VMS TMT LIMITED

Registered office & Factory :
Survey No. 214, Near Water Tank, Bhayla, Bavla-382220.
Ahmedabad, Gujarat, India
Email : compliance@vmstmt.com • Website : www.vmstmt.com
Mob. 63575 85711 • CIN No.L27204GJ2013PLC074403

Date: 24/08/2026

To, **BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 **Scrip Code:** 544521 **ISIN:** INE0SJA01013	To, **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 **Security Symbol:** VMSTMT

Sub.: Transcript of the Q1 FY27 Earnings Conference Call

Dear Sir(s)/Madam(s),

Pursuant to Regulation 30 read Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), we wish to inform you that the transcript of the Conference Call with the Investors, organized and held on Thursday, August 20, 2026 at 04.00 P.M. in connection with the unaudited financial results of the Company for the quarter ended on June 30, 2026, is hereby enclosed.

The transcript of Conference Call is also available on the website of the Company i.e. www.vmstmt.com.

We request you to kindly take the aforesaid information on record and disseminate the same on your respective websites.

Thanking You.
Yours faithfully,

For VMS TMT LIMITED

Varun Manojkumar Jain Digitally signed by Varun Manojkumar Jain

VMS TMT LIMITED

Varun Manojkumar Jain
Managing Director
DIN: 03502561

Encl:
Transcript of Conference Call held on 20th August, 2026

"VMS TMT Limited

Q1 FY27 Results Conference Call"

August 20, 2026

MANAGEMENT: **MR. VARUN JAIN – CHAIRMAN AND MANAGER DIRECTOR – VMS TMT LIMITED**
MR. MANOJKUMAR JAIN – PROMOTER – VMS TMT LIMITED
MR. RISHABH SINGHI – WHOLE-TIME DIRECTOR – VMS TMT LIMITED

MODERATOR: **MR. GAUTAM – EQUIBRIDGEX ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY27 Results Conference Call of VMS TMT Limited, hosted by EquiBridgeX Advisors Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gautam from EquiBridgeX Advisors Private Limited. Thank you, and over to you, Gautam.

Gautam: Thank you, and a very good evening to everyone. Welcome to the Q1 FY27 earnings con call of VMS TMT Limited. From the management team, we have with us Mr. Manojkumar Jain, Promoter, Mr. Varun Jain, Chairman and Managing Director, and Mr. Rishab Singhi, Whole-Time Director. The call will begin with the opening remarks from the management, after which we will open the floor for the Q&A.

With that, I would like to hand over the call to management for opening remarks. Thank you, and over to you, sir.

Management: Good afternoon, everyone, and thank you for joining VMS TMT Limited Quarter 1 Financial 27 earnings call. A warm welcome to all our investors, analysts, and stakeholders. We sincerely appreciate your continued interest in the company and thank you for taking the time to join us today. We have started Financial Year 27 on a positive note. During the quarter, we continued to strengthen the foundation of the business, particularly across manufacturing integration, operational efficiency, and our presence across the Gujarat market.

For us, the focus is not just on increasing volumes, but also on improving efficiency across the manufacturing value chain, having better control over raw material, and building a strong distribution network. A key development for us has been the commissioning of our billet manufacturing facility. With in-house billet production, we have further strengthened our backward integration, giving us better control over raw material sourcing, procurement, and cost. It also gives us greater control over the billet to TMT manufacturing process.

Today, we have an integrated manufacturing setup with an annual capacity of 2 lakh metric tons for TMT bars and 2,16,000 tons for billets, which provides us with a strong platform for future growth. Our distribution network continues to be an important strength. We market our products under the Kamdhenu brand across Gujarat through 3 distributors and 227 dealers. This gives us a strong presence across different markets and keeps us close to our retail and end customers.

Going forward, we will continue to focus on deepening this network and improving our market reach. We have also continued to build a diversified product portfolio comprising of TMT bars, billets, binding wire, and scrap with a consistent focus on product quality and BIS compliance. Another important initiative is our 15-megawatt captive solar power plant which is currently under development. We see this as an important step towards improving our long-term energy economics, reducing cost, and strengthening our sustainability efforts.

We would also like to highlight the proposed amalgamation of Aditya Ultra Steel Limited with VMS TMT Limited. The proposal has been approved and is subject to the necessary regulatory approvals. We believe this can further strengthen our manufacturing capabilities and market presence.

Coming to the quarter, total income for Quarter 1 Financial Year 27 stood at 247.88 crores compared with 213.39 crores in Quarter 1 of Financial Year 26, representing a 16.16% year-on-year growth. While the financial performance is important, we remain equally focused on improving the overall efficiency and quality of the business. The investments we are making in manufacturing integration, capacity utilization, distribution, energy, and operational efficiencies are all aimed at building a stronger business over the long term.

We believe the demand environment remains supportive, particularly with continued activity in infrastructure, construction, and real estate. At the same time, our approach remains disciplined, improving utilization of our existing capacities, controlling cost, strengthening our market presence, and maintaining consistent product quality.

As we move ahead, our priorities are clear: make better use of our manufacturing capacities, further strengthen our dealer network, improve the operational efficiencies, and continue building a more integrated and cost-efficient manufacturing platform. We remain focused on building the business for the long term and creating sustainable value for our stakeholders.

With that, I would like to thank our employees, customers, partners, suppliers, and shareholders for their continued trust and support. I thank you all. Now I would like to open the floor for questions.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. You may please press star and one to ask questions. The first question is from the line of Purvesh Mehta from PM Consultancy. Please go ahead.

Purvesh Mehta: Thanks for the opportunity. I have a couple of questions to ask. Like, I see this billet capacity is now operational, right? So in FY26, the production was 1.5 lakh metric ton against the annual capacity of 2.16. So what was the utilization in Q1? And like how much cost saving or margin benefits is visible from this backward integration?

Management: Yeah, see Q1 is the production for the TMT is 34,400 metric tons and the productivity was -- the second question was?

Purvesh Mehta: How much in this Q1 you have cost savings, any cost savings or margin benefits in Q1?

Management: Any margin money?

Purvesh Mehta: Sir you have any cost savings or margin benefits in Q1?

Management: Yeah, that cost benefit is because we have to paid off a lot of the debts last year. So basically there is no debt, fixed debt on the company. That is the financial cost has been reduced in compared to the previous quarters. And the further this power is going to be started already started from 7th August. So with the production that has started, based on that, the power generation will also result in power savings, which will further improve our profitability.

Purvesh Mehta: So, as I see, like what are the bottlenecks like demand and working capital, power ability, or like operationally this ramp up?

Management: Sorry, your voice is breaking. What are you saying?

Purvesh Mehta: No, my question was like working capital, power availability and this operational ramp up, what are the bottlenecks in this? Like utilization of this.

Management: Low utilization you mean?

Purvesh Mehta: Yes.

Management: See because the TMT the operational capacity is usually 80% is the ideal for that, because its capacity on the 24 hours basis and usually the plant operates 20-22 hours in three shifts. So that's why always the capacity 80% near to utilization is sufficient and we are trying to improve it. And in this coming quarters will be improved also.

Purvesh Mehta: Understood. And sir like company is setting up a 15-megawatt captive solar power at this [Banas Khanth 0:09:23] with a long-term target of 40-megawatt. So can you please share this project current progress, expected commissioning timeline, and like capex and fund structure?

Management: Currently, the company is installing 15 MW, of which 12 MW has already been operationalized since August 7th, and the remaining will be operationalized within one and a half months. The further installation is being planned by the company for next year, where we will expand it further.

Purvesh Mehta: So at what percentage of present power requirement and...

Management: Currently, approximately 30% of our power requirement will be covered by this 15 MW installation.

Purvesh Mehta: Okay. And sir, what will be the interest cost or leverage impact should investor factor in this?

Management: Regarding the power generated from this, after paying the bank's EMI, we will save an average of INR4 per unit. With around 2.70 crores units generated annually, there will be savings of approximately INR10 crores after repayment of interest and EMI to the bank.

Purvesh Mehta: Okay. And sir regarding this inventory increase, like sharply to like INR228.35 crores as of FY26.

Management: There are two reasons for the inventory. First, we have added some additional products that yield higher margins. Second, during the June quarter, there is a minor monsoon impact, due to which sales remain slightly lower while production continues. Therefore, inventory remains slightly higher in the June and September quarters. Additionally, we have added products like 550D and other higher-value products, which has also contributed to the higher inventory.

Purvesh Mehta: So sir when will this normalize?

Management: This will normalize after Diwali. After Diwali, it will come below INR200 crores.

Purvesh Mehta: Okay. And sir like this Kamdhenu brand licensing in Gujarat excluding Saurashtra and Kutch, with a network of 227 dealers, correct? So what is your strategy to grow market share and dealer productivity in FY27 and are there any plans to expand beyond this current territory?

Management: Regarding that, with our ongoing merger with Aditya, the remaining portion of Gujarat, including Saurashtra and Kutch, will come under us, along with their dealer network. The process of expanding the dealer network is ongoing in both territories, so we are gradually expanding that as well.

Purvesh Mehta: What will be the target dealer count by the year-end, and expected sales contribution from this?

Management: On an annual basis, the dealer network grows by 10% to 15%.

Purvesh Mehta: Okay, 10% to 15%?

Management: Yeah.

Purvesh Mehta: Okay. And sir what will be the timeline for this?

Management: For what?

Purvesh Mehta: This capex that you are doing with 227 dealers in the network, what will be the timeline?

Management: Timeline?

Purvesh Mehta: Timeline, timeline sir.

Management: No, those are already our existing dealers.

Purvesh Mehta: Okay. And sir one last question regarding this revenue. As I see like 17% year-on-year in Q1, revenue has grew, correct? And the EBITDA declined by 41% and the PAT fell to INR2.45 crores. So what were the key reasons like margin goes down and like largely due to product mix or like raw material spreads or power cost or something else?

Management: Due to the recent Iran conflict, raw material prices -- scrap is our raw material which around 50%, 60% we are importing. So that's why the scrap prices has gone up. In compared to that TMT has not gone up so much. So that is the compressed the profit. If you see the quarter-on-quarter basis.

Purvesh Mehta: So can this improve in like quarter 2?

Management: It should improve in Quarter 3 or Quarter 4. Quarter 2 is a rainy season, so there isn't significant improvement as construction remains somewhat affected. It will improve in Quarter 3 and Quarter 4. And if the ongoing conflicts, such as the Iran war, come to an end, it could have an even better impact and improve further.

Purvesh Mehta: Sure, sure, sure, sir. Okay, that's it from my side. If any further questions I will join the queue. Thank you.

Management: Thank you, thank you, thank you.

Moderator: Thank you. Participants, you may please press star and one to ask questions. The next question is from the line of Naina, an individual investor. Please go ahead.

Management: Yes tell me.

Moderator: Naina, I have unmuted your line, please proceed with your questions. I'm sorry, there is no response. A reminder to all the participants that you may please press star and one to ask questions.

We'll take the next question from the line of Riya Sharma, an individual investor. Please go ahead.

Riya Sharma: Congratulations for your Q1 results.

Management: Thank you, Riya.

Riya Sharma: Yeah, so my first question will be revenue has grown well in Q1. What are the key factors that contribute to this growth?

Management: That is, little bit, the prices of TMT, the average price per metric ton, that has been increased in this quarter. So that's why you are seeing the top line is increased. If you'll see the sale of the TMT, that is also increased in this quarter, in compared to June '26 and June '27 quarter. I am talking correspondingly quarter of '26 and '27. Right, you are talking that.

Riya Sharma: So, my next question will be probability was lowered compared to last year despite the revenue growth. What impacted margins during the quarter and how should we look at them going ahead?

Management: If you'll see the June '26 and June '27, compare both the quarters, so the TMT quantity has been increased in sales. Sale price also has increased by per metric ton. But correspondingly the scrap price has gone very high.

So that's why even the top line has increased, sale increased, quantity increased, but overall profitability has gone down. EBITDA has gone down due to the raw material is the imported scrap. Forex has big a hit in this quarter, because suddenly the dollar has gone up. That is also because we purchased the material at a certain dollar's rate.

When the material has come, the volume is there 30, 40, 60, 90 days. When the material has come, the dollar has gone up. So ultimately, we have to pay for that and bring the material on the site. So, the price of average cost has been increased. So that's why the our EBITDA has come down. And profitability has come down in compared to June '26 and June '27.

Riya Sharma: Okay. So, what is the plan to improve capacity utilization from the current levels, particularly for the billet facility?

Management: Yeah, we the existing facilities we are approximately around 80% is the utilization of the install capacity which we are trying to improve it and of course we'll improve 4%, 5% on annual basis. But in this TMT production is 90% is the peak of the installed capacity, because the production install capacity on the 24 hour basis, while the actual plants operational 20 hours, 22 hours.

And if this war affected us, so now the market is slowly settling down with this improvement of the scrap price. And we have installed this solar power plant of 15 megawatt, out of which 12 megawatt has become operational in August, the rest will also be operational in the next month. So, with this also the bottom line profit of the year will increase by INR10 crores to INR12 crores and EBITDA will also increase. The market is also slowly settling down, the prices which are on the upper side of the price are also slowly becoming smooth. So, it will improve in the coming 2, 3 quarters.

Riya Sharma: Okay, so do you see better operating leverage coming into the business as production volume increases?

Management: Yeah, sure. Definitely.

Riya Sharma: So how much of a difference can the solar project make to the company's overall power cost once it becomes operational?

Management: When it's become operational, so average of INR4 per unit cost will be saving. And around 2.7 crores unit generation by this solar, so around INR10 crores plus profit will be increased. Without any tax because the depreciation will be on there. So around 10 crores EBITDA and profit and cash margin will be increased.

Riya Sharma: Okay, so the company already has a stronger dealer network across Gujarat. So, is the focus now more on expanding the network or increasing business from existing dealers?

Management: Yeah, it's a going on process. There is a team who is making the efforts to increase it. And this after the amalgamation with the Aditya, the network of Aditya will also be merged with us. So, the market will be bigger for us. Regional wise be because Saurashtra and Kutch will be included in this. And the another product will become and the sales team also will be there. So the improvement will be better after this merger in marketing also.

Riya Sharma: Markets or regions in Gujarat are currently offering the best growth opportunities?

Management: Yeah, due to all the Commonwealth and all those growth is going on Gujarat. So that is also one of the reason Gujarat is doing well.

Riya Sharma: So how are you looking at the opportunity to increase sales to institutional and infrastructure related customers?

Management: Because our the target customer is the tier 2 and tier 3 and rural. So, our focus is there. Institutional ko hardly we are selling there, because we are generally short of shortage of the material also for our dealer network. So, our first focus to improve the more or strengthening our dealer network. Because the infrastructure.

What is the matter with those who are involved in infrastructure or builder lobby, of course their volume is big, they get big orders in quantity, but there is a lot of competition, there are 10 people like us sitting there to sell. So, our focus is on tier 2 and tier 3 and taluka level, that is what we are focusing on.

That is why we are able to charge INR1500 more premium as compared to the local ones. And we are able to provide them good service because we have built our own transport network. That is dedicated to us. So, because of that we are able to do good delivery also, we are strengthening that further. So, our focus is mostly on that.

Riya Sharma: Okay. So, with the integrated…

Management: That regular demand is going to be there. What about institutional? Now a bridge is being built, so it is done. Now a building is being built of the builder, so it is done. So, there is a particular requirement for a particular time. And this regional and rural one, this is an actual direct customer. So, it is always there. It does not get any rapid demand. (23:20) It does not get any rain. So, it keeps running. If there is a demand in the real estate, then it does not matter. It has to make its own house.

Riya Sharma: So, with the integrated manufacturing setup now in place, what would be the biggest focused area of management over the next couple of years?

Management: Within Gujarat we are focused, within Gujarat only.

Riya Sharma: Okay. So, do you expect the existing manufacturing infrastructure to support margin improvement as capacity utilization increases?

Management: Yeah, we'll improve our installation capacity also. Next year, we plan for that to be started. Or existing we are trying to maximum utilization of that, so that's why the top line and bottom line will also improve. This power sector also improved our bottom line plus last year our most of debts has been paid off, pre-paid off by the IPO proceeds. [Inaudible 0:24:26]. All this positive will give the effect on the bottom line.

Riya Sharma: So, what kind of benefits do you expect from the proposed amalgamation of Aditya Ultra Steel with VMS TMT?

Management: Major, some common territory, I mean the territory that is regional will be increased. In some places, the customers of the huddles will be our customers. And some expenses are such that we are also doing the duplication, the unit is also doing it. Those expenses will be diluted and a dealer network will be big and a big purchase will be made in our market.

So, the vendors and suppliers will be able to negotiate better with them. Now, because it will be a big setup, a good sales team, good senior officers, who we can company can afford it. All these benefits will be realized. Of course, after the merger and amalgamation, it will take another six months to merge and complete operations, but the results will be better. Current independent results, once consolidated, will turn even more positive.

Riya Sharma: Okay. So my last question will be, as the business grows, what will be the key focus, improving volume, strengthening margins, or expanding into new markets?

Management: Sales growth is on average around 10% to 15%. Accordingly, EBITDA and PAT will improve, with PAT improving slightly more. Both quantities and value will see an improvement of 10% to 15%.

Riya Sharma: Okay, one more question, from the current state of business, what are the key milestones management is working towards that investors should watch out for?

Management: You can see after this coming amalgamation merger, the strength of the company, dealer network, asset base, and market base will create a big turnover. With 3 lakh tons capacity, their capacity being 1 lakh tons and our capacity 2 lakh tons, a 3 lakh tons capacity with a modern plant will be created. All these added benefits mean that the strength seen in VMS TMT today will effectively double.

Riya Sharma: Okay. What do you see the biggest growth drivers for the company over the next 2 to 3 years?

Management: INR2000 crores plus will be the top line.

Riya Sharma: Sorry?

Management: INR2000 crores plus will be the company's top line. And accordingly, bottom line EBITDA will also improve.

Riya Sharma: Okay. Thank you.

Management: Thank you.

Moderator: The next question is from the line of Sandeep Goyal from Davis Index. Please go ahead.

Sandeep Goyal: Yeah. Thank you so much for the opportunity. Sir, I wanted to know, you just said that your raw material is scrap and you are importing almost 50% to 60%. So I want to know is the imported scrap is still viable or you are largely procuring from the local market, local prices?

Management: No, no. In the local market, imported scrap is always better because you can buy in bulk, and there are no hassles regarding GST matters, and you get the required quantity. In local procurement, there are various quality issues and complications. So we import 50% to 60%, and for the rest, we use 20% to 25% sponge iron, and source 20% to 25% locally from reliable vendors.

Sandeep Goyal: And you are procuring sponge iron from Gujarat or from outside state markets?

Management: No. It's coming from Gujarat as well as from outside. It's coming from Raipur, Jharkhand, Chhattisgarh, Bihar. It's coming from many places.

Sandeep Goyal: Okay. So imported scrap, I mean to, I want to ask that imported scrap is still viable because prices are quite high, so still it is making economic sense to import, I want to know.

Management: Overall, imported scrap is better. There are many positive aspects to it. Overall, imported scrap is superior to local scrap. Local scrap may seem cheaper on the surface, but you don't know what quality they are supplying. With established import vendors who handle good volumes, those issues aren't present. And if you have a good hold on the market and everything else is fine, large-volume players like us continue to rely primarily on imports, as viability works out better with imports.

Sandeep Goyal: Okay. Thank you, sir. Thank you so much.

Management: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Gautam for closing comments. Thank you and over to you.

Gautam: Thank you. On behalf of VMS TMT Limited and EquiBridgeX Advisors, I would like to thank everyone for taking time to join today's conference call. Should you have any further queries, feel free to connect with us at info@equibridgex.com. Thank you, sir. Thank you, everyone.

Management: Thank you everyone. Thank you.

Moderator: Thank you sir, thank you members of the management. Thank you, sir. Ladies and gentlemen, on behalf of EquiBridgeX Advisors Private Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.