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Mumbai – 400 051.	Mumbai - 400 001.
Scrip Symbol : APARINDS	**Scrip Code : 532259**
Kind Attn.: Listing Department	**Kind Attn. : Corporate Relationship Department**

Sub. : Submission of Transcript of Investors Earnings call on Audited Financial Results (Standalone & Consolidated) for Q4 and Financial Year ended March 31, 2025 (2024-25)

Ref.: Reg. 30 read with Para A (15) of Part A of Schedule III & all other applicable Regulations, if any, of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

Dear Sir / Madam,

Kindy refer our letter dated May 14, 2025 under Ref. no. SEC/1405/2025 w.r.t. submission of link of Audio Recording of Investors Earnings Call on Audited Financial Results (Standalone & Consolidated) for Q4 and Financial Year ended March 31, 2025 (2024-25).

Pursuant to the provisions of Regulation 30(6) of the Listing Regulations, we are submitting herewith the transcript of the Investors Earnings Call made on May 14, 2025 on the Audited Financial Results (Standalone & Consolidated) of the Company for Q4 and financial year ended March 31, 2025.

The aforesaid transcript is also made available at the website of the Company viz. www.apar.com.

Kindly take note of this.

Thanking you,

Yours faithfully,

For APAR Industries Limited

SANJAYA RAJU KUNDER

Digitally signed by SANJAYA RAJU KUNDER
DN: c=IN, o=Personal, title=7428, 2.5.4.20=64ab945fcd681f91dc6d7d98c7b9cc199f061674ea015f0ce11b898e2cd7dbb0, postalCode=400083, st=Maharashtra, serialNumber=0cc5c938eb4e54110332d07255e723e3bd1a6849c5d87c4f34e5bec3533aa715, cn=SANJAYA RAJU KUNDER
Date: 2025.05.21 17:44:50 +05'30'

(Sanjaya Kunder)
Company Secretary

Encl. : As above

“APAR Industries Limited Q4 & FY ‘2025 Earnings Conference Call”

May 14, 2025

MANAGEMENT: **MR. KUSHAL DESAI – CHAIRMAN AND MANAGING DIRECTOR, APAR INDUSTRIES LIMITED**
MR. CHAITANYA DESAI – MANAGING DIRECTOR, APAR INDUSTRIES LIMITED
MR. RAMESH IYER – CHIEF FINANCIAL OFFICER, APAR INDUSTRIES LIMITED

MODERATOR: **MR. AMBESH TIWARI – S-ANCIAL TECHNOLOGIES**

Moderator: Ladies and gentlemen, good day, and welcome to APAR Industries Limited Earnings Conference Call.

As a reminder, all participants' 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 "*", then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ambesh Tiwari from S-Ancial Technologies. Thank you and over to you, sir.

Ambesh Tiwari: Thank you. Good evening, everyone. This is Ambesh Tiwari from S-Ancial Technologies. I welcome you all for the Q4 FY '25 Earnings Call for APAR Industries to discuss Business Performance and Outlook.

We have from the Management side, Mr. Kushal Desai – Chairman and Managing Director; Mr. Chaitanya Desai – Managing Director; and CFO – Mr. Ramesh Iyer.

I will now pass on to Mr. Kushal Desai for the opening remarks. Thank you and over to you, sir.

Kushal Desai: Yes. Thank you, Ambesh. Good evening, everyone. And welcome to the APAR Industries' Q4 and the full year earnings call.

Let me start by actually giving a quick overview of the overall performance of the Company:

I will follow that up with a short update on the industry and the spending and trend. And then I would like to get into more details on the segmental performance of the three major businesses. Post all that, we can open up the floor to questions.

So, APAR concluded the financial year with both revenue and volume growth across all three business verticals. It's an all-time high quarter for us. And the first time in our history, our quarterly revenues crossed Rs. 5,000 crores. So for Q4 FY '25, the consolidated revenue came in at Rs. 5,210 crores, which is up 16.9% year-on-year. The domestic business continued to demonstrate strong growth, and the domestic side is up 31.4% versus the same period previous year.

Our export mix is at 31.3% for the quarter. The US business has improved in this quarter; it is 195.6% higher than what it was over last year's Q4 and is 48.1% more than Q3 FY '25. So there has been an increase in the execution of orders and the receipt of orders from the US, thus far.

In terms of EBITDA:

Our EBITDA is up by 5.7% to Rs. 483 crores. It is at 9.3% EBITDA margin. The profit after tax came in at Rs. 250 crores, which is about 5.9% higher than the previous year. The profit after tax margin is at 4.8%. If you look at the 12 months consolidated revenues, we stand at Rs. 18,581 crores, which is 15% higher than a year ago. Exports have contributed to 32.8% of revenues in FY '25 as opposed to 45.2% in FY '24.

Coming to a few key industry highlights:

According to the National Electricity Plan, India's peak power demand is expected to hit 388 gigawatts by 2031-2032, for which the country would require a power generation capacity of 997 gigawatts. This will necessitate expanding the transmission and distribution network from source to grid, and then through the last mile to the consumer. The Union Government is planning to connect all upcoming green energy units to a green national grid at an estimated investment of Rs. 4.9 lakh crores between 2027 and 2032. The NEP has also projected that during the same period, 2027 to 2032, India's battery energy storage capacity will reach 47 gigawatts, and the current capacity is just about 300 megawatts.

On the renewable energy front:

The Ministry of New and Renewable Energy achieved a historic milestone in the renewable energy sector for the financial year FY '25. As the country has recorded its highest ever renewable energy capacity addition in a single year, adding 25 gigawatts, which is nearly a 35% increase over the previous year's addition of 18.6 gigawatts. India's solar power sector led this growth with the capacity addition rising from 15 gigawatts in FY '24 to nearly 21 gigawatts in FY '25, marking an increase of nearly 38%.

The country also achieved a significant milestone of surpassing 100 gigawatts of installed solar capacity this year. Additionally, India's solar module manufacturing capacity has nearly doubled from 38 gigawatts to about 74 gigawatts in March '25, while the solar PV cell manufacturing capacity has tripled from 9 gigawatts to 25 gigawatts. So all these are indicators that show that solar addition should continue to take place at an accelerating pace.

Coming to the transmission line and substation addition:

In FY '25, India's transformation capacity has grown by 7% year-on-year, the installed capacity by approximately 5% and the transmission line network by approximately 2%. There were many issues with respect to right-of-way constraints and land acquisition hurdles which impacted growth.

Also, with the national elections taking place in this financial year, the first few months were pretty much lost in terms of all the election-related activities with relatively less expansion taking place through that period.

To address the rising demand and to facilitate integration of renewable energy sources, the transformation capacity and installed capacity will need to grow by exactly 2x and the transmission line network by approximately 1.3x by 2023. This demand will be largely met through the tariff based competitive bidding which is TBCB. 45 Inter-State Transmission Systems or what they call ISTS projects will be awarded under the TBCB through this period of FY '25 onwards. The Central Transmission Utility of India Limited has released a rolling plan which is running up to '29, '30 projecting a CAPEX of almost Rs. 4.3 lakh crores for upgrading the ISTS network.

So coming back to financial performance by each of the individual segments, we can look at the conductor segment first:

In the 4th Quarter of FY '25, revenues grew by 24.5% year-on-year, driven by strong demand in the domestic market. We also had a higher amount of realization in exports from the US. Volumes grew by about 5.9%, exports contributed towards 24.5% to the overall revenue. The US revenue grew by 142.6% for the conductor division over Q4 FY '24 and 229% over Q3 of FY '25. If you look at the premium product mix, that has contributed to 45.9% in Q4 FY '25.

In terms of EBITDA post open period FOREX, that came in at Rs. 41,430 per metric ton as against Rs. 48,438 per metric ton in the same period last year. The product mix and growth in shipments to the US, has led to the higher EBITDA per metric ton over what we saw in Q3 FY '25, which had come in at a period low of Rs. 18,860 per metric ton. So the order book stands today at Rs. 7,163 crores, new orders received during the quarter came in at Rs. 2,114 crores.

On an annual basis, revenues have grown by 19.3%, volume has grown by 7.8% versus last year. The export mix was 24.2%. So even though the volume growth is showing 7.8%, a lot of value-added products, the mix has moved towards that, which includes a substitution of the conventional ACSR conductors with AL-59, and also the overall copper business has grown, with the copper transpose conductors going into the transformers being a major leading factor in the growth.

Coming to the oil business:

The revenues from the operations grew 3.3%, but the volume has grown by 9.3% versus the Q4 FY '24. Transformer oil volume growth came in at 7% higher, automotive oil grew 6% higher, while the industrial lubricant size grew by 11.3% year-on-year. Export remains healthy, 41.7% of the mix. The EBITDA per KL came in at Rs. 5,873 per KL versus Rs. 4,251 from a year-ago.

If you look at the full year period, FY '25, revenue has grown by 5.2% to reach Rs. 5,087 crores. The volume growth has been at 7.8%. Transformer oil volumes have grown by 14%, driven by stronger demand, both domestically as well as overseas. And our automotive sales growth led by higher volumes to OEMs has grown by 17.6%. Export for the year contributed 44% of the overall revenue. EBITDA per KL for the year came in at Rs. 6,145 per KL as opposed to Rs. 5,746 per KL in the previous year.

Now, coming to the metrics of our cable business:

Our cable business revenue for Q4 FY '25, it posted a strong revenue growth of 29.9%, 30%, to reach Rs. 1,410 crores on the back of both strong domestic demand as well as increased shipments to the US. Continued infrastructure CAPEX has led to domestic business growth, this includes shipments to various data centers that are being set up in the country and is covering not only Amazon but also Google, Microsoft and Adani. Export mix came in at 28.4% in Q4 FY '25 versus 24.7% in Q4 FY '24. The US revenues grew by 268% over Q4 of FY '24.

Coming to the EBITDA post-forex, that recorded a year-on-year growth of 21.5% to reach Rs. 150 crores. The EBITDA margin is slightly down by 0.7% versus what we had in Q4 FY '24, but it is up 1% versus what we had in Q3 FY '25. So this has contributed from a better product mix and larger shipments to the US. Scale economics has also added to improve the EBITDA margin over Q3 of FY '25. The pending order in the cable business is at about Rs. 1,500 crores. So if you look at the revenues for the 12 months FY '25 for the full year, that has grown by 28.1%. Domestic business grew by 43%, the export mix stands at 31%, and the EBITDA post FOREX grew 13.4% to reach Rs. 498 crores for the year.

So the US business has shown a recovery in this quarter, which along with continued domestic business growth has resulted in an all-time high revenue for the Company as well as for the conductor division, oil division and the cable division, individually. This was in spite of the general election and some of the supply chain disruptions that happened, and the poor US demand which happened in the first part of the year. We have also seen increased Chinese competition which has posed challenge in terms of export to countries where the Chinese products are well accepted, which includes some parts of Africa, Latin America and Europe.

We believe that the fundamentals of the business remain intact, and we are optimistic that we will continue to be able to deliver sustainable and healthy business in the coming periods. The US tariff situation continues to have a bit of an overhang until there is a DTA in place with the US. Hopefully, this is at an advanced stage, and we hope that the outcome will be favorable for India relative to what tariff is being charged to other countries.

I would just like to reiterate the fact that over 40% of the wires and cables and conductors are imported into the United States, which is over $20 billion from a total market which is about $55 million. And with this whole energy transition moving towards more electricity-based demand and with the growth of hyperscaler data centers where the largest number of data centers being added are in the United States, we would continue to see the US as being an important and a strategic market. The gap remains so high that the only way that the electrification can continue is with import of products. Within hopefully a short time the overhang should actually settle down in terms of where exactly this stands.

The Company is actually stepping up substantially its CAPEX plan. We completed CAPEX of about Rs. 500 crores in FY '25. We have a plan of adding Rs. 1,300 crores of CAPEX through FY '26 and running into the 1st Quarter of FY '27. So the CAPEX should go in the next 12 to 15 months. And considering commissioning, in about 18 months we should have most of this equipment up and running. This includes about Rs. 800 crores on the cable side with building of a brand new site. Post this expansion, we would expect a turnover to be able to be generated from that complex, which would take the business up to about Rs. 10,000 crores of capacity that we would have from what we have executed this year, which is close to Rs. 5,000 crores. So it's essentially being able to double the capacity of the business.

We are looking at adding about Rs. 300 crores of CAPEX to the conductor business, and that includes some of the rods which need to be produced for our cable business as well. We are also expecting to spend about Rs. 200 crores in the oil business, where we are building a brand-new storage terminal in the JNPT port, so that we can cut down the supply chain cost of bringing product into the country, better distribute it across the manufacturing facilities we have. And this is also going to allow us to be able to do bulk exports from the terminal of transformer oils, white oils, and pharmaceutical oils, which is something that APAR has not had so far. We have had to resort to doing export only through flexi bags and containers.

So in conclusion, I would say that looking at the situation today that I have explained, we are fairly bullish in terms of how the business will develop over the next few years. We are loading up front the CAPEX that we planned, so that we have the capacities in place as the demand in the business continues to grow. We also have a very detailed Corporate Presentation in the Investors Section of our website; I would encourage you to please go through that to get a more detailed perspective on the Company's activities and strategy.

So with that, I come to the end of my opening remarks, and we would be very happy to open up the floor to questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Good evening, sir. Absolutely fantastic job on the profitability. My first question is, from the looks of it, it looks like you are selling a lot of non-premium conductors in the domestic market. Still, you have been able to maintain the EBITDA per ton. What explains the strong profit despite your exports? Is it AL-59?

Ramesh Iyer: So, as you see, in this particular Q4, we have about 45% of the products coming from the premium products that we have, and this is actually excluding AL-59. AL-59, we are still categorizing it as a standard non-premium product. So 45% of the products are premium, giving a higher margin, plus you have AL-59 as a non-premium product, but still the margins are higher compared to the conventional business.

Secondly, if you see, this particular quarter we have rebounded in terms of the US business. The turnover from the US business has increased, where the margins are higher, and that has also resulted in high margin, especially in this particular quarter. So broadly, these two are the reasons that have helped. And also if you see, the copper business is also scaling up, the margin and the products. And the mix of copper is going up, that is also helping us to increase the margins of the overall conductor division.

Mohit Kumar: My second question is on the US. The US looks to be a lot more uncertain compared to the last quarter, right? But is it impacting our sales in Q1? Is it a fair assumption that Q1 will be weak in the time, and we get the clarity as we go forward, and the US will pick once we have the FTA is in place?

Kushal Desai: So, Mohit, Q1, actually, we are still continuing, on the cable side still we have got a green signal for a lot of the material which had been planned to be produced in the month of April, May and June. As you know, the tariff falls has happened up to the 9th of July. So, a lot of the order book which was there, we got to continue to execute that. Some of the customers who are already at advanced stages of executing on their projects have even agreed to pay whatever is the differential tariff that comes in post the 9th of July as well, because the cables are required to complete their projects. So, you would not see that dip actually taking place substantially in Q1.

Also keep in mind that a lot of product is already in the DDP stage, meaning DDP as in it's in transit. So, all that revenue will be booked in the 1st Quarter of FY '26. Similarly, even on the conductor side, there is a product which is being delivered. We have got clearances to produce and dispatch product for this quarter. I think beyond this quarter, many customers are just waiting to see what is going to happen. Both from the US side as well as from the Indian side there have been various announcements of trade delegations going back and forth, very high level, right from Vice President of the United States, Commerce Minister of India, etc. And the sense is that, whatever be the final situation that settles, India should hopefully not be at the disadvantage as compared to other countries.

Now, if you see the major places from where cables were being imported into the US, looking at the US import statistics, countries were basically Vietnam, Cambodia, Indonesia, India, Mexico. From where, the kind of product range that we are exporting, the competition is coming from. Both Cambodia and Vietnam are seen as a proxy for China. And their duty rates are much higher than whatever were the tariffs that were originally declared. India being at 26%, these two countries were at 44% and 46%, respectively. And Mexico at 25%. So, that was what was announced. Then the pause came in, so everybody is at 10% currently. And we will have to wait and watch.

That's why I said in my opening remarks that there is a bit of an overhang. But I think the market requires a very, very substantial amount of import. It's exceeding $20 billion. And the kind of demand that's coming from data centers and these things, one is continuing to scale up. One of the highlights which I did not mention in the opening remarks is that we have got, after supplying Microsoft quite satisfactorily in India, we have gone onto the global vendor list for supply to data centers in the United States. And so that I think is another area that we are looking forward to be now able to participate in various RFQs that come up through our FY '26 onwards. Does that answer your question?

Mohit Kumar: Yes, sir. It does, sir. Thank you and all the best, sir. Thank you.

Kushal Desai: Thanks.

Moderator: Thank you. The next question is from the line of Mohit Motwani from Tara Capital. Please go ahead.

Mohit Motwani: Yes. Hi, sir. Thank you for the opportunity. The first question is on the conductor exports. Now, we saw very strong growth in the US exports on a quarter-on-quarter basis. Can you talk about the outside US markets, what we have seen there? Because I think in the last quarter the US was soft and other geographies were helping to get growth. But I think in this quarter it seems there's some moderation in the outside US market, so if you can speak about that.

Kushal Desai: Yes, I think last quarter, we had actually explained in one of the questions that outside the US and India, the rest of the markets were weak for us, because the Chinese competition was very aggressive. So this is the situation for the quarter which has just got over as well. And even for the future also, the immediate future, we see the situation continuing. It's the domestic market which is doing well in India.

On the US side, also in the last six months what we have been doing is that we have been actually working in improving our on-the-ground presence in the US. So, APAR today has four employees, one very senior advisor and three employees on the ground in the US on the cable side. There's one person who is being seconded there on the conductor side, full-time. And we have been signing up distribution and reps, manufacturing reps, which is what they call in the US, the people we have signed up is covering about 75% of the US market. So we have been systematically working with them to increase our approvals in the public utilities, in the independent-owned utilities, as well as in the commercial industrial space, including real estate.

So on the ground the thing is, the US market maybe made quite a lot of advances in terms of on-the-ground presence, on-the-ground approval. I also mentioned about Microsoft approval just a couple of minutes ago. So, as Chaitanya mentioned, in other markets you are finding a lot of Chinese competition. There is a subsidy which is in the region of about 8% to 12% coming in from China. Selected premium products, we signed up some business in Latin America for HPLS and a few other premium products. But otherwise, the domestic market continues to remain very strong. And the prospects in the US are looking better. If this tariff overhang wasn't there, I think we would have been looking at a very, very substantial runway and growth there. But we are optimistic that this thing will also get resolved.

Keep in mind that basic import duty for aluminum is at 25%, even today, in the US. So as a consequence, even the local manufacturers are facing an increase taking place. And that is not based on any reciprocal tariff etc., there is a separate notification out, which is under Section-232, under which this higher tariff has been applied for aluminum, steel and a few other products. So, even though we see that non-US exports are not looking very attractive because of the pricing, the Indian market itself is very strong. And the US market, it will settle down, and we are quite optimistic that the business there is going to grow. So we are basically gearing ourselves up to be able to make sure that we meet all that demand coming up.

Mohit Motwani: Sure. Thank you for the detailed color. One more question on your employee expenses, any reason for the sharp drop quarter-on-quarter, is there any reason for that?

Ramesh Iyer: No, there is no specific reason for this. Some of the estimates, based on quarterly numbers we revised the employee benefit expenses. There is no specific reason for the drop in the numbers.

Mohit Motwani: Okay. Sure. And one more question on your cables, you mentioned the front-end CAPEX of Rs. 800 crores. So in the previous calls we have guided for 25% revenue growth of cables. So this incremental CAPEX, does it increase our guidance for cables or is this already factored in the higher CAPEX? Is the 25% growth factored in the higher CAPEX?

Kushal Desai: So we are still guiding a 25% growth for the simple reason that, if you see, by the time this whole thing is executed and in place, it is really going to be available for revenues that kick in from FY '27 onwards. This most of the money is going into the greenfield site, where almost 48 acres of property is being completely built up. All the civil infrastructure will be in place. And we are making an investment essentially a year ahead, so that we have a clear runway to get to Rs. 10,000 crores in business.

Mohit Motwani: Got it. Thanks for the answers. I will jump back in the queue. Thank you.

Moderator: Thank you so much. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Hi, sir. Thank you for taking my question. And first of all, congratulations for the strong numbers. First question, in continuation to cables again, sir, you said that we will be investing Rs. 800 crores and revenue is going to double in the next three-four years. I wanted to understand this incremental Rs. 5,000 crores revenue, as we have been also discussing in the past the specialty cables like elastomeric, E-beam and low-duty cables also, so where the focus will be in this capacity expansion? And will it be margin accretive? Any guidance or directional margins which we are targeting to achieve?

Kushal Desai: So, in terms of where the capacity expansion is happening, all varieties of cables are expanding. So we are looking, if you take the XLP side, which is the power cable side, our medium voltage capability, which is your 11 kV, 33 kV and then in this expansion, we will also have the ability to manufacture 132 kV and up to 220 kV. So the testing equipment, manufacturing equipment, everything is going in. So our total capacity to produce medium voltage cables and up to 220 kV cables, if we aggregate that, it will go up by 4x from what it is as of today. So there is a new line, two new lines coming in, two existing lines getting transferred to the new plant and getting completely rebuilt. So that there will be not only this capacity expansion, but our utility costs and conversion costs will also substantially fall.

Then if you come to the low-tension cable side, because we do a whole lot of specialty LP cables, UL approved for the US market, which go into the residential, commercial, industrial, utility, etc. So that portion of the business also the capacity will double from what it is today. We are also looking at doubling the capacity that we have for the medium voltage cables that go into windmills. So we are seeing a big resurgence on the windmill side. And our sense is that there will be modernization schemes that will come up.

If you look at the windmill landscape, if you see, once upon a time the wind power was much more than solar power, if you dial back about 10 years. And those windmills which have gone in are all very low capacity. The windmills are 250 kilowatts, etc. Today, the minimum standard is 3.3 megawatts, 3.5 megawatts. So, a lot of new windmills are being added to form the hybrid combination of wind and solar. In addition to that, we expect that over the next few years, a very good policy will come in which will upgrade the old windmills to be modernized for new windmills, because that real estate is already occupied by windmills which are actually of very low capacity, the best tracts of land where the wind is at very high velocity.

So, the wind side is also going to increase. We are substantially increasing; we have already increased our electron beam capability. There is one more machine coming in. So, the amount of solar cables which we can produce, we have doubled the solar cable production between FY '24 and FY '25, and we will have the capability to double that from FY '25 as we go into FY '27. So, all around you will see all categories we will have the ability to expand. We are also bringing in some new equipment on the cable side to be able to make much higher volume of cables that go into the Indian defense where you need very specialized type of equipment to make those cables. We expect that over the next few years; defense spending is not only increasing but the indigenization content is also increasing. That includes the cables which we are going to supply.

So, all around we see on the cable side the growth and we do not want to miss out on these opportunities. So, we are expanding our capacity at least one year ahead of time because it is very difficult in a growth phase like this to time exactly when the growth will happen. So, all varieties of cables clearly we have got expansion in place. The only area where we are not expanding is in optical fiber. The optical fiber side is because there we see that the OFC cable demand is actually quite poor at this stage. So, our concentration is on everything other than OFC.

Amit Anwani: Right. Right, sir. My second question, sir, again on the US business, though there is a very good comeback and resurgence in US business which has happened for us this quarter and you highlighted there was some overhang. So wanted to understand what is still bothering us, will it be landed cost which because of tariff might impact our competitiveness? Because you have highlighted that the business in US is still strong, data centers plus the macro demand there, and you highlighted that massive imports are still happening in the US for cables and conductors.

Kushal Desai: Sorry, I am cutting you, there are three data points that I mentioned which is the best information that we have as of today. One is that there is an over $20 billion annual import that is taking place and is likely to continue. Second thing is that the key exporting countries into the US, India even at the moment is not at a disadvantage relative to Mexico, Vietnam, Cambodia and Indonesia. So, in that sense also we are not so badly off. Hopefully the tariffs will be down lower than what they are.

The third thing is that the US is importing aluminum, and that at the moment is under a special Section-232 where the tariff is at 25%. And that Section-232 is based on products which need to be manufactured in the US in the long run, and is of strategic importance. So, if you look at these data points, it does not point towards us having, I am sure that we are very optimistic that things should settle down. So, you may find a little disruption in the short-term but hopefully it will iron itself out over time.

Amit Anwani: Right, sir. Sir finally, any guidance you would like to give for EBITDA per ton growth or maybe also for the oil business EBITDA per KL, any guidance you would like to give for FY '26?

Ramesh Iyer: So in terms of oil division, the volume growth we are looking at about 6% to 8% and EBITDA guidance is about Rs. 5,000 to Rs. 6,000 per KL. In the conductor division, we are looking at a volume growth of about 10%, and EBITDA per metric ton of Rs. 30,000 plus tailwinds on a 12 months basis. In case of cable business it would be value growth of 25% and EBITDA range of 10% to 12% on a 12-month basis.

Amit Anwani: Thank you, sir. Thank you so much for taking my questions.

Moderator: Thank you. The next question is from the line of Jayesh Sundar from Axis Mutual Fund. Please go ahead.

Nitin: Hi, sir. This is Nitin here from Axis Mutual Fund. Sir, just one question on the non-US business. You articulated your context, I think, over the last two, three quarters that competition is really increasing from the Chinese players in the non-US market. But how are you thinking about it? Because it's also a very decent piece which is coming down quarter-by-quarter. So is there something backward integration or localization or putting a subassembly there helps you? I just want to know how as a promoter you are thinking about it. Will it structurally keep perennial issue? It keeps coming down only now. There is no chance of recovering back. How one should think about this business, if you can throw some light on the non-US part.

Chaitanya Desai: So the thing is, with the Chinese government policies, we have seen in the past also, at times they have kind of subsidized the aluminum and steel in China. So that has given the advantage at that time. But these things go in cycles and cannot be predicted. So, we do not want to kind of do any backward integration or any such thing in China because, again, we may not be able to have that sustainable advantage. It's all dependent on how the Chinese government policy is from time to time.

Kushal Desai: On the contrary, we are looking at, and we had mentioned this in the previous earnings call as well, and we have gone ahead to appoint advisors to look at manufacturing in the United States. And so that exercise is actually going on. Because not only do you have tariffs and a potential tariff overhang, but there are certain projects which are being executed. And there are certain public utilities in the US who want to buy only US-manufactured products because of the way in which they get compensated etc., etc. It's a very complex sort of network in the US.

And there are customers who pay a premium for immediate delivery, very short notice delivery. So that exercise is going on. So rather than looking at backward integrating and doing anything in China, we are looking more in terms of wanting to produce and expedite production in the United States, given that market is such a large market, and will continue to be a large market over the next decade or so.

Nitin: Sir, the CAPEX which you have announced, does that entail a picture of putting something in US as well? Or that will be fresh investments that we should look this year announcement should come, or how are you thinking about that?

Kushal Desai: So this current investment is all the investment that's going into our existing manufacturing plants in India as well as there's a piece in the UAE for our oil business where we are putting in some new tankage and stuff over there. So it's all in our existing manufacturing facilities plus this greenfield facility coming up in the cable side. So the US will be something that will be over and above this. And then the growth numbers would be also different, wherein there will be additional growth to support that investment.

Nitin: Okay. Now why I am asking this sir, sorry for again now pressing on this because there's a recent agreement that happened with China as well, the FTA between the US and China. Can you throw some light, because now the articles are not out yet which product gets about 25% or a 30% duty versus us. Can you throw some light if when we send a conductor from here to US versus what China now will send to US, has the duty arbitrage has become very narrowed down or still the arbitrage is 20% to 30%?

Kushal Desai: So if you see, what has happened is that everything has reverted back with a 10% delta to what was existing. So there is an additional duty of 10% which is put on every single country, right? And in the case of China that additional is 30%, because previously the delta between others and China was 20%. So what the Trump administration has done is, they have recalibrated back to whatever deltas were there with a 10% increase. So that is what is happening in this 90-day period. I guess the Chinese 90-day period is a little bit different than the rest of the world because we were from maybe 9th of April onwards to put this in place. But otherwise the economics, I do not think that there is anything more favorable going to come into China relative to India, that Delta will probably remain, and the signaling is that it's going to remain at 20%.

Nitin: So basically I was asking this only that going forward the US itself will become very important for us and non-US will now face a perennial issue until unless you feel that you set up a plant in US, which can cater to the other parts of the world at a less cost.

Kushal Desai: So the plant in the US, will look at catering to the US, and especially those utilities which buy US, products and which work on short deliveries. What

Chaitanya has mentioned is that, even in the past the Chinese have done this, in the last 15 years, this is the third time that they are subsidizing by this time a lot more by 8% to 12%. But that adds up in multiple billions of dollars.

The way they do that is they subsidize the price of the metal for our industry, there are other ways of subsidizing for other industries. So that bill becomes a massive bill over a period of time. So they have after doing it for X number of months or up to a year or year and a half then they pull that off and then again you have a period where the Chinese people then, are not in a position to compete as much. So we believe that these sort of cycles of subsidy are there to meet a certain objective and when the bill becomes too hefty then it gets reduced. And we have seen that happen twice before in the last 15 years at least.

Chaitanya Desai: I will also add there that a lot of this is because the Chinese government has tried to help their manufacturers who earlier had a decent market in the US, and then finally they were out of the US, market. So then to help them to penetrate the rest of the markets this kind of subsidy is being given. So if suppose things may at some point not be, so difficult for the Chinese manufacturers in the US market, then it is possible that subsidy may also get reduced out. But we can't say for sure what will happen exactly as of today. But this is one of the reasons we were given to understand from people that we have been talking to in China.

Nitin: Got it. And sir this last question on the guidance of EBITDA per ton, I mean, this has become the very difficult number for us to predict but given the Rs. 30,000 per ton kind of a guidance next year, plus the tailwind, what Ramesh said, generally you know your order book of conductors from the very first day. It's just when what gets executed becomes difficult, right, to assess in which quarter. And in the current order backlog, is it safe to assume that 40% to 45% is still premium? And that's where, at that premium level, this guidance of Rs. 30,000 per ton is given on an annualized basis.

Ramesh Iyer: Yes. So the way the guidance has been given is based on an estimated number for 12 months. And a lot of it, we do not have an order book as of now, but it's more of medium-term guidance that we have given, because the pending order book that we have also has some deliveries that may fall beyond FY '27. About 20% of the pending order books are those deliveries that can happen after FY '26. And we, at the same time, we also get a lot of orders during the quarter, and that has to be executed in the quarter. So typically, it's very difficult to estimate EBITDA for our line of business, and we have always been saying that we need to look at this EBITDA on a 12 monthly basis rather than on a quarterly basis. But based on the premiumization and the mix changes that we have worked out, we feel that any time it could be anywhere about Rs. 30,000 plus tailwinds. That depends on the kind of product mix and the geography mix that we do.

Kushal Desai: So you see last year also, there's been, because of the election year and things, a lot of HDLS and upgrade projects did not happen. They are also in the process of various tenders have come up, etc., etc. So if these premium things keep on happening, then if you saw, we had said that if you take a five year period or an average, we were talking about Rs. 25,000 to Rs. 26,000, then we upgraded it to Rs. 27,000 to Rs. 28,000. Now with the mix of products and what we see, we can further upgrade it to Rs. 30,000. So as more and more time passes by on the execution of these things and the visibility on these things, then I guess we would be in a position to then keep revising the guidance. But Rs. 30,000 is a guidance which, as Ramesh says, it's a medium-term guidance that you can work on.

Nitin: Got it. That's very helpful, team, and all the very best.

Kushal Desai: Yes. Thank you.

Moderator: Thank you. The next question is from the line of Sagar Dhawan from Valuequest. Please go ahead.

Sagar Dhawan: Yes, thanks for the opportunity. A question on the domestic conductors business. So we have seen a strong growth in the domestic business, about 64% growth in FY '25. Just wanted to understand going into FY '26, what is the outlook and what could be the drivers for growth to be able to grow from a very good growth we have seen in this year already, the domestic conductors business?

Kushal Desai: We look at the growth thing more from a blended totality point of view. The domestic business has grown 64%. What we look at, what is the higher EBITDA per metric ton, whether it be domestic or exports. And based on this thing and also based on our factory utilization, we are kind of executing the orders. So I would say that we will more be guided with a blended growth rather than looking at domestic and exports for the division.

Sagar Dhawan: Understood. Just a follow-up. Just based on the demand environment that you see in the domestic market today, would it be fair to assume that next year as well there could be a double-digit sort of a growth or any number on the, purely on the domestic growth outlook?

Ramesh Iyer: Yes. So the market outlook looks positive with the kind of transformation capacity and transmission line that is needed. And based on various documents that is there for 2030 till 2031 onwards, the market outlook is positive. Our growth will largely depend on where the higher margin for your metric ton is there. And accordingly, we will allocate capacity either to domestic or exports based on the profitability that we get out of the orders.

Kushal Desai: If I may just add to Ramesh's, like, we have grown by this percentage. As you saw in the opening remarks, that the transmission network has grown only by 2%. The transmission line network, because of various right-of-way issues, the election period, there's been a lot of manpower shortage also. During that whole election period, there was a big manpower shortage, etc. So if these plans are executed, and we can see that several very, very mega solar projects are coming up. Solar, wind, and hybrids are coming up. If the pace of the transmission line additions start increasing, then you will see even further levels of growth. That's one of the reasons why we have been quite aggressive in terms of wanting to add the CAPEX in place so that we can proactively get after the demand rather than react to the demand.

Sagar Dhawan: Understood, sir. Just in terms of the CAPEX that you are adding on the conductor side, you said Rs. 300 crores. How much of capacity are we adding in terms of metric tons per year by the CAPEX?

Kushal Desai: It could be about 10% will get added. So about 25,000 tons, but this 25,000 tons is capable of being made for all the premium type products as well, so you have HPLS, you have CPC, all of those high-end products can be made with this 25,000 ton expansion.

Sagar Dhawan: Got it. And one last question from my side, what would be our market share in the domestic conventional conductors market and in the AL-59, if you have the numbers off-hand?

Chaitanya Desai: It's about 25% or so.

Sagar Dhawan: Understood. Thanks. Thanks for the taking my question.

Kushal Desai: It would be much higher than the HPLS and those premium types. Yes.

Sagar Dhawan: Okay. Thank you. Understood. Thank you.

Moderator: Thank you. The next question is from the line of Maulik Patel from Equirus. Please go ahead.

Maulik Patel: Yes, thanks for the opportunity. Kushal bhai, I have never seen you so much bullish in the last 15 years of tracking you. Given that you are spending close to Rs. 1,300 crores over the next 18 months, almost 50% higher than what your current gross block is at, and you have summarized your optimism that various government schemes and the CAPEX which is driving that. I have just one question on that. How are you going to fund this CAPEX of Rs. 1,300 crores? Because we have never done this kind of CAPEX in such a short period of time over in our history.

Kushal Desai: So, we just had discussions at the Board level itself on that. And the plan is to do Rs. 650 crores coming from our equity and Rs. 650 crores coming from a long-term debt. So, we will use a one-to-one equity-debt combination to fund this.

Maulik Patel: Got it. And the second question is that, in terms of, see, look at that when you had hardly any margin in Cable, 10, 12 years back, now you are almost Rs. 5,000 crores of top-line and 10%, 11% margin. Cable was hardly contributing anything to the operating profit at that point of time and now almost 30% plus. Where you are at and the way your CAPEX plan is that you want to bring Cable from Rs. 5,000 crores to Rs. 10,000 crores. Are we going to see more and more of a Cable Company in the future than the other two? Obviously, today, the conductor EBITDA is relatively on the higher side and probably sustained for the next one or two years. But eventually, in the next three to four years, the mix will be much more towards Cable and less towards other two businesses. Is that what you think about the business?

Kushal Desai: So I think, Maulik, our position is that we want to support all the three businesses, be agnostic to supporting one business more versus the other. I think we did that raise, the equity raise in November of 2023, simply because we wanted a stronger balance sheet in place to allow all the businesses to grow on their own merit. So, whereas we see that the cable business has the largest addressable market, and as a consequence, as we are also growing from strength to strength in terms of all those specialty products, specialty applications, the conductor business itself, being 50% of our revenue, is also growing at a fairly rapid pace, all over the world, transmission lines are to be added.

So, we are equally bullish on both of those businesses. Within the oil business, the transformer oil business is also growing at double-digits. It's the other lubricant pieces which are growing relatively slower, and we are quite happy with that, let it be at whatever, and this still growing more than the market is doing. So, I do not think, as a management, I do not think we are looking at supporting one business more than the other. We would like to support each of the businesses on its own merit, and as long as it makes economic sense to invest in that and grow it, we are going ahead and doing it. So, you will see the cable forming a larger percentage of the total revenue because it is going to grow at a faster pace than conductors, and the oil business will probably be at the slowest pace of the three. Already, in FY '26, you will find the cable business being larger than the specialty oil business in terms of revenue.

Maulik Patel: No, I think profit it is already much larger than the TSO segment. Just one question on the net earned balance sheet. What is the acceptance on the books at the end of FY '25?

Ramesh Iyer: It's about Rs. 3,500 crores, Maulik.

Maulik Patel: We remain the same, right? I think, compared to last year, the number has been pretty much stagnant.

Ramesh Iyer: Yes. Because we have deployed a lot of cash into cash purchases, the available profits have been deployed into cash purchases, and that's where as you know. And also, the earlier statement that we talked about the funding of that, half of it will be debt and half of it will actually be internal accruals, just instead of equity. Equity actually meant already the internal accruals or internal cash that we have on our books. So, currently, all this cash has been used to pay more or get purchases on cash basis. And therefore, as you rightly said, the acceptance level has increased. Once we deploy money of this cash into CAPEX, we will see a higher acceptances going forward.

Maulik Patel: You really see the higher number on the acceptance side next financial year?

Ramesh Iyer: Yes, as the money will get deployed into CAPEX, that is where it will get funded from.

Kushal Desai: But you will also see in the actual working capital management that we have grown the business and reduced the number of days that we use the cash. It's almost down by a week, seven to eight days, overall. So net working capital is also down seven to eight days.

Maulik Patel: Got it. And just last question, if you allow me to, we heard earlier that some of these EPC players like KEC which has gone into and set up the conductor plant, right, own captive consumption. And I think Adani was looking to, and they acquired the Diamond Power, and they are also adding it. Why do you say this new conductor capacity is coming up in the domestic market and do you think that that will have any kind of bearing on a longer-term conductor margin? Because you have, I have seen that you keep adding your value-added products, you keep investing in R&D and stuff coming out with a new product, which has been your niche over the last seven, eight years. And that has reduced volatility in the conductor margin at a large extent. But these upcoming capacities, are they more for the traditional conductor or are they more for the specialist, I mean premium conductor?

Kushal Desai: So the thing is, Maulik, that the kind of investment, which is being made, for example, KEC in conductors, they will produce the conventional type of conductors, ACSR, AL-59. I think we not only produce that, and I have produced it quite efficiently because we are fully integrated, including doing our own alloying, etc. So they have developed their alloying technology for AL-59, but we have developed the alloying technology not only for AL-59, but we do gap conductors, ACSS, ACCC, we do a whole range of copper products.

Next year, our copper business will be over Rs. 3,000 crores, which will be, if you just look at the cable companies, we will be in the top 10 cable companies on copper. Not even 10, maybe the fifth or sixth largest. If you just look at it, copper has been produced on the conductor side. So, the business has evolved quite a lot. We do a lot of specialized EPC as well, which supports these premium products. So I think, for us, we are playing an infinite game. We are interested in increasing our own product mix, figuring out what are the products. So, you have got people like the large developers who are also bidding on TBCB lines to evacuate power from some of the generation sources that they have. We are in dialogue with them, saying that, why are you looking at only conventional conductors. We can offer you a full range of other products, which can reduce your losses, your cost of ownership, etc.

So the game that we are playing is now completely moved away from just producing a conventional conductor. The same thing is there on the cable side. On the cable side if you want to get into renewable energy, so on the renewable energy, there is a certain Indian standard, but there is a much higher standard that exists in Australia and in Europe. There is also a higher US standard that exists in the United States. So we are making products of all those standards. We are now pitching those products, and we supply thousands of kilometers to these countries.

Why do not you look at upgrading in India to those standards? Because they are all meant for being able to weather the weather. Temperature fluctuations, the hostility in terms of wind, sunshine, all those things. Water. You see, there is a lot of stuff going into deserts and into probably into the Rann of Kutch and those areas. So that's all salty terrain or it's desert terrain. So there are different types of products that can come up to better manage the application. Because these panels are supposed to last for 35, 40 years.

We have just launched a new, we were the first to do APAR Anushakti in the country, the E-beam house wire. Now today, you have RR Cable has come in, Finolex has come in, Polycab has come in, V-Guard has come in. Everybody is trying to follow. We have come up with an upgraded product that instead of carrying 50% more current, it carries 100% more current.

Instead of having 50-year life, it has a 70-year life. And this is zero-halogen product, so it's less toxic in case an accident does take place.

So I think we are constantly in a position to keep upgrading and that's the game that we want to play. So whether Birla enters this or whether you have Adani entering the wires business, I think there's enough and more business available for players like us to continue to innovate and sell in different segments and different geographies.

Maulik Patel: What kind of growth you delivered in FY '25 on the Anushakti side?

Kushal Desai: 37% growth.

Maulik Patel: That makes close to around Rs. 350 crores top-line on that?

Kushal Desai: Yes, about Rs. 375 crores. Yes.

Maulik Patel: Got it. Thanks. Thanks, Kushal bhai. Thanks very much. Thanks for taking my questions. Thank you.

Moderator: Thank you. The next question is from the line of Nikhil from Kizuna Wealth. Please go ahead.

Nikhil Poptani: Yes. Hi, sir. Congratulations on a great set of numbers and thank you for giving me the opportunity. So my first question is like, in network Vodafone, there were a lot of companies that were front running due to the US search. So have we seen searches value in our clients? And second, sir now with this, so much tariff wars in Q1/Q2, so are we expecting that companies will pilot in UK and then we will see an increase of inventory de-inventorization phase again?

Kushal Desai: Sir, your first question we did not understand, can you repeat?

Nikhil Poptani: Sir, like in Q4, we have seen a lot of companies front running their tariffs. Like a lot of companies started building up their inventory, so have you seen the same phenomenon? In the secondary, now with the tariff pause, so our companies start building their inventory and now are we seeing inventories being built up and then we will see a phase of de-inventorization in Q2 or Q3?

Kushal Desai: So, it's a good question. I do not think, Nikhil, that's not what we are seeing at our end. We have a significant amount of our shipments which are going in directly to EPC players and project sites. So, those are against specific requirements which are there. We are not really seeing a big inventory build-up. Also, many distribute, import distributors wanted to place much larger orders on us but we had already booked out our capacity. So, we were not in a position to take on, we did not have any spare capacity. Everything was already allocated, and orders were booked. So, those are getting executed.

And the kind of client mix which we are looking at because now we have got a bunch of, we have got a sales team on the ground and working with manufacturing reps. We are no longer looking at being overly dependent on an import distributor. We are the ones who, actually stock up. They also sell a lot of cables in their own brand name through multi-listing on the US, whereas the APAR focus is to sell also a lot of APAR branded products with approval from end customers.

So, I think for us the overhang is just basically in terms of the tariff and clarity on that so that people can price their product, correctly. And our sense is that hopefully it will get resolved within the period of these 90-days. And then as the business, the new orders start coming in, they will come in from a much larger set of customers. So, we are not worried about any front-loading or, front-running, etc., or an inventory overhang. At least as of now, that does not seem to be the case.

Nikhil Poptani: That's great to hear. That's absolutely great to hear. Sir, my second question is, like, how were the inquiries in the month of April and May? And now, as you said that China is providing 8% to 12% subsidiary. So, are we expecting price wars in the US, market too?

Kushal Desai: So, the serious buyers have actually been quite wary of wanting to, sign things up. The US China relationship, as you can see, is extremely volatile. And, the 90-day truce, as I mentioned just a few minutes earlier, which is there, is keeping the same delta as was one existing before. So we do not see anything like substantially changing as such. In fact the Chinese competition is hurting us in non-US markets, we are not so worried about China in the US market. We have to compete with them in other non-US markets.

Nikhil Poptani: Okay. That's great to hear sir. And sir now as we have upgraded our guidance from Rs. 28,500 EBITDA per ton to Rs. 30,000 EBITDA per ton. So are you assuming that EBITDA per ton has bottomed out. Now there's only upper credit trend going forward?

Ramesh Iyer: No, we have been saying this earlier also, we need to look at it on a 12 months basis and that is how we have given this guidance. So there will be some quarters where EBITDA is low, some quarters EBITDA is high, because of the nature of the business is such that it is all made to order business. And therefore we need to look at a long-term 12 months or even beyond that to get a good feel of the numbers.

Kushal Desai: But as things are as you have premiumization being played, as you move from conventional ACSR to AL-59, all that, so fundamentally the product mix should drive it upward.

Nikhil Poptani: Okay. That's great to hear, sir. My last question is on the new Trump administration is not the plan of renewable energy, they are moving to coal-based. So have we seen any kind of clients having lower confidence in renewable energy, renewable energy CAPEX, something like that?

Kushal Desai: So, the point of view that we have been able to gather through various customers and whoever we are in touch with, including developers in the United States, is that solar and solar including the energy storage, the ESS system, is the cheapest form of energy available to add in the shortest period of time. So the solar side of the business is going to continue. You have more and more US manufacturing also being set up, Waaree, for example, has set up US manufacturing.

I think other manufacturers from India are also exporting panels to the US. So the solar side looks very much intact. The wind is a mixed bag. There are certain corridors in the US which are extremely windy and can carry a high plant load factor. So those corridors you can continue to develop. What is likely to stop is the subsidy that is going on, on the wind side. And the offshore wind, which is being built only with subsidies pretty much for making it viable, that is to be forgotten as far as the US is concerned.

So we do not see the renewable story completely ending. We see the subsidy story ending. So the renewable that is actually able to stand and expand based on its own economics will continue to expand. And see, today the permitting in the US, is very, very tedious and whatever direct information we have, it takes 10 to 12 years to get permitting to build a transmission line in the US, versus three years in India. So there are similar issues are there for building power plants and power sources as well. So you will see solar addition happening because that is the fastest way of being able to actually get power. If you add it along with battery storage capacity, then you are able to deliver power 24/7.

Nikhil Poptani: Okay, sir. That's great to hear, sir. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Vimox Shah from Goyam Luxy Fintech Private Limited. Please go ahead.

Vimox Shah: Thank you for the opportunity. And congrats for the good set of numbers. So most of the questions you have answered, I have just one follow-up question, sir, like in the last quarter, you were mentioning that companies are supplying the cables to the major data centers, like you were mentioning, like Microsoft, right? So you are actually the liquid cooling solution, right, but making a test site. So has there been any progress on this development?

Kushal Desai: So we, at the moment, I am not we have developed a product here. We are still looking at how to test market it, etc., because, the liquid dielectric, first of all, most of the data centers today do not use liquid. There are a few companies overseas that have been, supplied as a system. So we have not really made any progress on that front. We are still working, knocking on doors and trying to figure out how we can get a trial for that to happen. In the meantime, the cables which are being supplied are being supplied on, basically in the substation and substation to connecting to the data center equipment. That side of the business is what we are covering today.

Vimox Shah: Got it. Thank you.

Moderator: Thank you. The next question is from the line of Avnish Tiwari from Vaikarya. Please go ahead.

Avnish Tiwari: My first question is, what is the tariff on the US, exports you are doing for the cables? Say, in May, you are paying compared to what were you paying in February or March. And the delta which you are experiencing now, how is it being shared between you and your end customers, whether it is importer or whether it's an actual customer in the US?

Kushal Desai: So the basic duty remains intact. So the basic duty that we were paying on cables is 4.9%. So for argument's sake, you can take it as 5%. Now whatever has been put here is a reciprocal tariff. So that applies over and above. So the 10% or 26% or 46% or whatever it is, is over and above the basic tariff which is in place. So currently it is at 5% plus 10%.

Avnish Tiwari: And the additional 10%, how are you sharing it between the importer and yourself?

Ramesh Iyer: So there are different contracts with the customers. Some contracts are on FOB, some contracts are on DDP. Some are deliveries below, before July 9. Some are deliveries after July 9. In some cases, we are talking to some of the customers who are agreeing to share a part of the duty. So those all mix and combinations are actually happening at the moment.

Kushal Desai: So all the FOBs is absolutely no problem. The DDPs, we have had to sit and negotiate with customers. So there's been some portions where there's been a combination. We have picked up part of it. Customers have picked up part of it. Some of the contracts have allowed us to pass the whole thing on. So overall, we would not see some major impact, at least for this 10% tariff field.

Avnish Tiwari: Okay. That's good to hear. So basically, the dominating part is FOB or where most of the pay is shared by the importer. You only take part of it, a small part of it.

Kushal Desai: Yes. So the bulk of the business which we are executing right now is in that bracket.

Avnish Tiwari: Right. The second question is that what are the dominating types of cables you export to the US? Are these less than 1,000 V or higher, more than 1,000 V? And what is the key raw material in this thing, aluminum or copper?

Kushal Desai: So the bulk of what we export is all aluminum alloy. So there's a special alloy which is used in the United States, which is an 8000 series aluminum alloy. So we produce the alloy ourselves, the rods that is from our rolling mills in the conductor division. Then they are aged and then made into conductors and then finally insulated to make the cables. So there's a whole section on our website. If you go and see, you will see a set of UL approved products. So those are the products which are being manufactured and shipped to the US. There are a few copper products as well, which is a relatively very small volume. The bulk of the volume is aluminum alloy.

Avnish Tiwari: And these copper products would be cables of less than 1,000 V or more than 1,000 V?

Kushal Desai: So the copper products which are being exported right now are basically medium voltage cables which are with copper in. So we are not doing any lower end copper because there's the US has zero duty on import of copper even today. There is a 25% duty on import of aluminum. So aluminum has been a strategic manufacture in the US, whereas copper is something that even today the government believes that it should be imported in the US, without tariff. So our whole strategy is to focus more around products that are aluminum based where APAR has always had strength.

Avnish Tiwari: So in less than 1,000 V are they typically using copper or aluminum if you want to do in future?

Kushal Desai: So the US, is largely an aluminum market. Aluminum alloy market.

Avnish Tiwari: Less than 1,000 V, no, I am just talking about normal cables.

Kushal Desai: Less than 1,000 V, above 1,000 V only special applications you use copper over there. Otherwise predominantly it's aluminum.

Avnish Tiwari: Got it. Mostly it's the aluminum market then, okay.

Kushal Desai: Yes.

Avnish Tiwari: And last question I have is that you talked about Mexico also having the duty. But my understanding was most of the cables are under USMCA in Mexico. Is that, like, you are talking about mostly alloy which is not part of this USMCA, or you think cables are also not part of MCA and they are attracting duties?

Kushal Desai: Right now, from our understanding is that unless and until Mexico comes up with anything different they are also facing the same tariff situation as India. The minimum tariff is 10% whatever you want to bring into the US. Unless there is a very specific FTA in place which is like the first one that they signed is with the UK. Nobody else has signed anything specifically as of now. So we are in the same boat as Mexico as of today.

Avnish Tiwari: Okay. So your understanding is that these cables or alloy you are exporting are not part of MCA, USMCA in Mexico?

Kushal Desai: Yes, I mean whatever we hear from our customers is that there is nothing advantageous currently in Mexico other than the short delivery cycle that is there.

Avnish Tiwari: Okay. Great. Thank you very much. And if just a last question I can pitch in. How much extra either margin at the contribution level or EBITDA level you make or better margin capital comes in that same cable or you are selling to US, export versus in India?

Kushal Desai: The US is very tricky to just put a number because it is a combination of FOB and DDP. So it's not a number that I would like to hazard any guess. It keeps changing depending on who wants to buy FOB versus on a DDP basis. So EPC players normally want it on a DDP basis, but actual users are very happy to buy it on an FOB basis. So they have the full transparency of freight.

Avnish Tiwari: Right. But you make higher margin in US export versus India sales. Is that fair to understand?

Ramesh Iyer: So it depends on different products and mixes. So on an apples-to-apples basis, we cannot actually compare this because different products go for the US market and different products are there for Indian market. And we do not actually give out geography-wise margins for the division.

Avnish Tiwari: Okay. Great. Thank you very much.

Moderator: Thank you. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Hi, sir. Just a follow-up. Is it possible to share the annual US contribution in overall and as well as within the conductors and cables this year, FY '25?

Ramesh Iyer: So the margins we do not share, Amit.

Kushal Desai: Are you talking about the revenue that we have done?

Amit Anwani: Yes, yes. Revenue contribution.

Ramesh Iyer: Overall, the US would be slightly on a higher single-digit compared to the total consolidated turnover.

Amit Anwani: And sir for cables and conductors?

Kushal Desai: We have done about Rs. 1,000 crores in cables. About Rs. 1,000 crores in cables and –

Ramesh Iyer: Rs. 600 crores.

Ramesh Iyer: Rs. 600 crores on conductors.

Kushal Desai: Rs. 600 crores on conductors. About Rs. 1,600-odd crores approximately overall. So that's why, Amit, it's lower.

Amit Anwani: How much was this last year? Rs. 1,600 crores on what base, FY '24?

Ramesh Iyer: We have given that in our corporate presentation. It was slightly degrown still compared to last year on an annual basis. But sequentially, things have improved. Every quarter has been better than the earlier quarter when it comes to the US

Amit Anwani: Yes. Sure. Thank you so much.

Moderator: Thank you. The next question is from the line of Raaj from Arjav Partners. Please go ahead.

Raaj Macwan: Sir, I would like to start on the outlook part. For FY '26, you are intending to grow. And I couldn't hear that. So, can you please repeat it?

Kushal Desai: Sorry, your line is breaking up. We are not able to hear you.

Raaj Macwan: Sir, for FY '26 outlook, I just skipped your comment. So, can you repeat it again?

Ramesh Iyer: Yes. So, on the oil division, we are giving a top-line volume growth of 6% to 8%. EBITDA level margin, Rs. 5,000 to Rs. 6,000 per KL. Cable division, top-line value growth, 25%. EBITDA percentage, 10% to 12%. And conductor division, volume growth, 10%. And EBITDA per metric ton, Rs. 30,000 plus tailwinds.

Raaj Macwan: Rs. 30,000 plus?

Ramesh Iyer: Tailwinds.

Raaj Macwan: All right. All right. And also, can you repeat on the CAPEX part? How much? In what division?

Ramesh Iyer: About Rs. 1,300 crores of CAPEX. About Rs. 200 crores coming from oil division, Rs. 300 crores in the conductor division and Rs. 800 crores in cable division.

Raaj Macwan: Okay. And how much time will it take for all these three to come on stream?

Ramesh Iyer: 15 to 18 months.

Raaj Macwan: Sorry, 15 to?

Raaj Macwan: 15 to 18 months, all right. And how much will be your expended capacity percentage?

Ramesh Iyer: So, it will grow for the conductor division it may grow by about 10% in terms of capacity. For the cable, as we already mentioned once the entire plant is commissioned then it will have capacity to generate revenue of about Rs. 10,000 crores once it is fully commissioned.

Raaj Macwan: All right. And for the oil part?

Kushal Desai: So the oil, there is no real capacity constraint other than on the auto-industrial side where today we run two shifts and we can just add a third shift in place. So this investment is going in largely in terms of building a storage facility in the port in JNPT and expanding our storage capability in Hamriyah as well in the UAE. So right now, almost 24 million liters of storage space we have on a rental basis from third parties in Mumbai. So that is going to get collapsed into about 30 million, 35 million liters storage which we are building out in JNPT. That also has a big productivity boost on the supply chain side because the ship will directly be able to unload from a ship in those tanks.

Raaj Macwan: All right. Understood sir. Okay sir, thanks. All the best.

Kushal Desai: Okay.

Moderator: Thank you. The next question is from the line of Mayank Bhandari from Asian Markets Securities. Please go ahead.

Mayank Bhandari: Thanks for the opportunity. Sir, I just wanted a few data points if you could provide. In the cables revenue how much would be the B2C revenue? How much would be the defense telecom cable revenue, EHV revenue, and of course railways revenue?

Kushal Desai: We do not give out so detailed revenue break-up for the division. But I can tell you about this B2C is about Rs. 375 crores that I have mentioned earlier.

Apart from that the nitty-gritties of revenue coming from each is that something we do not give out.

Mayank Bhandari: So have we started supplying to defense telecom?

Kushal Desai: You mean defense telecom? For us there are two separate verticals. One is defense and the other one is telecom, so it depends.

Mayank Bhandari: Cables that we are supplying to the defense.

Kushal Desai: Yes. So that is something that is ongoing, we would see that in the future as more and more localization is taking place, the volume should start increasing as I mentioned in my earlier comments that we are bringing in additional equipment as well which can help produce larger quantities of some of the sophisticated cables and so on, for the Indian Navy particularly.

Mayank Bhandari: What about EHV, sir? Are we doing any evaluation in EHV?

Kushal Desai: So, as we complete our expansion in the cables side, currently we are able to produce up to 66 kV. So this will go up to 220 kV that we will be able to produce.

Mayank Bhandari: No, does this contribute any revenue in FY '25 EHV?

Kushal Desai: No. Because by the time the capacity goes in place and gets implemented, then post that we will start hunting, we will start working on getting approval. So, you will see that revenue not coming in FY '26 at all, you may start seeing small portion coming in FY '27 but a larger portion coming in FY '28. In the meantime, that same equipment is capable of producing up to 220 kV. So you will produce the other voltage levels until those approvals come in.

Mayank Bhandari: What about the wind, sir? Wind cables?

Kushal Desai: So, wind is produced on totally different equipment where we are also looking at doubling our capacity. And those are elastomeric cable or rubber cable. So, that production is also going to be doubled in the same time frame. And that's part of the Rs. 800 crores CAPEX.

Mayank Bhandari: No, I am just checking if we would give the contribution of the renewables cable revenue in the total cable revenue right now.

Kushal Desai: So, we are not giving these detailed breakups as such pertaining – go ahead.

Mayank Bhandari: And last, what is the interest on the interest-bearing acceptances in FY '25? Interest number?

Ramesh Iyer: It's about range from 6.5% to 7.5% over a period of time.

Mayank Bhandari: 6.5% to 7.5%. No, I am asking the absolute number out of the total interest expense.

Ramesh Iyer: Out of total interest, you see about 90% would be on the acceptances only because we have very less debt on the balance sheet. Most of it would be out of acceptance only.

Mayank Bhandari: Last year, FY '24, this number was around Rs. 240 crores.

Ramesh Iyer: Yes, large part, almost everything would be out of, we have just one ECB loan on the balance sheet. Apart from that, everything else is actually the interest on the acceptances only. And that disclosure is there in the balance sheet, the interest part of the ECB loan.

Mayank Bhandari: Okay. Any guidance on FY '26 for the interest expense?

Ramesh Iyer: So it will go in line with the volume of the business as all of this is relating to acceptances as the volume of business growth. The interest cost will go up. Also, the interest cost depends on the price of aluminum and copper, on the value of that purchases. So, depending on the price of the metal, this fluctuates.

Mayank Bhandari: Okay. Thank you. That's it from my side.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Kushal Desai for closing comments.

Kushal Desai: Yes. I would like to take the opportunity to thank everyone for participating in our Q4 and financial year FY '25 earnings call. Just to summarize, we do have a few overhangs like, the US, tariff situation, which will hopefully get clarity and sorted out in the next few weeks. But overall, as a management, we continue to remain very bullish on our business. We are putting in Rs. 1,300 crores of CAPEX, which will go in over the next 12 to 15 months and then get commissioned thereafter. This is in addition to Rs. 500 crores which we have put in FY '25. All the three businesses are poised to be able to grow. The product ranges also as well as the premiumization of product and customers is something that we are working on. And whereas, it's always difficult in our business to predict quarter-by-quarter, but if you take a medium-term view, we continue to remain very bullish on the growth of the business. So once again, thank you so much for attending our call and goodbye.

Moderator: Thank you. On behalf of APAR Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.