it a good kind of a case that we can take wherein the stand-alone EBITDA margins, can we actually be much higher than, say, 15%? Because 15%, if I look in Q4, they are already achieved, right? I mean with scale coming in with better margin, I think 15%, is it not a bit less that you are guiding for right now?

Arasu Shanmugam: No, no. See, as I was mentioning, for utilization of the plant for economy of scale of various products like monolithic, which is absolutely commodity in nature. That will also grow in volume. So that will have a counter effect. That is why even when you are tripling your top line, you add up a product which are very high margin, which counters your commodity volume increase, which will have a kind of an effect, which will pull down.

So -- but in spite of pulling down from 20% to 35%, 40%, 50% capacity utilization of a commodity in nature, which is very critical for our overall growth, but we are adding sweetener. I would call these 2 products or sweetener on the top line. That is how even when you are growing 1.5x, 2x of the revenue where you are today, you never miss out on overall guidance on EBITDA. I think you are getting me.

Moderator: The next question is from the line of Aryan Sharma from B&K Securities.

Aryan Sharma: Sir, just a couple of questions. So assuming that all our capacities are completely ramped up and all those capacities which we are coming up with also are ramped up. So what is the expected non-ferrous to ferrous mix in the future?

Amit Agarwal: So, let me tell you.

James McIntosh: You can't even give that figure, Arasu. That's not an easy figure to give. There's too many products and too many lines.

Arasu Shanmugam: Yes.

James McIntosh: And it's not actually any -- there's no relevance to the business success or failure to that figure. I'm sorry.

Aryan Sharma: Okay. One final question. One question finally I have. So one international parent commentary suggests that there's an overcapacity situation in India currently. So there's a complete overcapacity. So for the next -- the current capacity will be able to cater to the next 10 years of demand apparently like 2025. So what do you think about the realization going forward given this overcapacity implies the Chinese imports dumping of Chinese product or capacity in India?

James McIntosh: Yes. I think that -- sorry Arasu, you probably want to answer this more fully. But for me, it's quite funny because when I started this Managing Director of IFGL 4 years ago, there was already have overcapacity in refractories in India. And it was -- at that time, we said, look, our strategy is to focus on certain product lines and not necessarily to be the biggest, but the focus on being the best and to focus on segments that we believe that we can market and do well.

And I think that IFGL has proven through the success of our domestic strategy under Arasu. I mean, especially if I look at the fact that in the stand-alone business and the domestic business has grown almost triple from what it was when I joined the company and the percentage of it as a comparison to the whole business of IFGL India is a massive turnaround. It's really, I think, a great testament to the people and the team in India and the work that they have done. And I certainly have every confidence that we can continue that growth.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment.

Bharat Sheth: Sorry, my line got dropped and I have listened to answer. So my question has been thoroughly answered.

Moderator: Ladies and gentlemen, this was the last question for today's conference call. I now hand the conference over to the management for their closing comments.

Arasu Shanmugam: Okay. I mean I hope we have been able to answer most of your queries. We look forward to your participation in the next call. For any queries, you may contact SGA, our Investor Relations advisor. Thank you so much.

Amit Agarwal: Thank you.

James McIntosh: Thank you.

Sahil Sanghvi: On behalf of Monarch Networth Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.