



Date: 12/11/2025

To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 NSE Scrip Symbol: INTERARCH	To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 BSE Scrip Code 544232
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Subject: Transcript of the earnings call on the Un-Audited Financial Results for the Quarter and half year ended 30th September, 2025

Dear Sir/Ma'am,

Pursuant to Regulations 30 and 46(2)(0a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the transcript of Earning Call held on 07th November, 2025, to discuss the financial results of the Company for the quarter and half year ended 30th September, 2025 is attached herewith.

The above information is being made available on the website of the Company at www.interarchbuildings.com

Discussions were based on publicly available information. No unpublished price sensitive Information (UPSI) was discussed during the interactions.

We request you to take the above on record and the same be treated as compliance under the applicable Regulations of SEB] LODR.

This is for your information and record.

Thanking You,

For Interarch Building Solutions Limited
(formerly known as Interarch Building Products Limited)

Arvind Nanda
Managing Director
DIN 00149426

Encl. As stated above

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(Formerly known as Interarch Building Products Limited)

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“Interarch Building Solutions Limited 2Q and 1HFY'26 Earnings Conference Call”

November 07, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 07th November 2025 will prevail.”



MANAGEMENT: **MR. ARVIND NANDA – MANAGING DIRECTOR – INTERARCH BUILDING SOLUTIONS LIMITED**
MR. MANISH GARG – CHIEF EXECUTIVE OFFICER – INTERARCH BUILDING SOLUTIONS LIMITED
MR. PUSHPENDRA BANSAL – CHIEF FINANCIAL OFFICER – INTERARCH BUILDING SOLUTIONS LIMITED
MR. VIRAJ NANDA – EXECUTIVE DIRECTOR – INTERARCH BUILDING SOLUTIONS LIMITED
MR. ANIL KUMAR CHANDANI – PRESIDENT, CORPORATE FINANCE AND STRATEGY – INTERARCH BUILDING SOLUTIONS LIMITED

MODERATOR: **MR. JAIVEER SHEKHAWAT – AMBIT CAPITAL PRIVATE LIMITED**



Moderator:

Ladies and gentlemen, good day, and welcome to Interarch Building Solutions Limited 2Q and 1HFY'26 Earnings Conference Call hosted by Ambit Capital Private 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 of the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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

I now hand the conference over to Mr. Jaiveer Shekhawat from Ambit Capital Private Limited. Thank you, and over to you, sir.

Jaiveer Shekhawat:

Thank you so much. Good evening, everyone. I welcome you all to the 2QFY'26 Earnings Conference Call of Interarch Building Solutions Limited. From the management side today, we have with us Mr. Arvind Nanda, the Managing Director; Mr. Manish Garg, Chief Executive Officer; Mr. Pushpendra Bansal, Chief Financial Officer; Mr. Viraj Nanda, Executive Director; and Mr. Anil Kumar Chandani, President, Corporate Finance and Strategy.

Now I would like to hand over the call to Mr. Arvind Nanda for his opening remarks. Thank you, and over to you, sir.

Arvind Nanda:

Thank you, Jaiveer. Thank you, everybody, for joining the call. I'm Arvind Nanda, Managing Director of Interarch Building Solutions. Well, you have seen all -- you have all seen our results. Normally, I start my presentation by explaining more about what pre-engineered buildings really are and how they differ from contracting, construction, fabrication, or steel buildings.

But I think over the last year and now with some other companies also coming into this space, I think more and more people are familiar that pre-engineered building is a separate space and a separate category by itself, which cannot be similar or mixed up with other kinds of construction and building activities.

Primarily, very briefly, I will say that, as a pre-engineered building manufacturer, while all the buildings are made of steel, fully steel, there is hardly any non-steel element in the building. But the main difference in pre-engineered buildings and any other buildings, or industrial buildings, especially steel buildings, is that the pre-engineered building company will do the complete solution, a complete, comprehensive one package, one product, one stop shop kind of product. We are making a building into a product.

So right from value adding to the customers' requirement, value-adding to tell them how you can make their building better in a pre-engineered building, saving time commercially and schedule-wise. We then work on the full design and engineering of the building. Customers will only give us a requirement. How the building requirement will be met, and these buildings can sometimes be very complex, very large, very high, and very open span.



These are no longer very simple envelopes or covers, or a kind of building. These are very, very complex buildings. And in today's environment, most of the manufacturing processes also happen in the building. To process building, mezzanine, conveyor systems, machinery mounted on the buildings, and robotic systems. They are all a part of the building itself. Therefore, the building design and engineering is a very complex job.

Therefore, the first task of a pre-engineered building is to have the capability of design engineering in-house, to be able to design and engineer any customer's requirement. If it's a semiconductor plant, or a data center, or a lithium battery plant, or a paint plant, or an FMCG, or an automobile plant, we must have the capability of converting that requirement into a building and not only convert it into a building, but also most efficiently and most competitively, because this product is offered as a one lump sum price.

So how we design it, how efficient we are in designing, how good our software is, and how good the skill of our people is, is primarily a decision -- the decider, and when we get the order or not. If I am not very efficient in my design, I have designed the building in a higher way, or in an inefficient way for scheduling or for costing, I will not even get the order. So right at the stage of estimate, I have to do all my design engineering in the most efficient manner and then give the customer one lump sum price.

So not only does my engineering calculate the amount of steel required, whether it's in columns, beams, how they will be made, how the secondary will be done, the purlins, the roofing, cladding, hardware, everything will be done. Then we manufacture the whole building in our factories.

Unlike any other steel building provider or civil work company, a civil construction provider, we actually manufacture the whole building in-house, so the manufacturing cost and our capability to manufacture it in-house are very critical. I cannot make any item that I cannot produce.

And I do not buy any ready-made sections from the market, unless it is a small item like a pipe, or angle, or something, 99% of my building would be manufactured by me in-house, piece by piece. So, there are no pre-manufactured items. There is no prefabricated item lying with us, which we put together to make a building.

Each building is unique, each building is uniquely designed, and each piece of each building is unique. It is not only manufactured separately and for that particular building in a customized way, but also meant for a certain part of the building.

Therefore, the manufacturing itself is a very complex part of our process of doing a pre-engineered building. And then the last leg is that we carry all these pieces, ready -- already made in the plant, all the drilling of holes, painting, welding, cutting, final coat of paint, everything is done in the plant. And they are carried to the site in the trailer in transportable pieces.

And at the site, depending on where the pieces have to go, our project management team and our certified builders will then erect it in a way that the building can be -- is meant to be erected.



So that each piece goes where it is meant. All these pieces have to go in an erectable sequence. I can't just supply any piece as I want.

I have to start from one end of the building, and especially in large projects, every piece, every nut, bolt, clip, smallest piece for each area has to go at the right time, then only the building can be erected. So there's no small or large piece in our case; the whole building has to go in a package, which can be erected.

Therefore, these are the 3 or 4 parts of our pre-engineered building that separate us from any other steel building manufacturer, fabricator, or civil construction company. And then the key is also how to coordinate all this? How to make sure that the deadlines of the customer are met? Materials have to be ordered after we get an order. Materials -- the building has to be designed, engineered, and approved by the customers' consultants.

After the approval, the whole building is detailed and converted into manufacturable pieces, then each piece gets manufactured, and then, in a sequential manner, delivered to the site. And all is done in a coordinated manner so that there is no shortage of raw material. There's no shortage of drawing.

There's no shortage of production capacity, transportation, and everything can be done at the site. So not only do we make the whole building right from engineering to erection in the plant, but the coordination and the delivery process is a very complex process for a pre-engineered building.

We are not manufacturing steel by ton or pieces that are lying around, and we just deliver what we want, but in a very, very organized and coordinated manner. Therefore, it makes us more like a capital goods company. We are more like a requirement of an industrial or a non-industrial company that comes to us with the requirement, and we design, engineer, manufacture, and install that, so that the product can perform.

And overall, the customer gets one company to deal with, and he gets one price and one date with which he holds us liable for that product. So the whole building has become a product. It can be anything from a simple warehouse to a very complex warehouse for big companies like Amazon and Flipkart, or an industrial plant.

It can be a simple industrial plant, and it can be an extremely complex industrial plant for a semiconductor or for a lithium battery, or -- and as a company, we are completely building agnostic, we can make any kind of building, from high-rise to malls, to airports, to stadiums. Of course, all kinds of industrial and non-industrial buildings. Even houses, villas, resorts, and we are completely industry-agnostic. It doesn't matter to us what your industry is.

While we are a capital goods company, we have the additional advantage of being totally industry agnostic, so we can work with any industry. I don't think there's any industry in India that we have not worked with. I don't think there's any large or medium-sized company in India that we have not worked with. So we are industry agnostic, we are building agnostic, and we are also geography agnostic.



As an Interarch, as a company, we have made our setup so that all over the country, we are able to install buildings. Whether it's Assam, Odisha, Bihar, Punjab, Kashmir, or South India, everywhere, it doesn't matter to us where you -- where the location of your plant is. We are fully equipped with certified builders and our project management team to install your building there.

And constantly, we are working on more and more business development, how do we develop different kinds of buildings into steel, different types of steel buildings into pre-engineered steel buildings, different kinds of heavy structures. So, constantly, we are working on that as a company to take us to the next level of work.

So that -- because as we have realized that all over the world, the building more and more people who want to build fast, more and more countries that want to develop fast, use steel. And steel, the fastest way to build in steel is prefabricated -- pre-engineered steel, whether it's a complete building or just a pre-engineered section ready-made at the plant, ready to be installed, reaching the site and assembling it.

India steel construction -- steel consumption is still very, very low compared to what's happening in the world. We are maybe 1/3 of the world's consumption and 1/10 of what China has done; therefore, we are going forward.

We feel that the government pushed into manufacturing, into the PLI scheme, into electronics, into data centers, into EVs, and into renewables. All this push is making India part of the supply chain, having more and more pre-trade packs. This will only push India to set up industry and build faster and faster.

And I think the pre-engineered building industry will play a very, very critical role going forward. And as we see, there's a lot of action happening in the pre-engineered building industry segment as well. And we are very hopeful that the industry will grow. The whole category will grow.

More and more people will convert from steel buildings and concrete buildings into pre-engineered buildings, because a lot of buildings are still being made in steel, but not using a pre-engineered fabrication system. They are doing site fabrication, which is very slow, tedious, and labor-intensive.

We feel that going forward, this will be a very, very major category of business to deal with India's development and India's plan to become a developed country in the very near future. And the government, I think, is going all out to ensure a very high level of manufacturing, which is still our primary market as such in India.

Thank you very much. And I'll pass it on to Manish Garg, who will give you a little bit more of a brief about our new plants, new production, new capacities, et cetera, that we are doing. Thank you. Manish, on to you.

Manish Garg:

Yes, sir. Thank you very much. Good afternoon, everyone, and thank you for attending the call today. We are delighted to share that Interarch has delivered its highest-ever quarterly revenue



in this quarter, inching closer to our INR500 crore mark. EBITDA and PAT grew by 65.1% and 56.2% year-on-year, respectively.

Supported by a robust order book and a healthy project pipeline, we remain confident of sustaining this strong growth momentum through to the second half of this financial year. This quarter indeed has been a transformational one for Interarch as we continue to expand and strengthen our manufacturing footprint across India.

The commissioning of Phase 2 of our Andhra Pradesh unit marks a significant milestone. This is now our fourth fully integrated pre-engineered steel building plant. And it takes our total installed capacity to 200,000 metric tons. This expansion further strengthens our leadership in the PEB industry and our commitment to enabling India's next phase of industrial growth. The groundbreaking of our Gujarat facility in Kheda represents another major step forward in our growth journey.

Strategically located in the state known for its world-class infrastructure and thriving semiconductor, EV, and allied industry clusters, where Interarch already has a very large market share and footprint, will drive our next phase of capacity expansion and geographical diversification.

In parallel, we did the groundbreaking of our brand-new unit in Andhra Pradesh, which is next to our existing fully integrated plant for our heavy steel structures and multistorey buildings. This will firm up our position in the high-rise steel building segment. And with these strategic expansions, we continue to invest in capacity, foster innovation, and shape the future of India's EV industry.

As on the order book, as on 31st October '25, our order book stands at INR1,634 crores, reflecting a strong pipeline for the coming quarters. We secured orders worth INR463 crores between 1st of August and 31st of October.

Key customer wins during this period included our repeat customers, Rungta Mines, Havells India, and our new customers, Techno Electric, Jindal Stainless, and many others. We take pride in the fact that 80% to 85% of these are repeat orders from our existing customers, demonstrating their continued trust and confidence in our capabilities.

Looking ahead, we remain committed to broadening our footprint by increasing our presence in the new age industries such as semiconductors, electric vehicles, renewables, data centers and diversifying geographically as well as manufacturing.

Our strategic partnership with JSPL to jointly explore opportunities in the multistory and heavy steel building segments, along with our collaboration with Mold-Tek Technologies, to enhance export capabilities and global presence, will further help Interarch scale new heights.

Now I would like to give you some financial highlights for this quarter and the first half of this financial year. Revenue for the quarter came at INR491 crores, which is a growth of 52%. EBITDA stood at INR42 crores in Q2 of FY'26 as against INR25 crores. It is a year-on-year growth of 65%. EBITDA margins for the quarter, in percentage terms, stood at 8.5%.



And profit after tax for the quarter alone stood at INR32 crores, as against INR21 crores in Q2 of the last year. Total order book, as I explained, is at INR1,634 crores.

Now coming to the financial performance for the first half, that is YTD September. Revenue for our first half stood at INR872 crores, which is a growth of 39% over last year's half. EBITDA stood at INR73 crores in H1 FY'26 compared to INR52 crores in H1 FY'25 last year, which is again a growth of 40% year-on-year. EBITDA margin stood at 8.4% in percentage terms. Profit after tax stood at INR61 crores in H1 FY'26, as against INR41 crores in the H1 FY'25.

With this, I would like to conclude the presentation and open the floor for questions and answers. Thank you very much.

Moderator:

The first question is from the line of Mr. Jaiveer Shekhawat from Ambit Capital.

Jaiveer Shekhawat:

Mr Nanda and team, congratulations on a very strong quarter. The first question is actually on the growth momentum itself. So I want to understand better what's driving this accelerated execution during the quarter. And is there any change in terms of the kind of orders that we are executing, which are possibly shorter execution cycles? Or are you able to execute much faster than the orders that you already have, possibly more color on that?

Arvind Nanda:

I think the speed of execution has improved with our new facilities opening up, our older facility is also becoming a little bit more productive. So, the speed is picking up. Like I've mentioned many times before that our order book should reflect 9 to 10 months of sales going forward, because pre-engineered building is not a long-term business.

Even a very large customer with the largest orders would want its building supply between 10 and 11 months. So, the average would be 8 to 10 months, and we should have orders. So, our order book sometimes has to reflect our ability. So, the idea is that as we go forward, as we build up our capacity, and we feel that we are able to execute faster, we will pick up more business.

So, I think the first half of the year the execution has been much faster than the previous year. Normally, our first half is not as fast as the second half, but I think this year, the first half has been pretty good in the sense of achieving higher production.

It is also to do with our sites and clearances that we get from customers, inspite of monsoons and other things that happen, but I think our execution has been faster. And as we go on into the coming quarters, I think the execution will pick up at the speed that it is going, and new facilities will get added, so I think the outlook is very good. There is a lot of business in the market.

Of course, there's a lot of competition as well. A lot of new companies are coming in, a lot of companies are expanding, but we feel that we need to build up our capacity. And again, I'm repeating that capacity is not only the plant. For us, capacity also means engineering capacity, sales capacity, project execution capacity, the ability to coordinate and make everything work, and make sure that your financial flow of payments from customers is coming through.



So we look at the business in totality. We don't only look at adding capacity to the plant, which is critical. It is important that we have capacity in the plant, but all other capacities and managing that business are very important for us.

So while we are adding factory capacity faster, we are always concentrating on how to improve the work of the company, from engineering to project management, and sales. How to get better customers, a better financial situation, and payments and financial flows should be good. So we look at an overall picture. We are not the kind of company that just jumps into the deep end and says, Okay, now let's do something.

We think, we plan, and we also feel that we should not go beyond our capacity. Yes, we have to challenge ourselves, and we have to grow. But within the limits that we can grow easily, because, like even Manish mentioned, most of our orders, 80% plus, customers have worked with us in the past. And they only come back because they feel that we can perform, we can deliver, and we can meet our commitments.

So, in pre-engineered buildings, the commitment is a very wide word. It is not just delivering steel, but right from sales to engineering to design, to procurement, to production, to delivering to the site, and executing it at the site of the client. So overall, I think things are getting better, and we, as a company, are getting better, and growth looks good in the coming quarters.

Jaiveer Shekhawat:

Sir, given that this quarter, you didn't have the entire benefit of the new capacity, which, anyway, got commissioned at the end of September. But you have still been able to touch almost INR500 crores, and plus you've also added a lot of people across teams, as you were highlighting.

So does that mean that your existing capacity, you still have a potential to touch about INR2,000 crores of revenue, and then an additional, let's say, INR500 crores of revenue from the increased 40,000 tons?

Arvind Nanda:

Yes. See, now we feel that with these new plants all in place, at least next year, we should have full capacity to do INR2,000 crores plus, and that is our goal. I see our goal this year was -- our target given was a 17.5% increase over the last year, which was coming to about INR1,710 crores or INR1,720 crores annually. I think we should cross that this year with a better performance in the first half of the year.

Next year, I think definitely, we are planning another 20% increase as we have predicted, so it should cross INR2,000 crores, and for that capacity, we are ready. So, we now have the capacity in place to achieve INR2,000 crores plus in FY'26, FY'27.

Jaiveer Shekhawat:

Sure. And sir, last call, you also highlighted that you have an additional inquiry pipeline on top of the order backlog that you already have. So given that these new capacities have come in, do you expect the current order intake, which is roughly moving around this INR450 crore barring the fourth quarter when you had a large order.

I mean, will that substantially step up over the next few quarters? And are there any large projects that you have in the pipeline that you expect to execute?



Arvind Nanda:

Yes, there are a lot of -- always a lot of projects in the pipeline. There's a lot of growth happening in the country. And like I mentioned, more and more people want to go for steel and for pre-engineered steel for faster execution of their projects. And the size of the project is also growing much larger, so there are certainly a lot of them in the pipeline.

We also have to be careful that we pick up those that we can execute. We have the capacity; some require very, very fast execution, which we may not be able to do because we are fully booked up for the next few months, so we have to be careful. It's a business in which we have to take into account many factors when we pick up an order.

Not just that the order is available, but we also pick it up. Prices are also there, payment terms, quality, and scheduling of the customers, because we don't want to let our customers down. We would rather lose an order today and keep the customer for the future than to just take an order and then not be able to execute.

But yes, the pipeline is good. There are a lot of large inquiries also in the market; large requirements are there. And we are certainly going to participate and take orders as for our production capacities and our ability to execute, so I think the order book should pick up. We should be able to take more and more orders because we have more and more capacity now.

Jaiveer Shekhawat:

Sure. Sir, last question. On the inventory side, we have seen an increase of about INR85 crores in the first half. And also, if you could call out the volume growth that has happened, and how your overall realizations per ton, or your profitability per ton, have been trending? I think this will be my last question.

Arvind Nanda:

I think the stocks have gone up a little bit. There has been a little bit of unreliability from the customer side, and some of the orders that we obtained required certain special thicknesses and sizes of steel. When that happens, then we have to start off with special stock items just for that particular order, and if that order goes a little slower, then we are stuck with the inventory, but I think the inventory will start coming down.

We would need to get it back under control. It has gone up. I think during the monsoon and sometimes during this period, the reliability of the suppliers is also a little low. Therefore, to protect ourselves, our effort is to deliver the full building to the customer. And the full building might need many different sizes all at the same time, which sometimes the suppliers cannot give.

So, we tend to overstock when we feel the customer supply is unreliable. But I think now it is going to start moving downwards again. The stock will be well under control. And I think the margins, I would say, have not improved on a per ton basis, because for us, also, we are investing a lot of money. And when we invest in plants, we also have to invest in people.

Also, we are investing in exports. We are trying to develop exports in a bigger way in the coming years. So a lot of investment is also happening. So I think per ton, our -- I think our recovery is not improving that fantastically well, but it will go up. I think we are -- as the operational leverage improves, as the production improves, and the present overhead sort of gets divided over larger sales.



But right now, I think what we have got, we are on a good track. I think the margins can be better, but I think we are quite satisfied with them in a high-growth, high-investment kind of situation.

Moderator: The next question is from the line of Nakshatra Rathi from Niveshaay. Please go ahead.

Nakshatra Rathi: Congratulations on a good set of numbers. I had a question regarding the market share. Our competitors are guiding, but they are going to eat our lunch. What is your commentary on that?

Arvind Nanda: We are going to?

Nakshatra Rathi: They are going to eat our lunch by FY'28. So effectively, both of the companies that have recently listed are guiding that they will be achieving 5% to 10% of market share by the end of FY'28?

Arvind Nanda: I think in the organized sector, we have a pretty high market share, and they are increasing from a lower level, maybe it is easier, and the market is also growing fast. As the market size is not remaining the same, it is growing faster. And yes, I think -- I always feel that in an industry, the more the good players are there, the more the market expands. The idea is that everybody pools in and everybody increases the size of the pie.

In pre-engineered structures and pre-engineered steel buildings, the size of the pie, and what we call TAM, is very, very high and very large. There is no figure we can put to it. So I think there will be a lot of growth. The more companies that come in, the more everybody goes into their niche. Everybody promotes the product with their own customers, new customers, and business development. So I think it's a good thing to have.

And we are trying to grow as fast as we can, but we have our own way of growing and our own factors to consider. So I don't want to name any figure as to what percentage of the market I will have. But I certainly feel that as a company, we will try to grow as fast as we can, as safely as we can, which we have done for the last 20, 25 years. So I don't want to really name any figures and start competing with others on figures.

Like I always say, Interarch only competes with Interarch. We have to make ourselves better and better. I joke that we are the Mercedes of the company when Mercedes mainly competes with itself, how to make itself better. So I don't say that we are Mercedes because we have the largest numbers, or we have the largest market share. But because we feel that we concentrate on improving ourselves and giving great value to the customer. That is what Interarch is.

Nakshatra Rathi: My second line of question is regarding the complexity of the buildings that we do. Can you elaborate on how this is different from a competitor's niche?

Arvind Nanda: No, I would see...

Nakshatra Rathi: And how hard is it for a new entrant to get those kinds of large orders?



Arvind Nanda:

So, a new entrant is very difficult. It takes time for anybody to develop because it's a step-by-step process. You have to do a step-by-step process in engineering and convince the customer that you can do the right engineering, production, and delivery.

So, it's a step-by-step process. It is not something that I can start today with INR1,000 crores and jump into it. Everybody takes time. Even the so-called new entrants in the listed space are not really new entrants in the pre-engineered building space.

And of course, once you've done more and more complex projects, then people will give you more of that -- based on that history, more and more complex projects. But most of the companies try to stick to simpler buildings. They are easier to handle. The size is easier to handle. The number of customers is more.

They are more based on price competition rather than quality, delivery, or anything like that. So in a complex building, there's always competition between only 5 or 6 companies, that's what we have seen. Because the ability to design, engineer, and convince the customer that you are the right company to be able to produce it in time, deliver it in time, and execute it in time is quite a complex process by itself.

And the more complex the building, the more complex every part of the work, engineering, production, and execution becomes. New entrants normally start with a simpler building. And if they have the ambition, they can keep moving up the value chain; nothing is to stop that. It all depends on how they want to do and what they want to achieve. But a totally new entrant to come in and start bidding for a semiconductor plant or for a lithium battery plant is not possible. Nobody will trust it.

Nakshatra Rathi:

Right, sir.

Arvind Nanda:

Because it's a very confidential building exercise.

Nakshatra Rathi:

My last question is regarding the update on new partnerships that we have had. What is the order book from that area, if it has started already?

Arvind Nanda:

The new partnership, like JSPL and Moldtek?

Nakshatra Rathi:

Yes.

Arvind Nanda:

JSPL, we are doing a lot of joint marketing. They have a lot of experience in building high-rise buildings. They are into building, so that's also a little bit of a longer-term process. We want to get in, we are setting up our own -- because they also have limited capacity. So that's why we are setting up a new heavy structure plant in Andhra for ourselves to augment that capacity, because high-rise buildings need heavier structures.

So, on our marketing side, we recently had a presentation together in Ahmedabad just last month. It went out well. There was a big discussion on how to use steel in more and more buildings, especially high-rise buildings. It was a very good thing, which we call Interarch dialogues.



We had called 6, 7 leading architects, builders, and contractors as to how they can use more steel in this. Jindals were also a part of that. Moldtek, we are concentrating more on the export side. So -- and as we speak, we are jointly participating.

Nakshatra Rathi:

Any orders there, sir?

Arvind Nanda:

No, we are not. Well, we have been doing a few small things, but it is still in the beginning stage. In fact, as we speak, we are participating in an exhibition -- a builder exhibition in the US that is going on right now. We, our people, had participated in other meetings, another conference in July in Canada, also.

So, we are -- this business there, you have to go and meet a lot of people and start getting inquiries. We are getting a lot of inquiries. We had a good Canadian company that wants to work with us. They came to India to meet us last month, 1.5 months ago. They are sending us inquiries. So we are well on our track.

But it's not something that happens overnight. It's not a product that can be sold overnight, but we are well on our track with a lot of people, a lot of inquiries coming in. And I think maybe it will take 8 to 12 months to show some serious results.

But we are very, very, very confident in the export market going forward. I think we have got the right partnerships, the right people, and we are participating to meet the right people in America and Canada, and I think that should give us a good business.

Moderator:

The next question is from the line of Aasim from DAM Capital. Please go ahead.

Aasim:

So, just one question was on this heavy structures unit. So if you talk about that, it is probably for high-rise buildings. But I just wanted to know, are there other use cases, like maybe large industrial units, which are not necessarily enclosed completely, like maybe a petrochemical unit or a power plant? Is that something that also opens up for you by setting up this heavy structures unit and the tie-up with JSPL?

Arvind Nanda:

Okay. I'll let Manish answer that. Manish?

Manish Garg:

Yes, sir. I'll answer that. So the answer to your question, sir, is yes. It is basically suited for heavy fabrication, wherein the per-piece rate could be as large as 15 to 20 tons. So yes, it does open up other than multistorey, also the heavy structure market for us, be it the power sector, or the oil and gas sector, or any other sector like railway bridge girders and everything, wherein heavy steel structures are required. So yes, it does open up a lot of other avenues for us for heavy steel fabrication, sir.

Aasim:

Okay. But would the market also open up for you in that regard? Or would you still need to take some time to build some credibility in this particular space?

Manish Garg:

So I think, sir, the market already exists. It is not serviced by us currently, particularly the oil and gas and the heavy structure. We haven't yet participated. In fact, we had a lot of -- we generally get a lot of inquiries, but we wanted to build up this specialized plan. So I don't think



it will take us any time to actually enter that market. That market is always there, and we have established credibility, sir.

Aasim: Okay, fine. That answers my first question. The second question was basically on -- could you just spell out the volume you've done in metric tons in quarter 2?

Manish Garg: Yes. So, the quarter 2 volumes are 41,215 tons. So approximately 41,000 tons.

Aasim: Okay. So I think this would be almost peak utilization at your current expanded capacity, right? You will say that.

Manish Garg: Yes. I would say for all the plants, which were operating before the quarter, yes, more or less. But I would say the AP-2, which came in only in the last quarter, is still to deliver the optimized capacity.

Aasim: Okay. So I just took your utilizable capacity, the 167,000 number, and divided it by 4. So that's...

Manish Garg: So now, sir, now -- yes, yes, yes, you are right. You are right to that extent. So yes, there can be a utilizable number that can go up a little bit with our ramping up of the AP unit 2.

Aasim: Okay. And what number would that be? Like so that 167,000 would be how much around? This is not very far from this number, right?

Manish Garg: Yes, it really won't be very far from this number. So, as we always say, in our kind of industry, depending on the order mix and everything, the utilization can be anywhere between 80%, 85% to 90%. So let's say, 80% to 90%. So there is always this 5% kind of improvement that can always happen.

Arvind Nanda: And I think we can also add that we have the satellite plants, which were completely with us. So we do use them whenever we need to increase just the production of the structure. So that is always -- they are like our captive plants are run by our people, our play.

We give them the material, and so that is always a thing. So that's why you might see sometimes higher than our own capacity because we're also getting this work done from outside, from our own captive plants.

Aasim: Okay. So I think this happened in Q4 of FY '25. So, actually, then -- one question would be how much of the capacity comes from the satellite plants? And another follow-up is basically then I think you're very close to -- you just set up your AP unit, but I think you will have to start planning for your next unit very soon, right?

Because -- I mean, how many satellite units can help you? So are there other regions that you're planning to explore to set up a new plant? Or would you be looking at your existing markets only to set up more capacity in existing areas?

Arvind Nanda: No, we have started the new plant in Gujarat for pre-engineered building, which should be up in about 10 months from today, that has already started. We have done the ground-breaking last



week -- last month. So that is the next PEB plant we are adding. The Andhra new plant is a heavy structure. Gujarat's new plant is a pre-engineered building.

Aasim: Okay, my bad eye, that Gujarat unit just slipped my mind.

Arvind Nanda: Yes, that we are doing.

Aasim: Thank you very much for answering. Congratulations on a very good Q2.

Arvind Nanda: Thank you.

Moderator: The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: I just wanted to know what the volume growth target is for this year and next year?

Arvind Nanda: See, we had given a target of 17.5% growth in revenue for FY '25, FY '26. And then 20% per year after that for the next 2 years, that is the guidance we have given earlier. But I think the better performance that we've had in the first half, I have a feeling that we should cross the 17.5% which we had given for this year, maybe closer to 20%. For the next 2 years, we will maintain the same.

Rahul Kumar: No, because I think 1H we have already done 40% kind of a number, right? So 20% still seems a bit, actually -- for the full year, it seems a bit low?

Arvind Nanda: Yes. But we have done the -- this year, that formula of 40-60 and 45-55 would not apply because we have actually done much better in the first half. So the same formula will not apply. But let's -- we are trying our level best to execute more and more orders to get more clearances. And see, I think by the third quarter, we'll have a clearer picture. But currently, that is what we anticipate.

Rahul Kumar: Okay. And this job work, which you have mentioned in your P&L, does that relate to the outsource work which you just mentioned?

Arvind Nanda: Yes.

Rahul Kumar: Okay, fine. I understand. The third thing is the INR300 crore order, which we had got -- has that been completed in the last quarter?

Arvind Nanda: Manish, do you have a figure for how much percent is completed?

Manish Garg: Yes. I have the figures. So, sir, this order is above INR300 crores, so close to the range of about 350. Now, out of that, approximately 62% has already been completed. The rest will get completed during this quarter.

Rahul Kumar: Okay. So we have already booked INR200 crores kind of a number from this project, right?

Manish Garg: Yes, 62% is already invoiced.

Moderator: The next question is from the line of Ronald Siyoni from ICICI Securities.



- Ronald Siyoni:** Thank you, sir, for the opportunity, and congratulations on a very good set of numbers. My first question would be whether we do not include the job work-related expense, then the gross profit margins are a little bit lower. So, is it a one-off kind of -- during -- or what -- because I think the job work would only involve the third-party contracts, right, which you will be outsourcing?
- Arvind Nanda:** Yes. Job work is the cost that we could pay by outsourcing, as well as sometimes in the factory, and also if we hire contract labor in some of the plants we do. So job work is actually -- we can say the cost of manufacturing. It is a part of the manufacturing cost either way.
- Ronald Siyoni:** So, even if we exclude that, then still gross profit margin comes to around 39% compared to 41% last year and 40% in Q1. So, what would be -- what explains that? Is there some kind of order mix execution change or something product-related change?
- Arvind Nanda:** Yes. I think a lot of times, there's an order mix, and it's also what kind of order we are executing. It can also be an effect of steel prices or the order pricing. So there can be a lot of different effects. So, the pre-engineered building rate can vary a little bit here and there.
- I think -- but it should be close to the figure that -- it's always around that figure. Sometimes, it can go up or down too much, depending on the job. But I think around that figure is normally acceptable to us.
- Ronald Siyoni:** Yes, sir. And sir, lastly, sir, on your margin, if you can give some guidance on our overall operating margins for the year you are expecting, or mid- to long-term, at least. Should we be moving closer to 10%? Or will this kind of 8% to 9% range continue over the mid to long term?
- Arvind Nanda:** We are working on a lot of things, whether internal economies, scrap, better purchasing, operational leverage, and of course, they're getting a better margin from the customer also. So we are working on various angles. But also, you must realize that as we try to grow faster, then, of course, we have to have an intake of orders also.
- And sometimes, everything doesn't work to our liking, but we still have to do the orders to keep our facilities, production, and all that going. But our aim is to reach double digits at least in EBITDA margins, so we should read double digits. Maybe not this year, but we are -- we are certainly trying, because we feel that is about the minimum that should be aiming for.
- But whether we reach this year or not, I'm not too sure. I doubt it. But we are certainly trying to bring it to that level because we feel that that is a minimum that a company like ours deserves. Dealing with the top customers, doing complex buildings, and having the capacity to do very large orders are what we should be able to get.
- But I think it is a combination of both, internal economies as well as trying to get a better margin. Internal economies and more productivity, and working more efficiently. I would say it is more in our hands, and we should be able to achieve higher margins with that. We are certainly pushing. We are not happy with the margins that we make, I can assure you.
- Ronald Siyoni:** Thank you very much, sir, and best of luck.



Arvind Nanda: Thank you.

Moderator: The next question is from the line of Raman KV from Sequent Investments.

Raman KV: Sir, I have one question with respect to the new vertical, which you are trying to cater to, in the heavy steel structure. Sir, I just want to understand the business opportunity of this business, and what the margin difference will be with respect to the normal PEB versus the heavy steel structure? And the turnaround time with respect to this particular execution of this project?

Arvind Nanda: Manish, do you want to take that question?

Manish Garg: Yes, sir. So, sir, in this new line, it's basically, I will say, it's not really a new line. Line means it is a new segment of the building that we will start servicing from this particular product line, which we just explained, which will include heavy structures for various usage cases, and also the multistorey buildings.

I would say, sir, that the margin profile in this would be pretty similar to the pre-engineered steel buildings to begin with. And as we establish ourselves as one of the major players, there is always a likelihood of doing a bit better on the margin. But generally speaking, it would still be in the range of about 9% to 10% as you just experienced in a pre-engineered steel building.

Raman KV: So, there is the turnaround time, like usually for the order book acquisition is around 6 to 8 months, correct? So will it be the same or different?

Manish Garg: Yes. So it would be the same, sir, because the whole premise of any customer using a steel building in place of a concrete building or any other is the speed. So yes, the turnaround time will be similar to pre-engineered steel buildings.

Arvind Nanda: I do want to add on this. I think the volume requirement in this is more of a one can say, commodity structure. The responsibilities of a company like us become a little less. So many times, the design is given by the customer. We do the detailing. We do the manufacturing, and we deliver to the customers. Many times, we don't even do an erection, because of the requirements, sometimes, like a steel plant or a fertilizer plant, can also be there.

Some are building a high-rise in data centers, where you will be required to do everything. Invariably, design is not a part of our sort of scope. The volumes are much higher, and the likelihood of the volumes in the future is going up is much higher because the requirements are, like a fuel plant can need 100,000 tons. It's like that kind of requirement.

A power station can do 60,000 or 70,000 tons. So -- and that the -- more and more people want to shift off-line -- off-site. So, requirements can be more. Volume will be more, and it's not so much of a niche business as pre-engineered buildings are.

Pre-engineered building is a highly niche business. So we feel that it will also give us a little bit of a different vertical, which, if we're growing and the speed with which India is growing, if the requirements grow, that can be multiplied much faster. So, to multiply pre-engineered buildings, we have to multiply everything.



Engineering, sales, factory, and execution. And then coordinate all that, and then take the responsibility for the building. Whereas in this, it's more like a commodity. Of course, every item is different. I mean, we still have to manufacture everything according to the requirements of the customer. But a little bit more commoditized.

So, I think the volumes for the future are a line; I think we want to get in. Part of it will be used for our own pre-engineered buildings if you are doing a data center or a high-rise.

But I feel that going forward, it can also be a very, very big line for commodity steel structure, what we can call pre-engineered structure, so that they go ready-made from the plant, and they can be just assembled at the site with a nut-and-bolt kind of assembly.

That could be a huge line opening up, and people are doing it. JSPL has got a lot of capacity; some other companies are also doing it. So we are looking at it from both angles.

Raman KV: So this is the new -- just a follow-up. This manufacturing line, which you are setting up for the heavy steel in AP of 25,000 metric tons per annum, is it fungible?

Arvind Nanda: Yes, of course.

Raman KV: And sir, second is...

Moderator: We interrupt you to come back in the queue because there are other participants who wish to ask their questions. Thank you. The next question is from the line of Vandit Shah from Abakkus Asset Management.

Vandit Shah: Hi, sir, thanks for the opportunity, and congratulations on a great set of numbers. Sir, just one question. I was doing a back-of-the-envelope calculation. We have done 40% revenue growth in the first half. We have given 20% guidance. When I do the calculation, we see only 6% growth in the second half, 6% to 8%. Are we underguiding, or are we seeing any capacity constraint for that?

Arvind Nanda: No, we are not under guidance. Sometimes the quarter -- again, we are very hopeful that we will cross the figures that we have given. Like I mentioned, maybe we'll definitely cross it. And we are trying to cross it, but also under guidance is also a good idea, why not?

Vandit Shah: Because it was -- so by doing just the calculation, the run rate for the second half, if we do 20% growth, it's 872. And last -- second half of FY '25, only we did INR827 crores. Plus, we have added 40,000 tons of capacity for the second half, additional capacity for the second half.

Arvind Nanda: Yes. Well, we are quite confident. But again, in our business, a lot depends on how customers give us clearances -- there are a lot of things that happened. So, it's not just the factory capacity, like I mentioned, which makes it happen. We are building the factory capacity now faster than before, so that we see that that should not be a constraint going forward, but I think a lot depends on our performance in the next quarter. I think up to the December quarter what we achieve, then I think we should be able to change our ideas, depending on our performance.



Vandit Shah:

Got it. And secondly, sir, when we speak about reaching a double-digit EBITDA margin. So, can you share the levers of where we can see the improvement, and we can reach those double-digit margins?

Arvind Nanda:

See, EBITDA margin should go up with higher turnover, same overhead costs, because all the overhead costs in pre-engineered buildings don't go up at the same point as sales. Ability to get larger orders, a larger order will always give us a better return, even if we are not sort of putting it in the job cards or job costing, but it will give us more margin because it's a larger order. So, I think larger orders, more capacity, and the ability to take more orders with the same overhead.

But when the growth is very fast, what happens is that you also have to build in for the next level of future growth. I mentioned earlier that as Interarch, we are very concerned about a long-term plan for Interarch also.

I know everybody is very worried about every quarter and every year, and the growth and the EBITDA. But this business is such that if we do not plan, let's say, all our investment into people is like an R&D for us. If I don't invest in people, I don't invest in technology. We are doing the new SAP HANA.

We have developed a lot of new software and hardware plug-ins for our engineering. We are seriously looking at how we can adopt AI for our engineering and project management. So for us, the growth of Interarch in the long term is also critical.

Maybe I can show short-term higher margins by not spending money today. But I think it has hurt our long-term growth, but we are keeping both in view. We have to increase, I think, the increase in EBITDA margins, and all can come more from our internal economy. We have a lot of scope, I think, for improvement internally, in working, and by adding capacity.

So we are doing all, but we cannot forget that the future growth of Interarch, we have come 25 years of pre-engineered buildings. It didn't happen for the first so many years, all the money that was made in Interarch was plowed back into Interarch, even including when we got private equity many years ago, everything was plowed back. With the idea that, that is what will make Interarch better and a greater company.

So yes, now I think the margins are also good. So we are working on both fronts. We are very, very aware that short-term and annual growth and quarterly growth are also critical now that we are listed. But we cannot lose sight of the longer-term goal for us, like if we are investing in exports today, maybe we'll have to spend a lot of money in 2 years, but the business might start coming in 3 years.

But if I don't, then I'll never get exports. Same with heavy structures. I already have a heavy structure team selling, engineering, but we are not taking orders because we don't have them. If I don't do it today, then when my plant comes up, it will cost me a lot more to not have orders.

So a lot of things go like this. So, I have to, or as the senior management of the company, we have to keep all angles in mind, which is very critical for us. And one focus is definitely that we should make a better margin, no doubt. And I think we have shown good performance.



I think investors should be happy with our performance in the last 1 year. We've got a lot of new pre-engineered buildings coming into the listed space. I think they are also doing well. So, I think we have created a space.

And while I don't want to be boasting, but I think a lot has to do with how we have positioned the industry and how the industry has to perform and set new standards. So that is also very critical. So, we are short-term, medium-term, and long-term, all three all the time. We have to.

Vandit Shah:

Sure. And sir, just one last question. So, the asset turns about the new -- for the new plants, if you can give for the Gujarat PEB, will it be the same? And for a heavy steel structure? And last, what will be the capex guidance for FY'26?

Arvind Nanda:

See, PEB structure is the same. So about maybe 6, 6.5x. But the finished structures -- the heavy structure by nature is only a structure, whereas a building -- the structure is one part of the building. So, the structure is normally 65% to 70% of the building, 30% is other items.

So, when we talk about pre-engineered buildings, naturally, the other 30%, 35% also add to the turnover. But in structures, we are not going to add anything. Maybe get added, maybe not. So, they are the asset turnover will be less -- will be higher.

So, it could be maybe a turnover of about INR250 crores to INR300 crores for the same investment of INR70 crores to INR80 crores. Primarily because there is no other building part going with the structure, as we are assuming right now. Maybe if we sell it with our building, then that will also have an INR400 crores to INR500 crores turnover. But if we treat it as a separate vertical, then we may not.

So heavy structure that we are leaving it out of our revenue sort of figures and our turnover figures going forward, primarily because we feel that it's a little bit of an experiment going forward.

Vandit Shah:

Got it. And the capex guidance for FY'26. We commissioned INR41 crores to INR45 crores in the first half; what would be for the whole year?

Arvind Nanda:

About -- both these plants will cost us about INR150 crores in the next 12 months. So I would say another INR60 crores, INR70 crores in this year, and INR60 crores, INR70 crores in the next financial year.

Vandit Shah:

Got it. Thank you so much, sir. And all the best.

Arvind Nanda:

Thank you.

Moderator:

Due to time constraints, that was the last question. I would now like to hand the conference over to the management for closing comments.

Arvind Nanda:

Well, thank you very much, everybody, for joining, and thank you for your support. I think you all have been very patient listeners through many of the Investor Calls, and you have helped us build a narrative where we have been able to put across what the pre-engineered building industry is.



I think, until about a year and 1.5 half ago, not many people knew what a pre-engineered building is. So I would like to thank all of you for putting it across. And any of you who want to get more information, we'll be happy to answer questions one-to-one through any of the -- you can contact Ambit, you can contact SGA, and the same for site visits or factory visits.

If any of you are interested, we will be most happy to be a part of it -- as an educational part also. So please contact us on all our partners going forward. Thank you very much again for participating.

Moderator:

Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.