KEI Industries Limited

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Tel.: +91-11-26818840/8642/0242, Email: info@kei-ind.com Website: www.kei-ind.com

BRUGG CABLES Well connected.
KEI is under Technical Collaboration Agreement with BRUGG to manufacture EHV cables up to 400kV

KEI/BSE/2025-26 **Date: 14.05.2025**

The Manager,
Listing Operation,
BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai- 400 001

Sub: Transcript of Analysts/Investors Call pertaining to the Financial Results for the quarter and year ended on March 31, 2025.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the exchanges that the transcript of audio call recording of the Company's Analyst Call held on Wednesday, 7th May, 2025 to discuss the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended on March 31, 2025 is attached herewith.

The transcript is also available on the website of the Company:

https://www.kei-ind.com/wp-content/uploads/2025/05/nuvama-keiindustries-may07-2025.pdf

This is for your information and record.

Yours truly,
For KEI INDUSTRIES LIMITED

KISHORE KUNAL Digitally signed by KISHORE KUNAL Date: 2025.05.14 18:46:18 +05'30'

(KISHORE KUNAL)
VP (Corporate Finance) & Company Secretary

CC:

The National Stock Exchange of India Ltd. **Listing Division, Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051**	**The Calcutta Stock Exchange Ltd.** **The Senior Manager, Listing Division,** **7, Lyons Range, Kolkata-700001**

“KEI Industries Limited Q4 FY-25 Earnings Conference Call”

May 07, 2025

MANAGEMENT:	**MR. ANIL GUPTA – CHAIRMAN AND MANAGING DIRECTOR, KEI INDUSTRIES LIMITED.** **MR. RAJEEV GUPTA – EXECUTIVE DIRECTOR, FINANCE AND CHIEF FINANCIAL OFFICER, KEI INDUSTRIES LIMITED**
MODERATOR:	**MR. ACHAL LOHADE – NUVAMA INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the KEI Industries Limited Q4 and FY'25 Earnings Conference Call, hosted by Nuvama Institutional Equities.

As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Achal Lohade from Nuvama Institutional Equities. Thank you and over to you, sir.

Achal Lohade: Yes, thank you Manav. Good afternoon, everyone. On behalf of Nuvama Institutional Equities, we are glad to host the Senior Management of KEI Industries.

We have with us Mr. Anil Gupta – Chairman and Managing Director of the Company, Mr. Rajeev Gupta – Executive Director (Finance) & Chief Financial Officer.

We will start the call with Opening Remarks from the Management and then move to Q&A. Thank you and over to you, Anilji and Rajeevji.

Anil Gupta: Good afternoon dear colleagues. Thank you very much for joining, I am Anil Gupta – Chairman and Managing Director, KEI Industries Limited along with me, Mr. Rajeev Gupta is also there, Executive Director and Chief Financial Officer. So, I will give a brief about the Q4 summary of the company's results, and briefly about the annual results.

So, you must have gone through the results by now the net sales in Q4 achieved is Rs.2,914.8 crore. We have achieved a growth in net sales by 25.1%. EBITDA is in-line grown by 30.3% during this period in Q4 and EBITDA / net sales margin is 11.61% as against 11.15% in the same period previous year. Profit after tax in this quarter is Rs.226 crores against Rs.168.8 crore. The growth in the PAT is 34.2%. Profit after tax/ net sales margin is 7.77%.

Domestic institutional cable sales, can be shift to annual results straightaway. Domestic institutional cable sale, wire and cable is Rs.760 crore against Rs.676 crore last year. And domestic export sale in this quarter is Rs.492 crore. Cable and wire Rs.429 crore, extra high voltage Rs.24 crore, EPC Rs.16 crore, stainless steel wire Rs.23 crore. This is against Rs.257 crore in the previous year same period. The growth in the export is around 92%. I would like to mention that we have focused on export and earmarked a substantial capacity on exporting. Hence, the growth in the domestic sale is around 18%, but overall we have grown by 25%.

Total cable institutional sales that means B2B is 46% as against 44% in the previous year same period. Sales through distribution network, that means B2C was Rs.1498 crore in 4th Quarter, against same period Rs.1056 crore. Growth in the B2C sale is 42%. B2C sale through distribution network contributed 51% in 4th Quarter, as against 45% in the previous year same period. Overall, the Wire and Cable segment has grown in this quarter approximately 35% over previous year same quarter and profitability has also improved in the Wire and Cable segment during this quarter. EPC sale, other than cable is Rs.72 crore, as against previous year same period Rs.192 crore, due to decline in EPC sale by 63% and EHV cable sale declined by 48% during the quarter. The Company operating margin also got affected by approximately 0.5% which will improve in the current financial year because of the healthy order book of extra high voltage cables as on today. Out of total sales of EPC, EHV, EPC sale is Rs.32 crore, as against Rs.50 crore in the same quarter previous year.

Now, I will give a brief summary of the annual results of Financial Year '24-25. Net sales in the Financial Year '24-25 is Rs.9736 crore against Rs.8120 crore. Growth in net sales is 19.9%. EBITDA is Rs.1062 crore, and the growth in EBITDA is 19.9%. EBITDA / net sales margin is 10.92% for the full year, same as the previous year. Profit after tax in FY'24-'25 is Rs.696 crore. So the growth in the PAT is 19.85%, profit / net sales margin is 7.15% similar to last year.

Export sale in FY'24-'25 is, total is Rs.1267 crore. In this wire and cable is Rs.983 crore, extra high voltage cable Rs.72 crore, EPC Rs.105 crore, stainless steel wire Rs.104 crore and trading sale Rs.3 crore, against previous year same period it was Rs.1097 crore. The growth in export sale on full year is 15% but growth in the cable export is 40% because of the decline in EPC sale of we had, we are executing a contract for Gambia for the EPC turnkey project. Last year, there was a substantial sale in that project. Hence, the EPC sales was high, but the growth in the cable export is 40% in the whole year.

The total active working dealers of the company as on 31st March '25 are approximately 2082. Sales through the distribution network for the whole year is around 52% against 46% in the previous year. The EPC sale other than cable is Rs.343 crore against Rs.562 crore in the previous year. Out of the total sales of EPC, EHV extra high voltage EPC sale is Rs.137 crore against Rs.155 crore in the previous year. The sale of stainless-steel wire in 24-25 is Rs.212 crore against previous year Rs.218 crore. Volume increase in the cable division based on the production and for the consumption of metal in FY'24-'25 as compared to previous year same period is approximately 20% and in Q4 volume increase by is 21%.

Total pending order including EPC as on 30th April '25 is approximately Rs.3839 crore, out of which EPC orders are Rs.423 crore, extra high voltage cable pending orders are Rs.603 crore, domestic cable orders Rs.2112 crore, Cable export orders Rs.701 crore. So the total cable and wire segment is Rs.3416 crore and the total order book including EPC is Rs.3839 crore. CARE has upgraded companies long term ratings as AA+, long term ratings from India Ratings and Research Private Limited and ICRA is the AA, a short-term rating from India ratings ICRA and CARE is A1+.

The book value per equity share of the company is Rs. 605 as on 31st March '25, as against Rs.348 as on March 31st, 2024, increased due to QIP issue. The Company has booked an expenditure of Rs.12.91 crore in FY'24-'25 towards CSR activities. Total borrowing is Rs.178, channel finance out of channel finance is Rs.127 crore. Acceptance creditors as on 31st March ‘25 is Rs.246 crore, as against Rs.506 crore on 31st March, 24. Net cash available is Rs.1491 crore, this includes Rs.1385 crore of QIP as on 31st March ‘25.

QIP funds status, the company has raised Rs.2000 crores through QIP on 20th November 24 to fund our new project at Sanand, repayment of outstanding debt and for general corporate purposes. Rs.1450 crore for CAPEX, Rs.240 crore for general corporate purposes, Rs.276 crore for repayment of term loan and WCDL and Rs.34 crores QIP expenses. Company has utilized QIP fund of Rs.621 crore up to 31st March 2025.

Now the future outlook. During 24-25 the company has incurred a total capital expenditure payment of Rs.618 crore, out of which Sanand Rs.384 crore, Chinchpada in Silvassa Rs.68 crore, Bhiwadi Rs.32 crore, Pathredi expansion Rs.58 crore, and Salarpur landRs.23 crore, other plants and locations Rs.53 crore. Brownfield CAPEX at Chinchpada and Pathredi has added further capacity for wire and power cables, and these expansions has been completed in FY’24-’25. After the completion of these Brownfield CAPEX capacity utilized during 24-25 approximately 85% in cable division, 71% in house wire division, and 89% in stainless steel wire division, and 38% in communication cables.

During the current Financial Year ‘25-26 unutilized QIP fund of Rs.1300 crore will be invested to complete the Sanand project. Commercial production of first phase of low tension and HT cables will commence by end of Q1 FY’25-26 and the total project will be completed by end of FY’25-26. The Company is hopeful to achieve 17% to 18% growth and improve our operating margins during the FY’25-26 considering phase one commercial production in Sanand and strong order book position of Domestic Institutional for cable sale, export orders for cable sales and extra high voltage cables, and the total order book of cable at Rs.3416 crore. After completing the Sanand project and with the continued strong demand in domestic and overseas markets, we are hopeful to grow by 19% to 20% in next two to three years.

Now, I will explain you what are the demand drivers in the domestic markets and export markets. The major demand drivers are power generation in renewables through solar and wind energy. And also we are seeing a substantial new investment coming in coal based thermal power projects and related infrastructure in transmission and power distribution by transmission and distribution companies of central government and state government. User industry of energy like data centers, new manufacturing projects and infrastructure projects like railways and metro rails and highways. Apart from that, electric vehicle infrastructure and kit for electrical vehicles is also in our product range, which we are catering to EV infrastructure. We assure that we will continue to grow with the projected percentages what we have stated and we will try to improve upon it during the current financial year and subsequently. This will be our endeavor to keep the growth momentum in the company on a continuous basis. Thank you very much and I would like to invite you to have any further questions you may have we will be glad to answer. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touch tone telephone if you wish to do yourself from the question queue press * and 2. Participants are required to use handset only while asking question. Ladies and Gentlemen we will wait for the moment while question queue assembles I repeat you may press * and 1 to ask the question.We have our first question from the line of Pravin Sahay from Prabhudas Lilladher Capital. Please go ahead.

Pravin Sahay: Hi Sir, Congratulation sir for good set of numbers. My first question is related to the volume growth and this is clarification. So in the Q4 you had said 21% of a volume growth in the Wire and Cable segment you had reported that is including domestic and international. Is it correct?

Anil Gupta: Yes.

Rajeev Gupta: It is based on production.

Pravin Sahay: Okay. And how is the domestic market has done in terms of volume?

Rajeev Gupta: Pravin, we are gazing the volume growth only on the basis of production. And you see, we have limited capacity, we have capacity constraints. So whatever we are producing, either we are selling through export or selling through the dealer, distributor market or directly selling to the institution. So it does not matter to us, in some quarter we may sell more in domestic, in some quarter we may sell to the export market more, or in some quarter we may sell more to the dealer distributor. So ultimately, it does not matter to us in which market the product is going, but the overall growth rate needs to maintain according to the production capacity we are having.

Pravin Sahay: Right, sir. Or if you can give some more color on your export number, because that has grown quite very strongly, is that a one of element attached to that, and is that also, if you can add is that the benefit of a US tariff, you received certain things?

Rajeev Gupta: No, first of all as I said that it is sometime we get the order from the export market, so we need to book the capacity accordingly. So from where we are getting the order first, we need to book the capacity accordingly.

Anil Gupta: These are not one-off exports. These are consistent exports from our consistent customers. This export in Q4 is not consisting of any single large order we have received, it is consisting of several orders of different directories, and these are our consistent customers.

Pravin Sahay: Right sir, got it. The second question sir related to the EHV, that's a Rs.400 odd crore of revenue we had done. And the way forward. I believe the guidance is of a Rs.600 odd crore. So how you are going to see this EHV business the way forward because your capacity at Sanand is also coming up, so in the next two to three years if you can give some guidance related to the EHV would be helpful.

Anil Gupta: EHV capacity in finance will be operational by in the FY'26-27 because that EHV segment of the project, which is phase two will be completed by March '26, so that means that capacity will be there for production only in '26-27. And our focus will be mainly on the domestic market as well as exports both. We have a substantial export market of EHV cables which we have developed, but there are some technical constraints due to which we can't sell too much in the export market because of the high freight and heavy loads which has to be carried from the North India to ports. So there are some technical issues in drum length which we need to be produce in the very long lengths which we will be able to produce in Sanand. So there are some technical issues, due to which we are not able to grow the export market substantially for our existing Chopanki factory. But the moment Sanand comes, the export will see a substantial jump in the extra high voltage segment also, and as well as the other segments where we are lacking the capacity.

Pravin Sahay: Okay. And just to related to that, even the export has gone up more. And this quarter, we had seen that the LME prices were also up, but that's not reflecting in the margin front, actually. So, if I look at your margin, inter gross margin has been Y-o-Y it's quite a 1% down. So what factor lead to that?

Anil Gupta: LME prices will not settle in the margins and LME prices, if they are high, they can increase the sale value, but margins are quickly adjusted with respect to the raw material cost. You can speak something about it.

Rajeev Gupta: Pranay, what is your exact query?

Pravin Sahay: So sir, what I believe is, if there is an improvement uptrend in the LME prices, there would be a some gain also you absorb. And the second is the export business if that is increasing, that is a high margin business so why not our gross margin reflected these two factors in this quarter?

Rajeev Gupta: So, first of all in the past also we have guided that all the raw material is passed through, whether it's a going up or it's going down, neither will we be gaining anything, neither we will be losing anything. Second is in the case of export, as I said in the case of only 0.5% margin is improved in the case of export or bigger distributor margin, otherwise more or less, prices are similar. That's why we are not only focused for any particular each segment as we are operating in an environment where we are catering to all type of customers from, where we are getting the orders we are utilizing the capacity accordingly. That's why we are saying that we will be growing in future, also 17% to 18% but it does not matter to us. We will grow in export, we will grow in dealer distributor, or we will grow in the institutional segment. Ultimately, the object is to utilize the capacity and the little bit margin which got affected mainly because of the lower sale of each EHV division. So since now, the current year, the EHV sale will be to the fullest capacity. So the 0.5% EBITDA margin will get improved, the operating margin will get improved.

Pravin Sahay: Thank you, sir. If you can give the CAPEX number for '26-27, would be helpful.

Rajeev Gupta: Around Rs.1300 crore because whatever unutilized QIP money is there that will be invested to complete this Sanand project in the current financial year. And apart from this, another Rs.100 crore is for maintenance CAPEX and for the new land.

Pravin Sahay: Thankyou sir and all the best.

Moderator: Thank you. We have our next question from line of Bharat Shah from Ask Investment Managers. Please go ahead.

Bharat Shah: Namaste Anilji and Rajeev ji. Anilji talked about 17% to 18% growth rate with improvement in margins, is that a reference to the upcoming year, Financial Year '2025-26 or for the longer term, because, on the longer term, I thought, with the increase in capacity, we are aiming for growth upwards of 20%?

Anil Gupta: No, Bharat ji in longer terms, I have mentioned in my commentary that the growth will be upwards of 20%, this17% to 18% growth I have mentioned only for '25-26 because in this year, we will be only settling our new plant in one-by-one month-after-month, we will be able to ramp up the production month-after-month, even after commissioning. So this will be a challenging year for us to ramp up the capacity and bring it into, convert it into commercial production. However, I have said that we will aim to achieve better, I am only saying a little conservative figure, because my approach is always to say less and achieve more. We have always achieved better than what we have always said.

Bharat Shah: Good that you clarified. For a moment, I thought, 17% shouldn't be for a long term so I was a bit worried.

Anil Gupta: No, growth will be in upwards of 20% from '26-27 onwards, but in this year also we will aim to achieve 20% we will definitely not let down our investors.

Bharat Shah: Thank you, that clarifies. Just one last thing, Rajeev ji the margin improvement journey over the period of time due to variety of factors that we have discussed many a times, that is intact right?

Rajeev Gupta: Yes, that's only after the commissioning of this plant, as I said in from '27-28 onward, when the economy of scale will be there and the benefit out of that will be there.

Bharat Shah: Thank you

Moderator: Thank you. We have our next question from the line of Dhruv Bhatia an Individual Investor. Please go ahead.

Dhruv Bhatia: Hi thankyou for the opportunity and congratulations on great set of numbers. Sir, the question is around working capital, because when you see your consolidated cash flow. Your cash flow generated from operations last year was about Rs.815 crores, and this year it is down Rs.200

crores, approximately. And working capital has seen some massive swing so what exactly happened if you can explain and whether that's going to change in the FY26?

Rajeev Gupta: As we earlier guided that till we are having the cash, we will be purchasing through cash. So you must have seen in the balance sheet that the payable item has reduced substantially, even though the sale has increased by 20% but the payable has been reduced. So that is mainly because of that nothing else. In the normal condition the payable will go up.

Dhruv Bhatia: Right. And the second question I have sir is, it's a slightly more industry wide one. You are having some new very aggressive competitors talking about large amounts of CAPEX to enter the sector in the next two, three years. How do you see that playing out, demand is obviously very strong and will continue to grow. So do you see an impact on margins potentially in this sector once these capacities come on stream?

Rajeev Gupta: We are already, and since last 15-20 years we are delivering the numbers. And whatever we are saying we are delivering, even in the last quarter, so much hue and cry was there for the industry. But the industry has given the results, not only by KEI, but the other player also, the growth is there, and the momentum in the industry itself is very strong. So, if little bit EBITDA margin no one can say anything but not any major impact.

Dhruv Bhatia: Okay Thankyou.

Moderator: Thank you. We have our next question from line of Akshay Gattani from UBS. Please go ahead.

Akshay Gattani: Thankyou Sir for the opportunity, My question is on the export side of the business, so how is the US market shaping up post tariff announcement, like have you seen any temporary pause in the consignment. Also, how do you see US geography from a longer-term perspective, in terms of product approval and product acceptance there? Thank you.

Rajeev Gupta: Akshay, as of now whatever order we were having we had delivered, so it will be known only after two, three months, when everything gets settled from the US market. But as I said earlier that, for us it does not matter we are selling to US market, we are selling to Middle East, or we are selling to Asian market or the European market. We are approaching so many countries; we are adding one or two countries year-after-year. So that is how we are doing our sale. Apart from the exports, we are into dealer, distributor segment, we are into the domestic institutional segment. So overall, we have to grow the percentage which Anil ji has just highlighted, for the current year, 17%, 18% and for the next year onward, because of the capacity we will be growing close to 20%. I said, that for the current year our growth rate Anil ji said 18% and from next year onward, we will be going close to 20% basis on the capacity, because market is so huge number of customers from overseas as well as from domestic are very large number of list we are having. So we are not dependent only on one country.

Akshay Gattani: Got it Thankyou.

Moderator: Thank you. We have our next question from line of Vidit Trivedi from Asian Market Securities. Please go ahead.

Vidit Trivedi: Hi Thankyou for the opportunity and congratulation on the great numbers. Could you please tell me what's your mixed, how much do you export to the US of the overall exports and second coming to the EHV cable side, it has dropped sharply. What was the main reason of the contraction and when do you see the recovery happening?

Rajeev Gupta: Recovery has already happened; we have already the order book is around Rs.603 crore. So in the current year, we will be utilizing the full 100% capacity.

Anil Gupta: Some of the orders could not be executed because of the ROW issues.

Vidit Trivedi: Okay. And what is the US share?

Anil Gupta: US, this year we have exported close to around Rs.250 crores.

Rajeev Gupta: No, Rs.163 crore exactly.

Anil Gupta: So, its a very small portion of our exports going to the US.

Vidit Trivedi: **Thank you**

Moderator: Thank you. We have our next question from line of Naushad Chaudhary from Aditya Birla Mutual Funds. Please go ahead.

Naushad Chaudhary: Hi thanks for the opportunity Just one clarification sir, during FY 25 the key raw materials, copper and aluminum on a lower base it up 13%, 15% in line items. And on that, on a blended basis if I see our revenue was up 20%, so with reverse and very rough calculation, roughly 10%, 11% would have come from the value growth, and now as the copper and aluminum both are softening, at least for now, based on March closing, considering this fact, is there any risk to our guidance of 17%, 18% for FY‘26 given the direction of all?

Rajeev Gupta: First of all, in last four, five years. In one year copper aluminum goes up, in one year copper aluminum goes down. But in all the last four, five years, or in last 15 years, they are continuously growing. In last 15 years, so many times copper or aluminum has gone up, and so many times copper and aluminum has gone down. So it does not impact really, because we are searching for a newer market for ourselves. That's how we are growing year-after-year, and it is applicable to the whole industry, not only KEI, the other player also growing the impact of the increase or decrease is not matter for the growth.

Naushad Chaudhary: Okay sir. Second, do we quantify the inventory gains, if any?

Rajeev Gupta: Sir, as I said, we are working on a pass on mode, neither we are gaining, neither we are losing anything.

Naushad Chaudhary: Okay sir, All the best Thankyou.

Moderator: Thank you. We have our next question from the line of Shrinidhi Karlekar from HSBC. Please go ahead.

Shrinidhi Karlekar: Hi, Thank you for the opportunity So just a couple of questions on export business. So last year we have had a Rs.1260 crore kind of export business and you said Rs.160 crore was US, is that right?

Rajeev Gupta: Yes, sir.

Shrinidhi Karlekar: Okay. Sir my second question on that is, what are principal competitors in the non-US markets, are these local companies, or are these global companies, or we face more of a Chinese competitor, this I am talking about non-US market.

Anil Gupta: Mostly, in non-US or US market we have only global competition. And in non-US market, wherever we are exporting I have not seen any Chinese competition to us, because we manufacture specialized tailor-made products for projects. And wherever tailor-made products are manufactured as per the international specification, and with the specified approvals, we don't face competition from Chinese companies.

Shrinidhi Karlekar: Right, sir. And sir second, I am a bit confused on your margin guidance for the next two years. Would it be possible to quantify how much of EBITDA margin increment one should build?

Rajeev Gupta: Just we are saying that because of the economy of scale from '27-28 onward, when our Sanand project get established little bit EBITDA margin will improve, that we said.

Shrinidhi Karlekar: But not in '26-27 is it sir?

Rajeev Gupta: No.

Shrinidhi Karlekar: Okay. And when you refer to the EBITDA margin, you refer to EBITDA margin including other income, which last year we did?

Rajeev Gupta: Yes, whenever we say EBITDA margin that is including everything.

Shrinidhi Karlekar: Including order income.

Rajeev Gupta: Yes.

Shrinidhi Karlekar: And sir last question I have is, sir I want to understand the HT cable business that we have of about Rs.2000 odd crore, what are largest end markets for that, for the HT cables?

Anil Gupta: HT cable main customers are power distribution companies. And including the solar and wind projects, because they need HT cables for evacuating the power generated through solar pumps and take the power to the grid. So the major consumers are solar power projects and power distribution companies.

Shrinidhi Karlekar: Thank you for answering the question and all the best.

Moderator: Thank you. We have our next question from line of Kunal Sheth from B&K Securities. Please go ahead.

Kunal Sheth: Yeah Thankyou Sir. My question have been partly answered, this was about margin only, but sir just one clarification. Initially, we were talking about small margin improvement every year about 20, 30 bps. So has anything changed there, sir because now we are talking about margin improvement in 27 and not in 26?

Rajeev Gupta: Margin last year also we have guided that once we settle down this new product in the new facility only economy of scale we will be improving otherwise whatever EBITDA margin 11% around we are operating we will be operating at that level only.

Kunal Sheth: Sure Sir, Thank you.

Moderator: Thank you. Reminder to all Participant if you wish to ask a question you may press * and 1 on your phone I repeat if anyone wish to ask a question you may press * and 1 Thankyou We have our next question from line of Avnish Berman from Vekaria Investment Management. Please go ahead.

Avnish Berman: Yeah hi, Good Afternoon, thankyou for taking my question I have two, one regarding the US market, in this wire and cable industry. Mexico seems to be like a key geography which is exporting to the US. My question was that, in the past there have been claims that Mexico has been acting as a trans-shipment hub for the Chinese materials. So, I just wanted your opinion on that, is Mexico a key transshipment hub for China or do you think Chinese material gets through into US, through countries more like Vietnam and Cambodia, and not really Mexico?

Anil Gupta: See, this Chinese material coming through transshipment, this is not our outlook to, this is not for us to inquire, because this is from the US government to see that from where the Chinese material is coming. We are creating our own market and our own niche markets and niche customers, and catering to them and at our terms, I can't answer this question about this trans-shipment of Chinese products.

Rajeev Gupta: But sir, I would like to add here is because whether US government is taking the material or not taking the material, it will not impact the industry of India. Because whatever rate we are growing, we will be growing.

Anil Gupta: Ultimately, whatever exports we have done, there might be some Chinese or other Mexican companies must be in competition?

Avnish Berman: No, I was asking from the angle that if tomorrow there is an increase, let's say incrementally higher tariff on Chinese goods and any goods that are sourced from China. Then is there a possibility of any market share shift from Mexico to India?

Anil Gupta: Sir, as it is there is so much of tariff on China at the moment that nobody can import by paying those tariffs.

Avnish Berman: No, I was asking about Mexico because, that's why I was asking whether Mexico acts as a front for China?

Anil Gupta: No, we are not really aware about it.

Avnish Berman: Okay, that's fine. My second cost was, now I understand there is uncertainty on the tariff front, but let's assume, after the 90 day the tariff settles at, that whatever that amount would be, let's say 10%, who according to you will bear the cost, will it be the OEM, or will it be the manufacturer or the distributor, who bears this 10% cost whatever that number settles to be?

Anil Gupta: It will be borne by the end customer. Our offers are always without duty, so whatever tariffs are imposed in the US, they have to be paid by them, so we are not concerned about the tariff at our end.

Avnish Berman: Okay. And in your US exports, do you sell through dealers and distributors, or do you sell directly to the OEMs and the customer?

Anil Gupta: 50% is through directly to OEMs and 50% through distributor network.

Avnish Berman: And sir, your contracts would be FOB or like what kind of contracts would you have and how are tariffs mentioned in those contracts?

Anil Gupta: It varies, there can be, they are CIF or FOB, but tariffs are always, any extra tariffs are always payable by the customer that is the other contracts are very clear.

Rajeev Gupta: However the contract is, ultimately it's cost plus only, you can do it as you wish to. All cost is pass through basis.

Anil Gupta: Who can bear 10% or 26% of the tariff, our margin is also not that much.

Avnish Berman: Thankyou so much sir for answering my question. Anil ji and Rajeev ji..

Moderator: Thank you. We have our next question from line of Disha Cordiya, an Individual Investor. Please go ahead.

Disha Cordiya: Hello am I audible sir, Sir so you mentioned in your past commentary how you want to scale up the export, and we have seen the growth so, what is the target and the percentage of revenue, how much exports are you targeting as a percentage of revenue?

Rajeev Gupta: Our target is to utilize the capacity and growth rate will be 17%, 18% in current year. It does not matter to us whether it is coming from export, it is coming from dealer, distributor, or it is coming from the domestic institution. Ultimately, we have to utilize the capacity so, that is our main object.

Disha Cordiya: Alright. And where do we see like, do you see any increase in your market share or do you expect it to be remaining at what the current level is, given the new competitive?

Rajeev Gupta: Whatever capacity we are having we are able to utilize the capacity to sell, because we cannot sell more than the capacity which we are having.

Anil Gupta: We expect to increase, we will try to increase our market share from FY'27, then a substantial new capacity comes on board, available to us.

Disha Cordiya: Alright Sir Thankyou sir.

Moderator: Thank you. We have our next question from line of Natasha Jain from Phillip Capital. Please go ahead.

Natasha Jain: Thankyou for the opportunity Sir My first question is, how does the pricing work, is it per kg basis or percentage of raw material price?

Rajeev Gupta: It's a cost-plus basis and in terms of percentage.

Natasha Jain: Understood. And so my second question is more industry based. So now that most of the, the major players of wires and cables, the results have been out, we have seen that there has been strong top line growth, which is warranted because 4th Quarter is a seasonal quarter. But then margin expansion has not happened. So, is it fair to deduce that most of the benefits that the industry is going to get is out of scale and there may not be pricing advantage?

Rajeev Gupta: We are always saying that whatever EBITDA margin we are having, we will be working in this range only.

Natasha Jain: Got it thankyou sir.

Moderator: Thank you. We have our next question from the line of Nikhil Purohit from Fident Asset Management. Please go ahead.

Nikhil Purohit: Hi, Thnak for taking my question, My first question is, what is the margin differential in the domestic versus export markets for wires and cables?

Rajeev Gupta: Not more than 0.5%.

Nikhil Purohit: Got it okay. And additionally, do we stick to our earlier guidance of exports to the US in FY'26 being around Rs.5 billion, I think this year it was Rs.2 billion?

Rajeev Gupta: As I said repeatedly, that it does not matter we are selling to export or we are not selling to export, our matter to us is only how we are utilizing the capacity. We are exporting to more than 60 countries as of now, we are working with close to 2100 dealer, distributor, we are working more than 2000 institutional customers in the country. So we are growing in each segment, whether in exports or in dealer, distributor or in domestic institution. But how much to one particular customer, or how much to a one particular country it will not be basically easy to answer well in advance.

Nikhil Purohit: I understand okay. And lastly, just one last question what was the EHV execution this quarter?

Rajeev Gupta: EHV execution in the last quarter, 4th Quarter?

Nikhil Purohit: Yes, Quarter 4 FY'25.

Rajeev Gupta: 4th Quarter, EHV sale was Rs.115 crore, as against Rs.220 crore last year 4th Quarter.

Nikhil Purohit: **Okay, Got it, Thank you.**

Moderator: Thank you. We have our next question from the line of Priyank Chheda from Vallum Capital. Please go ahead.

Priyank Chheda: Sir, sorry I would have missed out the volume numbers for this quarter and for the full year. If you can help me?

Rajeev Gupta: 4th Quarter, the volume number was 21% and the full year volume growth was 20% for the metal growth.

Priyank Chheda: Perfect. In your opening comment you did mention solar, coal, transmission, data centers and EV these are the core key sectors contributing to volume growth. Would it be possible to?

Rajeev Gupta: Apart from this, the infrastructure growth, as well as manufacturing,

Anil Gupta: New manufacturing plant.

Priyank Chheda: Is there any big divergence, or any one particular sector contributing to a very high incremental growth versus others, would it be possible to quantify anything in anywhere?

Rajeev Gupta: No, each and every sector is growing, not a big sector, but power is growing more.

Anil Gupta: But if I have to specify one significant sector that is basically a solar power project, which is significantly high.

Priyank Chheda: And given the installations of solar, which is likely to drop, versus significant installations that have happened in this year, anything that you would think that would be compensated by some other sectors, any view on that?

Anil Gupta: If the power availability is high, then related infrastructure of transmission and the user industry has to grow so there is always a balance of various sectors going side-by-side, because if you are producing too much of power, but if there is a no user what is the benefit of generating that much of power, either through solar or thermal. So, the user sector also grows simultaneously.

Priyank Chheda: Got it. And sir just last thing to clarify, you did mention that you work on a cost-plus model, and when we see the gross margin slightly drifting down from 25% to 23.5% is because the copper prices are higher and the realizations are higher, and hence the percentage margins are lower right, is that the way to read?

Rajeev Gupta: As you want to read, you can read but the issue is the operating margin, and the EBITDA margin will remain in the range bound 10.5% to 11%.

Priyank Chheda: Okay Thankyou sir.

Moderator: Thank you. We have our next question from the line of Rahul Agarwal from IKIGAI Asset Management Company. Please go ahead.

Rahul Agarwal: Hi Sir very Good afternoon Sir. Couple of questions. Firstly, are we seeing higher employee attrition, the industry is going through a lot of CAPEX, cable and wire is becoming very attractive, skilled jobs?

Rajeev Gupta: There is nothing on the ground.

Rahul Agarwal: Sure, but are you seeing attrition in your company?

Rajeev Gupta: There is no attrition.

Rahul Agarwal: Okay, cool. And the second question was on working capital, somebody previously asked, just wanted to clarify. Obviously the operating cash flow generation number looks lower because you are paying payables faster and this process actually you started pretty long back. We will be doing that for a very long time, my sense was that ultimately, if you pay payable faster, there has to be some savings on interest, wherein you have a lesser, non-fund-based credit is that correct?

Rajeev Gupta: Rahul, so if we have cash then what's the use of taking credit on 90 days, so in that case I have to give interest of 90 days.

Rahul Agarwal: Agree sir, so the interest saving should reflect somewhere in operating cash flow right?

Rajeev Gupta: So, volume is also increasing, and we had taken term loan as well before QIP, so we had that interest cost also.

Rahul Agarwal: That's correct, but why there should be de-growth in operating cost?

Rajeev Gupta: If I will increase the payable then it won't come that's simple, there is no rocket science in that. If I will pay extra, and if you see last year's balance sheet and this year's balance sheet we have a hike of 20% in sale and on other side, our payable is reducing.

Rahul Agarwal: I will explain sir. When I look at console cash flow the payable swing is about Rs.314, and Rs.130 about Rs.430 crores, that's the saying from the last call.

Rajeev Gupta: There is a simple reason, in cash flow we have increase, decrease in inventory, increase, decrease in receivables, increase decrease in creditors major amount. So, if my sale is increasing and my liability is not increasing then there will be an impact of that. Why is my liability not increasing because I have extra cash in hand. I don't have a shortage of cash, so I paid extra because from Rs.500 only Rs.200 is my expenses then payable will reduce by that amount.

Rahul Agarwal: Absolutely right. What is the benefit of that?

Rajeev Gupta: I will save 90 days of interest, if I will by on LC then I will have to pay 90 days interest which is being saved. Currently, in FD I am getting only 6.5%. Over here I have paid and saved the interest so it's almost same.

Rahul Agarwal: Okay. So you mean that operating cash flow, whatever is getting disclosed is not the right way to look at it, right, that's what you mean?

Rajeev Gupta: You can see the creditor number there its given and we have paid to the creditor and the acceptance number has also gone down from 500 and it's mentioned in our presentation too. Already we have lot of cash in books, so when it will get normal and once the capacity will start operating then payable will be normal too. So, till the time that type of liquidity is available here, anytime we can increase the creditors by one and a half month.

Rahul Agarwal: Is that the intention going forward?

Rajeev Gupta: That will be automatically done as and when we need money, there is no point of intention in this.

Rahul Agarwal: **Okay, Thank you so much, All the best.**

Moderator: Thank you. We have our next question from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Sir, just a couple of questions, first on the wires, in the entire conversation we have not really touched upon that part. It's growing very, very well compared to the peers who are struggling with the growth. So you want to elaborate a little bit what are we doing here in terms of the distribution expansion, in terms of the growth there any particular region which is driving growth and the outlook?

Rajeev Gupta: So, Achal we are continuously focusing on increasing our dealer distributor network. So it's a continuous going on process, and that will be maintained in future also. So because of that only, we have crossed 50% sale through the dealer distributor. Otherwise, our target was to reach only 48% in this year, but because of the wire sale and our cable sale also through dealer distributor increase, we have reached to 51% also. So there is continuous progress to increase the dealer, distributor network in the Eastern and Southern part. We are already strong in North and West, so this focus is still there.

Achal Lohade: Okay. And if you could also highlight, in terms of the channel financing where are we, how much of our sale we are able to of the dealer, distributor our channel financed, and how do you see that trajectory moving?

Rajeev Gupta: Almost now we have reached to a level where 70% of our sale are covering through the channel financing. And year-after-year we are increasing this sales through channel financing because it is giving us the lower number of days of receivables.

Achal Lohade: Right. And when you say 70% of sales, you mean 70% of the dealer distributor?

Rajeev Gupta: Dealer distributor, yes 70% of the dealer distributor sale.

Achal Lohade: Understood. And that cash discount for those channel finance sales is obviously netted off in the gross margins, right. So gross margins are after that?

Rajeev Gupta: Yes.

Achal Lohade: Understood. And this 70% any target you have in mind sir, will it be like 90% or anything of that sort?

Rajeev Gupta: We are increasing the sales that's how we are adding more and more dealer, distributor, under the channel financing.

Achal Lohade: Understood. And the second question, if I make a quick summary of what you are saying is essentially, you will utilize the capacity fully that should drive 18% revenue growth and the margins, while because of EHV and wires, the margin should improve but because of the new capacity-related expenses, the margins are expected to remain stable. Have I understood, right sir?

Rajeev Gupta: Yes, that's right.

Moderator: Thank you, sir. We have our next question from the line of Ankit Soni from Sharekhan Mirae Assets. Please go ahead.

Ankit Soni: Sir Good Evening, Congratulation for the good set of numbers. Just one question from my side, so once your Sanand facility is operational, what time would we take to get on to a full optimum utilization of that facility, so that we can fetch that logistics benefit which you are right now triggering to and what would be the margins jump after the reaching optimum capacity utilization?

Rajeev Gupta: This capacity we have created to utilize within three financial years, number one, because whenever any company add the capacity, they are not adding the capacity only for one year, they will be utilizing the capacity for the next three or four years. Second is the 0.5% to 1% EBITDA margin will get improved. Will get start improving from '27-28 onward. Because of economy of scale only, not because of selling price or anything else, only because of economy of scale.

Ankit Soni: So, follow up on that would be like, we will be taking around three years to fully optimally like 70%, 80% capacity utilization from that particular Sanand facility am I right?

Rajeev Gupta: Yes.

Ankit Soni: Thank you

Moderator: Thank you. We have a follow up question from line of Shrinidhi Karlekar from HSBC. Please go ahead.

Shrinidhi Karlekar: Thank you for the opportunity, Sir would it be possible to comment on how much of your domestic institutional business, of about Rs.3100 crore, comes from the power sector?

Rajeev Gupta: So normally the power sector on an average is close to 30% to 35%. Directly or indirectly, you see most of our dealer, distributor are also selling to the power sector. Once we are selling the cable to them, they are also selling to them.

Shrinidhi Karlekar: Right. And the housing wire and winding wire business that we classify is that all through retail channel, or there is some bit of a direct channel in housing wire?

Rajeev Gupta: There is little bit institutional sale also because not much, but small like we are selling to L&T for a full package so we are selling to wire also to them.

Shrinidhi Karlekar: But it will be small, as you said?

Rajeev Gupta: Yes, it will be like last year number was close to Rs.178 crore to institution for the wire sale.

Shrinidhi Karlekar: Okay thankyou sir for answering my question.

Moderator: Thank you. We have our next question from line of Shravan from Sincere Syndication**.** Please go ahead.

Shravan: Congratulations on good set of numbers. My doubt is that, especially in the EHV cable side, do you directly deal with these, let's say power and T&D companies such as Hitachi, Siemens, or do you go through dealers and distributors?

Rajeev Gupta: Normally 50 in the extra high voltage power cable, you are asking?

Shravan: Yes, sir in the EHV cable for transmission?

Rajeev Gupta: EHV cable, 50% we are selling directly to the power transmission companies and 50% through the EPC contractors.

Shravan: Okay, sir. Sir in the latest project that Hitachi has got, the 1200 kilometers project and the 950-kilometer project, any idea have you backed any of those orders?

Rajeev Gupta: Whenever they will be required the cable it will be on that stage only. Because the cable stage comes later.

Shravan: Thankyou sir.

Moderator: Thank you. Ladies and gentlemen this was the last question for today, and I now hand the conference over to the management for closing comments. Over to you, sir.

Rajeev Gupta: Thank you very much for the participant, and we are once again assuring you all that we will be growing 18% kind of growth rate, and it will not matter whether any contingencies are there or not there, any rate increase or decrease, but we will be growing 18% because we are adding capacity. Thank you all.

Moderator: Thank you on behalf of Nuvama Institutional Equities that concludes this conference. Thank you for joining us and you may now disconnect your lines.