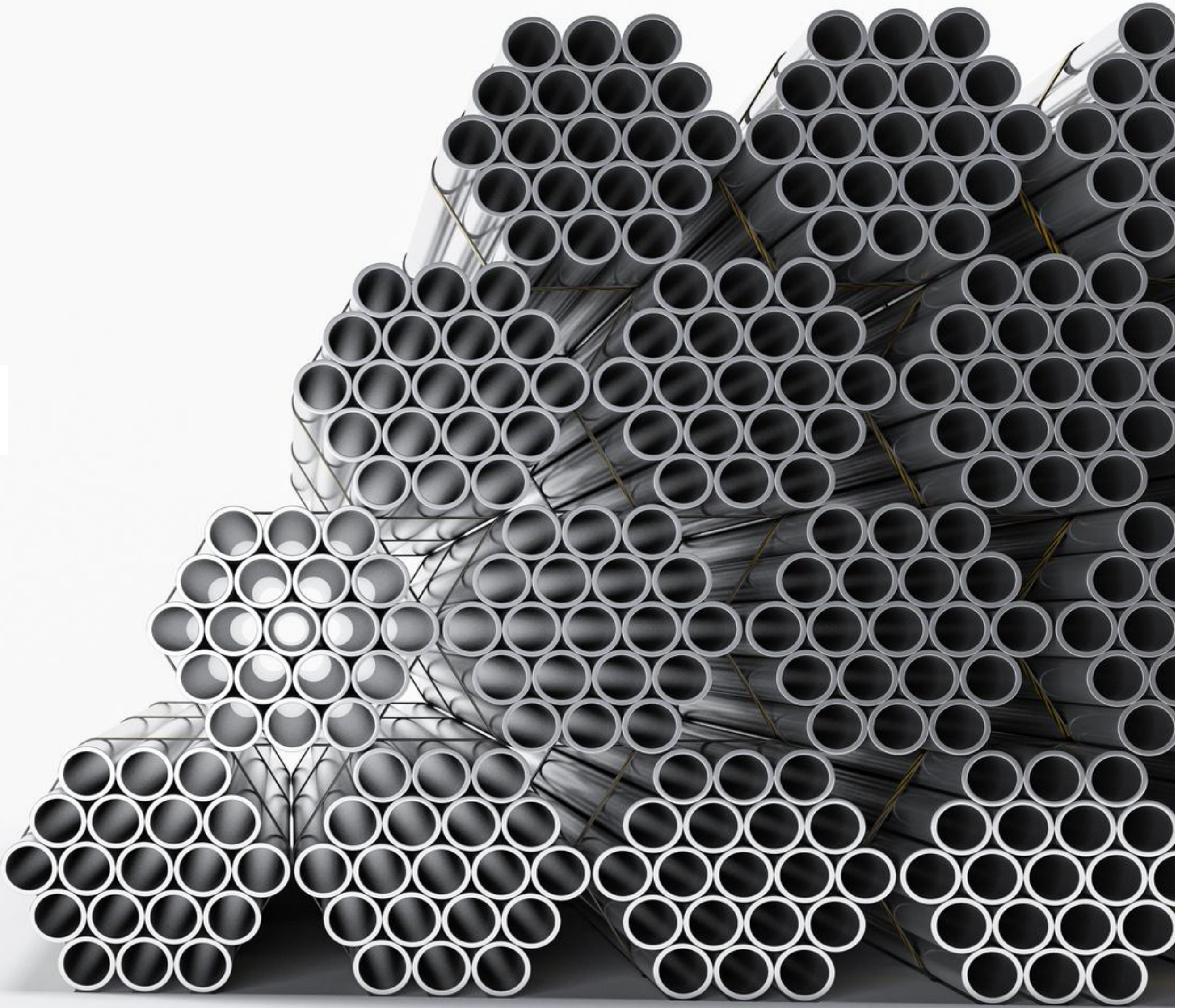
DEMAC™

GP PIPES & TUBES

NEWMALAYALAM STEEL LIMITED



Investor Presentation - November 2025

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Company Overview

NewMalayalam Steel At a Glance

23+ Years
Of Market Goodwill

DEMAC GP PIPES & TUBES
Legacy brand

72,000 MTPA
Manufacturing Capacity

150
Number of Employees

150+
Dealers Network

67%
Capacity Utilization

ISO 9001:2015
Certified

23%
of electricity met via in-house solar

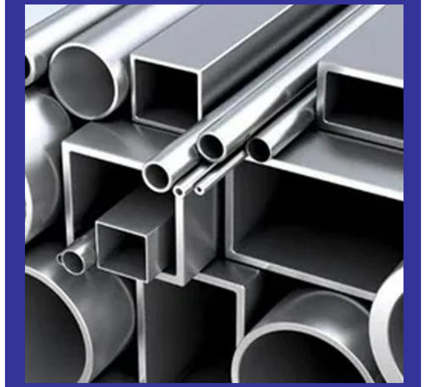
15%
Market Share of GP Pipes & Tubes in Kerala

About Us

- **NewMalayalam Steel Limited** is a fast-growing manufacturer of Galvanised pipes, tubes, and sheets, catering to Kerala's construction and roofing sectors.
- Based in **Thrissur, Kerala**, the company operates a modern facility with **3 ERW tube mills** and a total capacity of **72,000 MT**.
- The company's products are known for **durability, corrosion resistance, and long life,** ideal for Kerala's **humid and high-rainfall conditions**.
- Backed by a strong **brand legacy under 'Demac Steel'**, the company enjoys high **trust and market recall**.
- NewMalayalam Steel is supported by an extensive **dealer network across Kerala** with formal agreements **ensuring strong market reach**.
- The company focuses on **quality, reliability, and regional market leadership** in galvanised steel products.
- Backed by **national recognition,** including the **COSIDICI National Award** and the **Kerala Financial Corporation (KFC) State Award**, the company continues to strengthen its leadership through a **state-of-the-art facility** and a **strong commitment to excellence and innovation**.

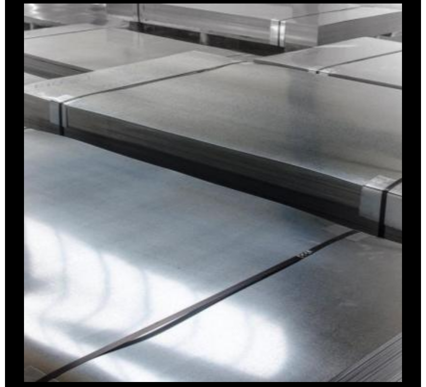
Our Expansive Product Portfolio

These Products find extensive use in Kerala homes for roofing applications due to their heat-reducing and leak-resistant properties



Galvanised Plain Pipes

Galvanised pipes are steel pipes coated with a protective layer of zinc to prevent rusting, commonly used for fencing, structural support, and outdoor/industrial applications due to their durability



Galvanised Plain Sheets

Galvanised plain sheets are steel sheets coated with a layer of zinc to resist corrosion, widely used in roofing, cladding, ducting, and general fabrication across construction and industrial applications

Galvanised Coils

Galvanised coils are steel coils coated with a protective zinc layer to enhance corrosion resistance, commonly used in roofing, automotive components, fabrication, and various construction and industrial applications

Galvanised Iron Pipes

Galvanised Iron (GI) pipes are steel pipes coated with zinc to prevent corrosion, widely used in water supply lines, structural frameworks, fencing, and various construction and industrial applications

Galvanised Slitted Coils

Galvanised slitted coils are zinc-coated steel coils slit into narrower widths, used in fabrication, roofing accessories, cable trays, HVAC ducts, and various construction and industrial applications for enhanced corrosion resistance

Demac Steel: Our Broad Pipe Range

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Under the Demac Steel brand, the company delivers a wide spectrum of galvanised Square, Rectangular and Round pipes built to YST 210 and IS specifications, suited for versatile construction and everyday structural use

Square Pipes

Available in sizes:
- 15×15 mm
- 20×20 mm
- 25×25 mm
- 32×32 mm
- 40×40 mm
- 50×50 mm
- 75×75 mm

Grade: YST 210
Standard: IS 18573
General-purpose structural & fabrication usage.

Rectangular Pipes

Available in sizes:
- 25×12 mm
- 40×10 mm
- 40×20 mm
- 50×25 mm
- 60×40 mm
- 75×25 mm
- 80×40 mm
- 100×50 mm

Grade: YST 210
Standard: IS 18573
Used for frames, roofing support, fabrications, interiors & light structures.

Round Pipes

Diameters Offered:
- 26.7 mm
- 33.4 mm
- 42.2 mm
- 50.8 mm
- 63.5 mm
- 76.2 mm
- 94 mm

Grade: YST 210
Standard: IS 3601
General purpose usage in construction, fencing, railings, interior support.

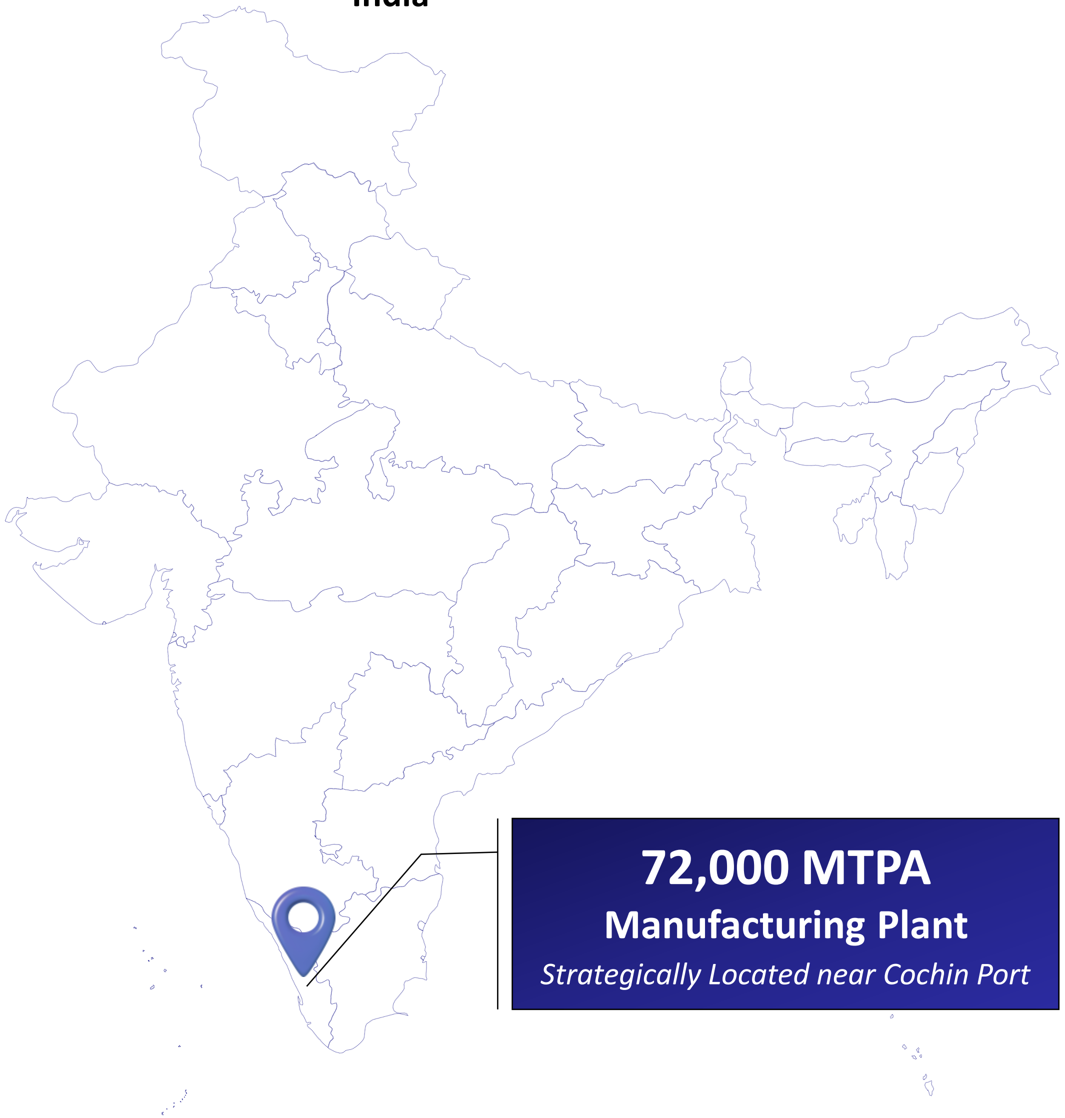
Demac Steel pipes are widely used across:

- Construction
- Roofing Frameworks
- Interiors
- Furniture Structures
- Agricultural Implements
- Solar mounting Frames

Strategic Locational Advantage – Future Export Opportunities

DEMAC GP PIPES & TUBES

India



72,000 MTPA

Manufacturing Plant

Strategically Located near Cochin Port

Integrated Manufacturing Advantage

- 72,000 MTPA integrated multi-product manufacturing facility under one roof.
- Shared overheads and optimised resource utilisation lead to lower production costs.
- Enables dealers to procure multiple product categories in a single consolidated order.

Strategic Location

- Plant located in Thrissur, Kerala - central access point to dealer network across the state.
- Cochin Port (~35 km) and Cochin International Airport (~25 km) facilitate efficient domestic & export logistics.
- Faster delivery cycles and reduced transit times enhance service reliability.

Cost-Efficient Sourcing

- Flexible sourcing strategy with access to competitive international suppliers to manage raw material cost fluctuations.
- Procurement scale and timing advantage driven by industry experience.
- Results in improved margin profile and ability to offer competitive pricing to customers.

Efficient Logistics & Distribution

- Single-location multi-product shipments enable full truck load dispatches, reducing freight and handling costs.
- Dealers benefit from regular replenishment cycles and simplified inventory planning.
- Enhances supply consistency while strengthening dealer relationships and repeat business.

Leadership Team

Vazhappily Davis Varghese

Promoter and Managing Director

9+ Years Of Experience

Mahendra Kumar Jain

Chairman and Executive Director

30+ Years Of Experience

Divyakumar Jain

Promoter and Executive Director

10+ Years Of Experience

Cyriac Varghese

Whole-time Director

9+ Years Of Experience

Molly Varghese

Whole-time Director

9+ Years Of Experience

Certifications & Awards

DEMAC GP PIPES & TUBES

MAKE IN INDIA

CERTIFIED ISO 9001:2015 COMPANY

IS 18573
CM/L - 6400146310

IS 3601
CM/L - 6400083110

National Award from the Council of State Industrial Development and Investment Corporation of India

COSIDICI National award

State Award for the Best Industry

KFC Kerala Financial Corporation
we finance your dream

National Award

Council of State Industrial Development and Investment Corporation of India (COSIDICI)

State Award for one of the Best Company

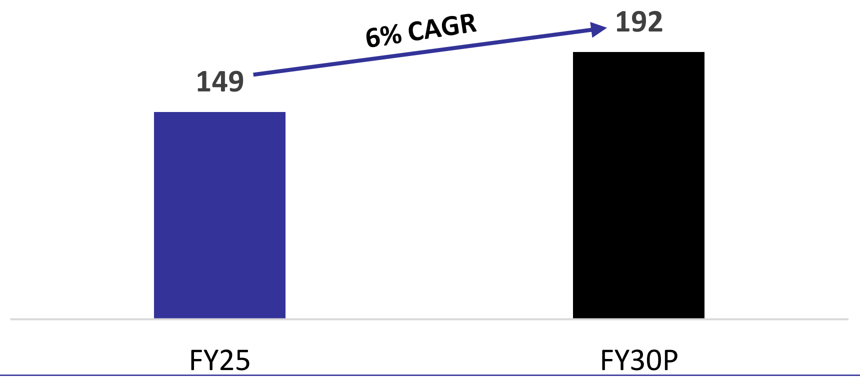
Kerala Financial Corporation.

Industry Overview

India's Steel Market: Expanding Demand, Regional Strength

India is the second-largest steel producer globally, after China

India Crude Steel Production Growth (MT)



Southern India Steel Demand Landscape

- ✓ South India contributes ~**25–28% of national steel consumption**
- ✓ Major demand hubs: Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh
- ✓ **Kerala's annual steel consumption:** ~1.8–2.0 million MT (high on roofing, tubular products)
- ✓ Growth driven by **residential housing**, **coastal infra**, and **industrial parks**
- ✓ Strong **import substitution** opportunity (Galvanised pipes/sheets often sourced from other states)
- ✓ High **Galvanised steel usage** due to humidity and coastal corrosion

Demand Drivers

Segment	Share of Total Steel Demand	Key Programs / Drivers
Construction & Housing	60%	PMAY, Urban Infra, Smart Cities
Infrastructure (Roads, Bridges, Railways)	20%	Gati Shakti, Dedicated Freight Corridors
Manufacturing & Engineering	10%	"Make in India", Industrial Corridors
Automotive & Capital Goods	7%	Auto recovery, EV ecosystem
Renewable Energy	3%	Solar structures, Wind towers

Statewise Steel Consumption – South India FY25

State	Steel Consumption (MT)	Share of India (%)	Key Demand Drivers
Tamil Nadu	6.0	4.2	Construction, Auto, Roofing
Karnataka	4.8	3.4	Infra, Real Estate
Andhra Pradesh	3.6	2.5	Ports, Real Estate
Telangana	2.9	2.0	Infrastructure, Metro
Kerala	**1.9**	**1.3**	Roofing, Housing, Coastal Projects
Total (South India)	**19.2**	**13.4**	

Source: Grand View Research, Motor intelligence, IMARC Group & various Industry Reports

Galvanised Steel Boom: NMSL's Next Growth Frontier

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Galvanised Steel Market – Segment Trends

- Indian **Galvanised steel market size FY25:** ~₹52,000 crore; CAGR 8–9%
- Driven by roofing, prefabricated structures, solar, and water infra
- **Galvanised pipe/tube demand FY25:** ~2.8 MT; expected to reach ~4.0 MT by FY30
- Growth supported by **Jal Jeevan Mission (water pipelines)** and **rural housing**
- **Domestic players:** Tata Steel, JSW, Sail, small regional galvanizers
- Kerala's **high humidity & coastal climate** create preference for GI products
- **Shift from unorganized to branded Galvanised products**, signaling a market formalization trend

Industry Outlook & Opportunity for NMSL

- Rising infrastructure & housing spend with **₹11.1 lakh crore** budgeted for FY26 capex
- **Kerala's urbanization rate > 48%;** demand for roofing, structural steel increasing.
- Substitution of imported or TN-sourced products directly provides a **regional cost advantage** for NMSL
- **Export potential** from Cochin Port to **GCC markets** (high steel imports, humid climate)
- The **government's focus on green steel** and **NMSL's solar-powered operations** (23%) are an ESG edge

Galvanised Product Demand by Segment (FY25)

Segment	Demand (MT)	Share (%)	Key Application
Roofing & Cladding	1.4	35	Residential / Commercial roofing
Pipes & Tubes	1.2	30	Water supply, Fabrication, Railings
Prefabricated / PEB	0.8	20	Warehouses, Factories
Infrastructure (Solar, Bridges, etc.)	0.6	15	Solar frames, Highway projects
Total	**4.0 MT**	**100**	—

Kerala Demand Drivers for Galvanised Products

Driver	Impact on NMSL	Explanation
Coastal & humid climate	High	Increases corrosion-resistant GI use
Rising housing construction	High	Drives roofing sheets & pipes
Industrial & logistics parks	Medium	Structural steel & PEB demand
Water infra (Jal Jeevan Mission)	Medium	GI pipes for pipelines
Regional brand preference	High	Strong brand recall of "Demac Steel"

Source: Grand View Research, Motor intelligence, IMARC Group & various Industry Reports

Strategic Overview

Key Business Strategies

01

Capacity Expansion

Enhancing manufacturing capacity and infrastructure to meet rising product demand and achieve economies of scale.

02

Brand & Market Expansion

Investing in brand visibility and awareness to strengthen recall and capture greater market share.

03

Marketing Network Expansion

Widening dealer base and geographic reach through stronger marketing teams and strategic outreach.

04

Operational Excellence

Optimizing processes and scale to reduce costs, boost productivity, and improve profitability.

05

Relationship-led Growth

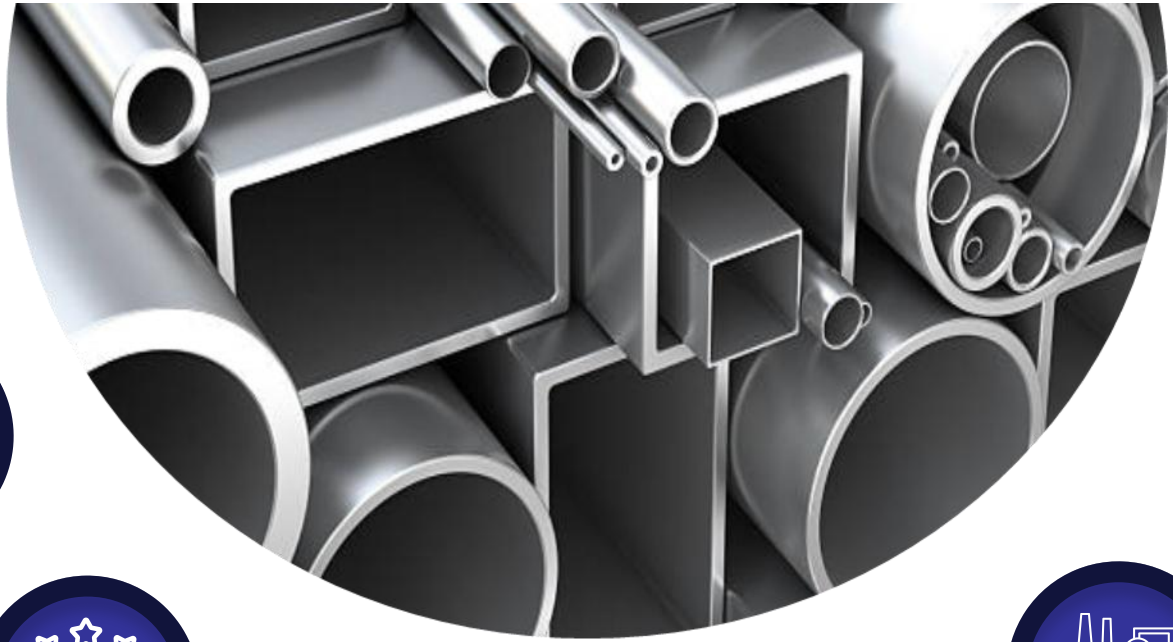
Leveraging strong dealer and customer relationships to drive repeat business and sustainable growth.

06

Enhanced Consumer Value

Delivering superior quality, affordability, and reliability to strengthen consumer trust and brand preference.

Strength That Shapes Our Success



Strong Distribution Network

Extensive dealer base and retail presence ensuring market reach, efficient supply chain, and customer trust.

Diversified Product Portfolio

Wide and customizable product range catering to evolving market and customer needs.

Established Brand Equity

"Demac Steel" enjoys strong brand recall and customer loyalty built on consistent quality.

Long-standing Client & Supplier Relations

Robust dealer relationships driving repeat business and sustained growth.

Stringent Quality Control

ISO 9001:2015 certified systems ensuring consistent product quality and safety.

Strategically Located Manufacturing

Modern, integrated facilities in Kerala delivering cost savings and logistical efficiency.

Cost-efficient Sourcing Advantage

Optimized raw material procurement and central location enabling superior cost competitiveness.

Experienced Leadership Team

Proven management with deep industry expertise driving growth and execution excellence.

Half Yearly Financial Overview

Half Yearly Performance Highlights

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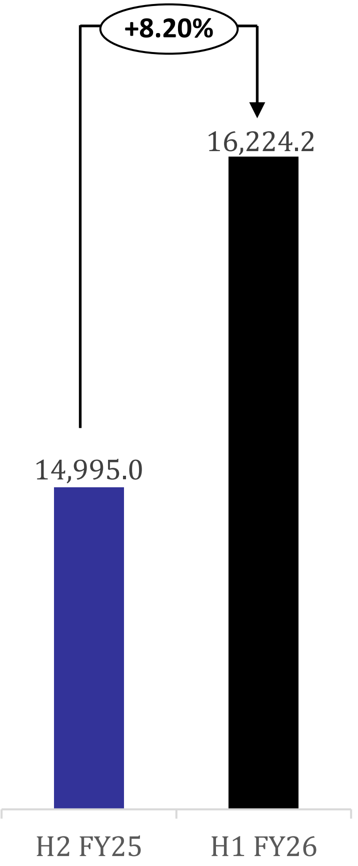
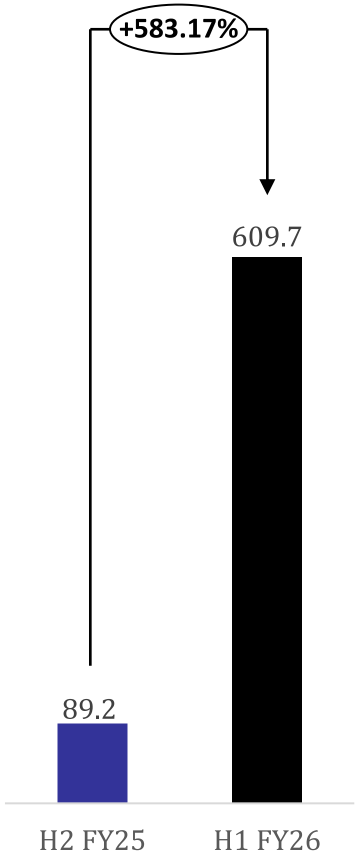
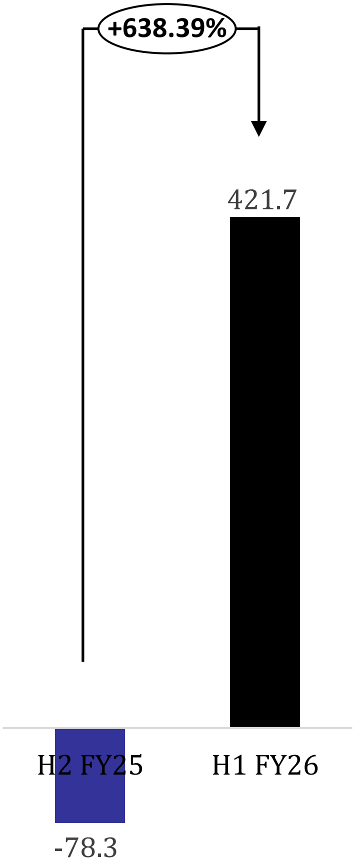
Revenue



EBITDA



PAT



Margin Profile

EBITDA

3.76%

+316 bps H-o-H

PAT

2.60%

+312 bps H-o-H

Income Statement

Particulars (INR Lacs)	H1 FY26	H1 FY25	Y-o-Y	H2FY25	H-o-H
Revenue from Operations	**16,224.2**	**15,421.4**	***5.21%***	**14,995.0**	***8.20%***
Cost of Materials Consumed	15,288.4	12,148.1		14,332.7	
Purchase of stock in trade	22.8	74.9		68.7	
Change in Inventories of finished goods	-107.1	2,142.7		216.2	
Employee Expenses	113.7	112.1		172.5	
Other Expenses	296.7	89.2		115.7	
EBITDA	**609.7**	**854.4**	***-28.63%***	**89.2**	***583.17%***
EBITDA Margin (%)	***3.76%***	***5.54%***	***-178 bps***	***0.60%***	***316 bps***
Other Income	155.2	104.0		61.1	
Depreciation	89.6	80.1		84.0	
EBIT	**675.3**	**878.3**	***-23.11%***	**66.3**	***917.97%***
EBIT Margin (%)	***4.16%***	***5.70%***	***-154 bps***	***0.44%***	***372 bps***
Finance Cost	98.7	181.4		161.6	
Profit before Tax	**576.7**	**696.9**	***-17.25%***	**-95.2**	***705.54%***
Tax	155.0	177.6		-16.9	
Profit After Tax	**421.7**	**519.3**	***-18.80%***	**-78.3**	***638.39%***
PAT Margin (%)	***2.60%***	***3.37%***	***-77 bps***	***-0.52%***	***312 bps***
EPS (As per Profit after Tax)	2.44	4.11		-0.45	

Balance Sheet

Assets (INR Lacs)	Sep-25	Mar-25
Non - Current Assets		
Property, plant and equipment	-	-
Fixed Assets		
(i) Tangible Assets	2,726.8	1,956.4
(ii) Intangible Assets	0.4	0.4
(iii) Capital Work in progress	175.5	830.3
Deferred Tax Assets	-	-
Other Non Current Assets	44.3	44.3
Total Non- Current Assets	**2,946.8**	**2,831.4**
Current Assets		
Inventories	4,021.3	2,567.8
Trade receivables	1,512.8	2,573.7
Cash and bank Balances	1,581.2	2,024.9
Short Term Loans & Advances	1,816.3	836.8
Other current assets	432.4	25.8
Total Current Assets	**9,364.0**	**8,028.9**
Total Assets	**12,310.8**	**10,860.3**

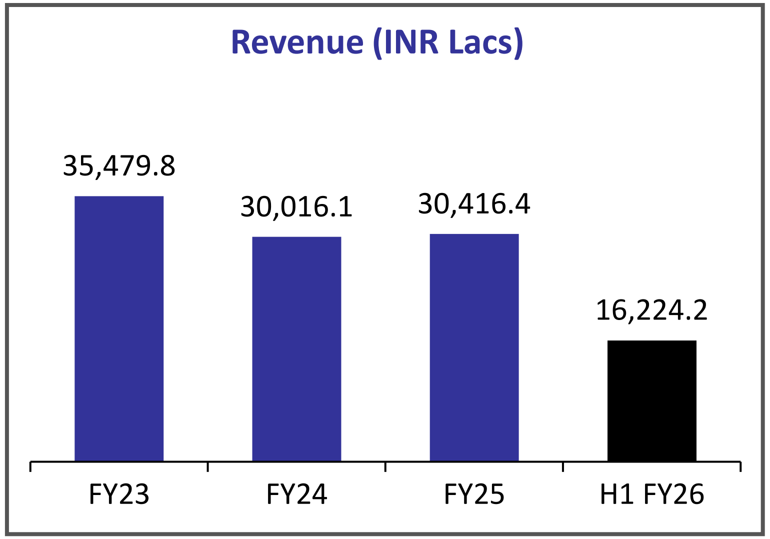
Equity And Liabilities ((INR Crs)	Sep-25	Mar-25
Shareholder's Fund		
(a) Equity share capital	1,728.8	1,728.8
(b) Other equity	6,527.2	6,105.5
Total Equity	**8,256.0**	**7,834.3**
Non - Current Liabilities		
(a) Long Term Borrowings	219.4	300.6
(b) Deferred tax Liab (Net)	156.7	144.8
Total Non - Current Liabilities	**376.1**	**445.4**
Current Liabilities		
(i) Short Term Borrowings	2,379.9	1,530.5
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	10.5	5.5
Total outstanding dues creditors other than micro enterprises and small enterprises	1,019.0	671.3
(iii)Other current liabilities	126.4	192.4
(iv) Short Term Provisions	143.0	180.8
Total Current Liabilities	**3,678.8**	**2,580.6**
Total Equity and Liabilities	**12,310.8**	**10,860.3**

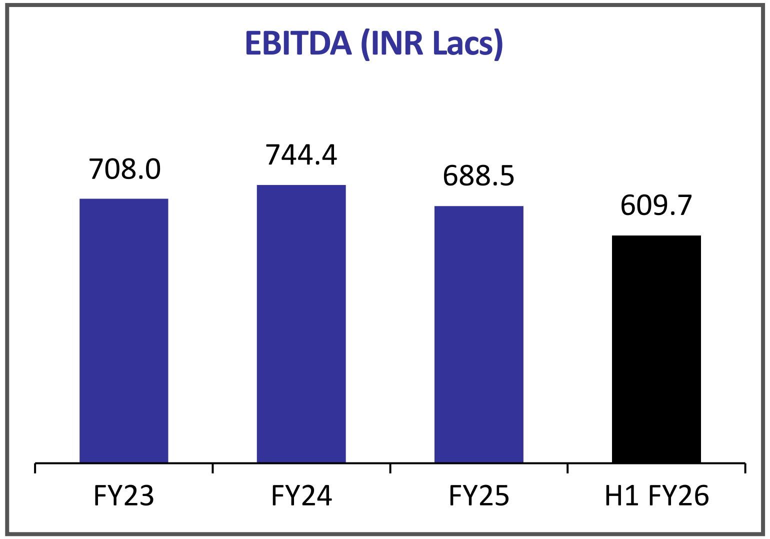
Cashflow Statement

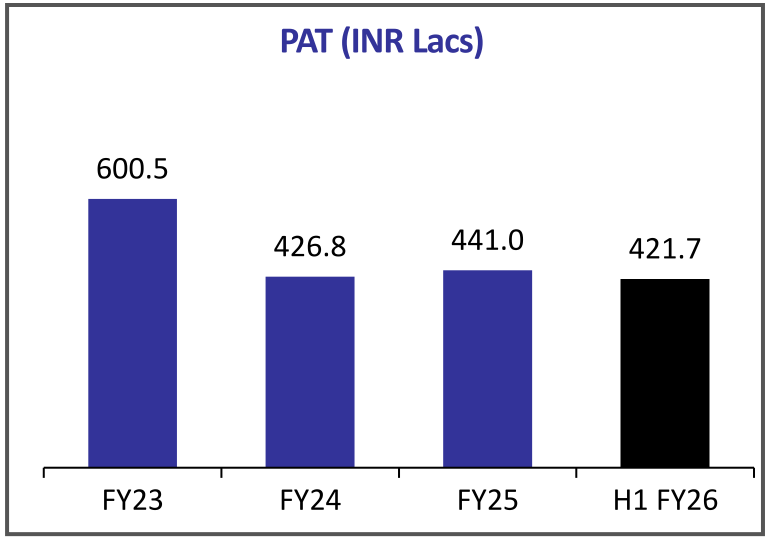
Particulars (INR Lacs)	Sep-25	Mar-25
Cash Flow from Operating Activities		
Profit before Tax	576.7	601.6
Adjustment for Non-Operating Items	33.7	411.8
Operating Profit before Working Capital Changes	**610.4**	**1,013.5**
Changes in Working Capital	-1,511.4	1,678.7
Cash Generated/Used from Operations	**-900.9**	**2,692.2**
Less: Direct Taxes paid	-157.2	-130.7
Net Cash from Operating Activities	**-1,058.1**	**2,561.5**
Cash Flow from Investing Activities	**-54.7**	**-757.4**
Cash Flow from Financing Activities	**669.5**	**-1,076.8**
Add/Less: Effects of exchange gain on cash and cash equivalents	0.4	6.1
Net Increase/(Decrease) in Cash and Cash equivalents	**-443.7**	**733.4**

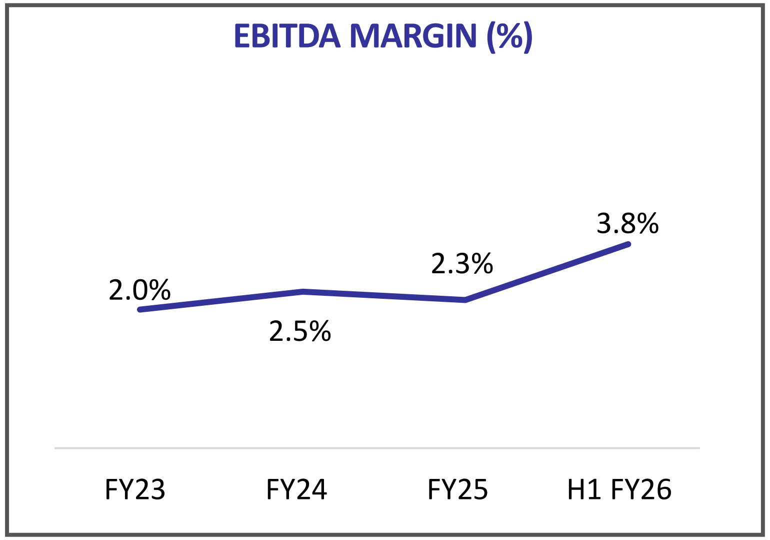
Historical Financial Overview

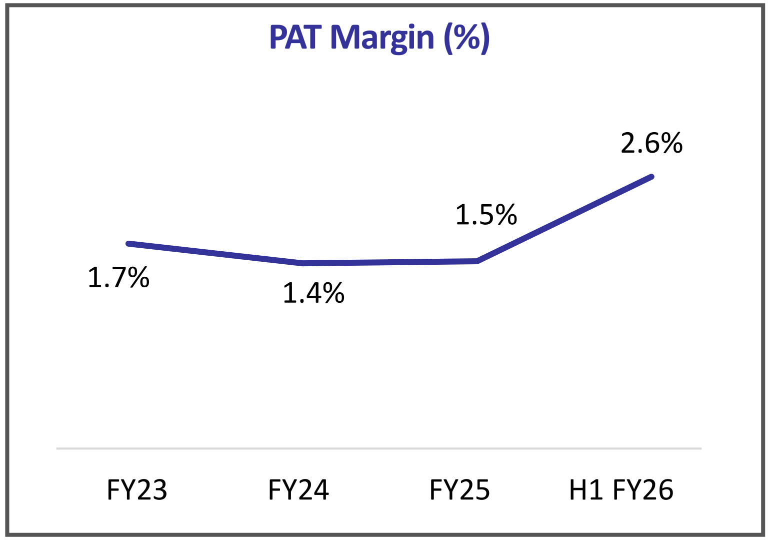
Key Financial Metrics

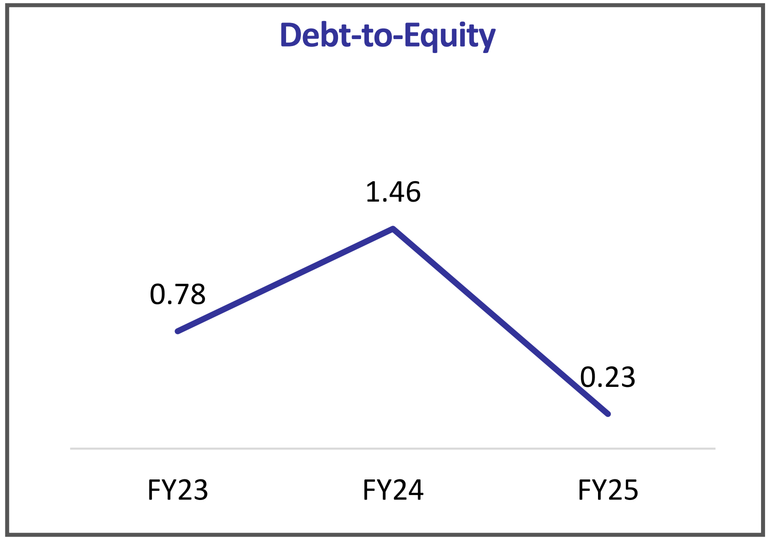












Historical Income Statement

Particulars (INR Lacs)	FY23	FY24	FY25	H1 FY26
Revenue from Operations	**35,479.8**	**30,016.1**	**30,416.4**	**16,224.2**
Cost of Raw Materials	34,000.6	30,964.1	26,735.9	15,288.4
Purchase of stock-in-trade		263.2	143.6	22.8
Changes in Inventory	125.1	-2,536.7	2,358.9	-107.1
Employee Expenses	444.2	363.6	279.7	113.7
Other Expenses	201.9	217.5	209.8	296.7
EBITDA	**708.0**	**744.4**	**688.5**	**609.7**
EBITDA Margin (%)	***2.00%***	***2.48%***	***2.26%***	***3.76%***
Other Income	515.9	298.7	420.1	155.2
Depreciation	145.4	156.0	164.0	89.6
EBIT	**1,078.5**	**887.2**	**944.6**	**675.3**
EBIT Margin (%)	***3.04%***	***2.96%***	***3.11%***	***4.16%***
Finance Cost	273.5	320.2	343.0	98.7
Profit before Tax	**805.1**	**567.0**	**601.6**	**576.7**
Tax	204.6	140.2	160.7	155.0
Profit After Tax	**600.5**	**426.8**	**441.0**	**421.7**
PAT Margin (%)	***1.69%***	***1.42%***	***1.45%***	***2.60%***
EPS	4.75	3.38	3.19	2.44

Historical Balance Sheet

Assets (INR Lacs)	Mar-23	Mar-24	Mar-25	Sept-25
Non - Current Assets				
Property, plant and equipment				
(i)Tangible Assets	2,153.0	2,032.4	1,956.4	2,726.8
(ii)Intangible Assets	0.0	0.0	0.4	0.4
(iii)Capital work-in-progress	29.7	53.5	830.3	175.5
Deferred Tax Assets	0.0	0.0	0.0	0.0
Other Non Current Assets	40.8	44.5	44.3	44.3
Total Non - Current Assets	**2,223.5**	**2,130.5**	**2,831.4**	**2,946.8**
Current Assets				
Inventories	3,664.3	4,753.6	2,567.8	4,021.3
Trade receivables	1,066.4	2,117.8	2,573.7	1,512.8
Cash and bank Balances	679.9	1,291.4	2,024.9	1,581.2
Short Term Loans & Advances	530.0	298.5	531.5	1,816.3
Other current assets	570.9	1,032.7	331.1	432.4
Total Current Assets	**6,511.4**	**9,494.1**	**8,028.9**	**9,364.0**
TOTAL ASSETS	**8,734.8**	**11,624.5**	**10,860.3**	**12,310.8**

Equity And Liabilities ((INR Crs)	Mar-23	Mar-24	Mar-25	Sept-25
Shareholder's Fund				
(a) Equity share capital	1,264.8	1,264.8	1,728.8	1,728.8
(b) Other equity	2,355.5	2,782.4	6,105.5	6,527.2
Total Equity	**3,620.3**	**4,047.1**	**7,834.3**	**8,256.0**
Non - Current Liabilities				
(a) Long Term Borrowings	1,209.2	763.0	300.6	219.4
(b) Deferred tax Liab (Net)	131.4	140.9	144.8	156.7
Total Non - Current Liabilities	**1,340.6**	**903.8**	**445.4**	**376.1**
Current Liabilities				
(i) Short Term Borrowings	1,606.0	5,148.2	1,530.5	2,379.9
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	-	4.4	5.5	10.5
Total outstanding dues creditors other than micro enterprises and small enterprises	1,777.7	853.3	672.8	1,019.0
(iii)Other current liabilities	201.9	537.1	190.9	126.4
(iv) Short Term Provisions	188.4	130.7	180.8	143.0
Total Current Liabilities	**3,774.0**	**6,673.6**	**2,580.6**	**3,678.8**
Total Equity and Liabilities	**8,734.8**	**11,624.5**	**10,860.3**	**12,310.8**

Historical Cashflow Statement

Particulars (INR Lacs)	Mar-23	Mar-24	Mar-25	Sept-25
Cash Flow from Operating Activities				
Profit before Tax	805.1	567.0	601.6	576.7
Adjustment for Non-Operating Items	420.0	399.5	411.8	33.7
Operating Profit before Working Capital Changes	**1,225.1**	**966.5**	**1,013.5**	**610.4**
Changes in Working Capital	2,098.4	-2,970.0	1,673.1	-1,511.4
Cash Generated/Used from Operations	**3,323.5**	**-2,003.5**	**2,686.6**	**-900.9**
Less: Direct Taxes paid	214.1	188.4	130.7	-157.2
Net Cash from/Used In Operating Activities	**3,109.4**	**-2,191.9**	**2,555.9**	**-1,058.1**
Cash Flow from/Used in Investing Activities	**-61.8**	**-2.1**	**-751.8**	**-54.7**
Cash Flow from/Used In Financing Activities	**-2,378.3**	**2,791.6**	**-1,076.8**	**669.5**
				0.4
Net Increase/(Decrease) in Cash and Cash equivalents	**669.3**	**597.6**	**727.3**	**-443.7**

Way Ahead

Way Ahead

Higher Capacity Utilization
- Ramp up production from existing capacity without major capex.
- Improve operating efficiency to enhance margins.

Location Advantage
- Central Kerala location supports faster delivery and lower transport costs.
- Strategic proximity to Cochin Port & Airport improves supply efficiency.

Economies of Scale
- Increase volumes to reduce per-unit manufacturing and logistics costs.
- Strengthen procurement leverage with key steel suppliers.

Dealer Network Expansion
- Deepen penetration across Kerala and expand into **Tamil Nadu, Karnataka & AP**.
- Increase channel reach to drive consistent retail demand.

Strengthening Market Presence
- Focus on brand reinforcement and dealer relationships.
- Aim to transition from a product-focused manufacturer to a steel solutions provider.

Entry into Higher-Margin Product Segments
- Foray into **Pre-Fabricated Steel Buildings (PEB)** to move up the value chain.
- PEB to provide **higher margins**, industrial / infrastructure customer base.

Thank You

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