

“Dynamic Cables Limited
Q4 FY '26 Earnings Conference Call”
May 12, 2026

MANAGEMENT: **MR. ASHISH MANGAL – MANAGING DIRECTOR –
DYNAMIC CABLES LIMITED**
**MR. MURARI LAL PODDAR – CHIEF FINANCIAL
OFFICER – DYNAMIC CABLES LIMITED**
**MR. GOVIND SABOO – INVESTOR RELATION ADVISOR
– DYNAMIC CABLES LIMITED**

MODERATOR **MR. PRANAY SHAH – PHILLIPCAPITAL INDIA PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Dynamic Cables Limited Q4 FY '26 Earnings Conference Call hosted by PhillipCapital India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranay Shah from PhillipCapital. Thank you, and over to you, Mr. Shah.

Pranay Shah: Thank you, Neerav. Good afternoon, everyone. On behalf of PhillipCapital, I welcome all of you to the fourth quarter and FY '26 earnings conference call of Dynamic Cables Limited. From the management side, we have Mr. Ashish Mangal, Managing Director; Mr. Murari Lal Poddar, Chief Financial Officer; and Mr. Govind Saboo, IR Advisor.

I request the team to give their opening remarks, post which we shall open the floor for Q&A. Thank you, and over to you, sir.

Ashish Mangal: Good afternoon, everyone. I, Ashish Mangal, Managing Director of Dynamic Cables, extend a warm welcome to all of you on this call. I am pleased to report a steady operational and financial performance for the quarter and the full financial year. Despite a volatile macroeconomic environment and continued uncertainty in the global markets, the company delivered a healthy performance during this year, reflecting disciplined execution, operational resilience, and prudent financial management.

Also, there was a marked reduction in financial costs resulting from continued financial discipline and lower interest charges, driven by credit rating enhancement. During the financial year, we remained focused on our core value-added products, which contributed to improved profitability and stronger operating performance.

Our order book continued to witness healthy traction during the quarter, supported by strong customer relationships and sustained demand across key power-related segments. This reinforces our confidence in the long-term opportunities emerging in the Indian power T&D ecosystem.

During the year, the company further strengthened its industry positioning through enhanced product capabilities, new customer approvals, and continued focus on quality and execution standards. These efforts will enable us to participate in higher-value opportunities across key business segments. On the capacity expansion front, project implementation has picked up pace following receipt of key statutory approvals.

While the project implementation witnessed delays due to approval-related timelines and disruption in imported machinery deliveries arising from the ongoing Iran war-related logistics situations, the new capacities will be available ahead of the seasonally stronger second half of FY '27.



We remain focused on disciplined execution, profitability, and prudent capital allocation. With a healthy order book, stronger customer relationships, and a robust execution framework, we are confident in our ability to capitalize on the long-term opportunities in the sector, sustain steady growth, and create long-term value for all stakeholders.

With that, I now invite our CFO, Mr. Poddar, to share the financial highlights for the quarter.

Murari Lal Poddar:

Good afternoon to all. We are pleased to report a healthy financial performance, achieving our highest-ever revenue and profitability during FY '26. Revenue grew by 17% Y-o-Y, while operating profit increased by 23% to INR130 crores, supported by improved operating leverage and a better product mix. Operating margin improved to 10.8%, reflecting enhanced operational efficiency. Profit after tax rose by 30% to INR84 crores, driven by disciplined execution, strong business momentum, and prudent financial management.

Customer-wise contribution in FY '26 was around: Government sales 13%, Private sales 80%, Export 7%. Product-wise contribution in FY '26 was: HV cable 64%, LV cable 30%, Conductor 6%. As of 31st March 2026, our order book stands at INR808 crores, providing strong revenue visibility.

Thank you, and we are now open for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. First question is from the line of Piyush Sevaldasani from Sundaram Alternates. Please go ahead.

Piyush Sevaldasani:

Yes, hi sir. Thank you for the opportunity. So, my first question is on the growth for the fourth quarter, which looks on the softer side. Can you help me understand how much has been the volume growth in this quarter and how much has been the realization growth?

Management:

Yes,. So, yes, Piyush, so basically just to give a context of growth which you were asking. So, in Q4, our core product growth has been 20%, whereas the growth which we see in overall growth of 7% during the quarter. The largely the difference between 7% and 20% is basically our low value-add low voltage conductors and railway signaling cables, which we have discontinued this year.

So, if we adjust these two items and our core products, which are our power cables, renewable cables, LV/HV cables which and our niche conductors which we manufacture, niche products. So, if you adjust that, it is around 20%. And with regard to the price growth, I mean the composition of volume versus price increase, 8% growth is attributable to the material price inflation and balance is basically volume growth.

So, this is what is the composition of our growth. I am so sorry, so 8% was for the full year. For quarter four, it is 12%. So, for the quarter, 12% is the realization growth and 8% volume growth for the core products.

Piyush Sevaldasani:

And you are saying that we have discontinued this conductor and railway cables?

- Management:** Railway cables we have discontinued for now because as we have been always discussing this over the last three, four, five quarters, that railway signaling we feel that competitive intensity is very high and it is better to move on to our power cable products where demand scenario is much better and margin profile is much better.
- So, it is better to kind of dedicate our operating facility and production capacity to higher margin products where profitability is high, rather than the low value-add, the low profitable products which are the low voltage conductors and railway signaling cables.
- Piyush Sevaldasani:** Sir, how much was the contribution for this railway cables for full year FY '26? And like how do we plan to compensate for that going forward?
- Management:** Yes, so FY '26 the railway signaling cable was zero. And in FY '25, it was 4% contribution.
- Piyush Sevaldasani:** You are saying this for fourth quarter, right?
- Management:** For full year, full year it was zero.
- Piyush Sevaldasani:** Sure. And sir, just on this capex which has been delayed, so now we are expecting that to come in the second half. So how should we think about growth in FY '27? Would it be largely flatter in first half and growth to resume in second half?
- Management:** So yes, so basically first of all let me give you the, I mean there has been a delay in the capex, so there is no two doubts about it. And the growth, it will, I mean the new plant is going to start its production in September '26. September '26 it will start the production. So, when the heavy half, which is seasonally heavy half, is the second half.
- So, we will be having our capacity in the second half of our financial year. And I think H1 growth we will be managing from our existing facility. So, this is the growth color, I mean this is the growth outlook which we can give as of today.
- Piyush Sevaldasani:** But any guidance for FY '27?
- Management:** So, I mean we have never been giving yearly guidances. We have always been giving a long-term guidance of 18% to 20% growth, which we have also delivered in the past and we still believe that for a medium to long term, the company will deliver the same kind of growth in future also.
- Piyush Sevaldasani:** Understood, sir. I am asking because our order book also has only grown by 18% and given the pricing increase, I am assuming volume growth is not there. Any reasons for this weakness ?
- Management:** So I, that's what, in FY25 our core product growth has been 25%. And if we adjust the 7%-8% of inflation growth, we get around 17%-18% of volume growth for our core products.
- Piyush Sevaldasani:** No, I was asking about order book. Order book also has grown only by 11%. So that looks slightly on the weaker side?

- Management:** So basically, because of this price volatility, so in typically in the industry there is some deferment of order booking or kind of sales booking or order booking when there is such a sudden increase in our raw material prices. So you, we all know what has happened in the month of March, and so there has been a deferment of order booking from March, in the month of March because of the sudden spike in the prices of aluminium and PVC, which are our key raw materials.
- Piyush Sevaldasani:** Okay. And sir, just last question. In this quarter, we have also seen gross margins going down. Any specific reason for that? It's 17.9.
- Management:** So gross margin, I mean you have to look at operating profit is the right measure actually because gross profit, there are lot of elements which come and go by and it all depends on the product mix, customer mix, which market we are selling to. So there is lot of there may be slight variation here and there in the gross profit, whereas at the operating profit level, I think we have been steady and we have always guided an operating profit of anywhere between 10.5% to 11% all throughout the year and that is what we have delivered also.
- Piyush Sevaldasani:** Sure, that's clear. That's it from my side. Thank you, sir, and all the best.
- Management:** Yes, yes. Thank you, Piyush.
- Moderator:** Thank you. Next question is from the line of Yash from Auriga Capital Advisors. Please go ahead.
- Yash:** Hi, thank you for taking my question. So over the last 4 years, I can see the capex intensity has gone up. What you spent in nearly 3 years, you've spent in FY26. So will this trajectory of higher capex continue for FY27 and the medium term?
- Management:** So FY26, Yash, as you know that we had initiated setting up of a greenfield plant. And whenever there is a greenfield plant which is being set up, the initial capex is always high. Brownfield expansions typically are kind of less heavy on the capex side and that is what is the reason for increase in the capex in FY26.
- Going forward in FY27 or probably in the medium term, you can say there would be capital expenditure each and every year because growth will demand capex. It may not be as intense as it was in FY26, but yes, relatively probably because the base is also increasing. So to keep up the growth numbers, we'll have to continue our capex.
- Yash:** Okay. So because if you see the peers, every year they are reporting bigger and bigger capex and even they are talking about bigger capex. So I presume it should be the same case for you as well because you are still at around 85%-90% of utilization?
- Management:** Yes, that's what I was saying, that because at the industry level only the base is increasing and to keep up with the growth trajectory, we'll have to maintain our capex program or we have to continue with our capex program year-on-year. Everybody in the industry, including us.

- Yash:** Okay. And on the plant, sir, there's been significant delay. In Q4 FY25, you mentioned that you're on track to commission it in Q2 FY26. And you also mentioned that you can set up new capacities within 9 to 18 months, but here there has been delay of around 15 months since what you targeted. So can you speak more about it, what the reasons for the delay has been?
- Management:** Right. So basically there are three major reasons for the delay. One is that there were some government, basically regulatory body approvals which were delayed and that basically delayed the starting of the project implementation itself. And secondly, there were some import machineries which were got delayed because of this freight-related issues of late after this Iran war.
- And thirdly, there are some, compliance requirements which from the AERB Board, which we need to kind of comply with. And so these all reasons compounded for the delay of this plant. But I'm happy to report, I think that the plant is now in the final implementation stages and we have got most of the machines and civil work getting done and probably in next 3, 4 months, we would be in a position to kind of start our trial productions.
- Yash:** Okay, thank you. I'll get back in the queue.
- Management:** Yes.
- Moderator:** Thank you. Next question is from the line of Nitin Jain from Fair Value Equity Advisors. Please go ahead.
- Nitin Jain:** Yes, thank you for the opportunity. My first question is around the revenue growth.
- Moderator:** Nitin, sorry to interrupt you. Can you speak through the handset, please?
- Nitin Jain:** Hello. Can you hear me now?
- Moderator:** Yes, go ahead.
- Nitin Jain:** Yes. So my first question is on the revenue growth. As we can see, it is like the slowest in many quarters. And as you have clarified, the railway cables have been discontinued for more than a year now. Besides, we had an order book, starting order book of around INR790 crores at the beginning of Q4. So what exactly is the reason of this slow execution, sir?
- Management:** I didn't understand the question. So you are saying that...
- Nitin Jain:** No, I'm saying that the revenue growth has been slowest in last many quarters. And you pointed out that railway cables have been discontinued for a year now. So what is the reason of the slow execution this quarter?
- Management:** So basically there are two, three reasons, Nitin, I would like to just kind of highlight. That I mean if you look at quarterly basis, it is really difficult to kind of do because last quarter we started this quarter with a very high base. So I think last year Q4, our growth was around 38%-39% kind of. So it was a very heavy base we started off with.



Second reason was, as I told you, that there was lot of disruptions and deferment of supplies due to immediate rise in raw material prices and that is why, that is what led to deferment of sales and order booking, which I have already clarified in our earlier discussion also with the earlier participant. And if you adjust, and third impact was if you adjust the low voltage conductors and railway signaling cables, our Q4 growth would be 20%. So that is, these are the kind of explanations for your question.

Nitin Jain: Right. So just a follow-up on that, sir. The volatility in the supplies that you mentioned, has it improved now or has it worsened? Because the situation is still the same like what it was in February and March?

Management: So yes, so basically the prices have not come down, as we all know. Aluminium prices are elevated, PVC prices are elevated. But what happens is that acceptance of the market gradually kickstarts kicking in. So that is what happens whenever there is such a disruption. Because so that is kind of the reality which we have to face.

So whenever there is a start of such disruption of such magnitude, at the start of the disruption, there is definitely a fear and scare or deferment which leads to deferment of consumption, but gradually it the acceptance also starts kicking in. So these are the two factors which are being observed in the market at present.

Nitin Jain: My next question is on the net debt. As you have clarified in the press release, it has jumped up significantly quarter-on-quarter. So what is...

Management: Your voice is very low, it's very, very difficult to, yes.

Nitin Jain: Hello?

Moderator: Nitin, can you please speak through the handset?

Nitin Jain: Yes, just a minute. So sir, our capacity expansion has not gone live yet, but our net debt has increased significantly quarter-on-quarter. So what is the reason for that and as a result of this, should we see a jump in finance costs again going forward?

Management: Sir, the entire borrowing which you look at is our working capital borrowings. So it all depends on the seasonality. March is a heavy quarter for all the cable manufacturers and so there has been a slight increase of debt in our books. And also if you look at our on-books debt, it has kind of reduced from INR66 crores to INR40 crores. So nothing to kind of, it's a very routine kind of thing which happens.

Nitin Jain: Right. But should we see a jump in finance costs now going forward?

Management: I don't think so, sir.

Nitin Jain: Okay, okay. And sir, management has clarified in the past that you have 100% pass-through of costs as far as raw material costs are concerned. But still this quarter, there is a significant margin drop at the gross margin level. So what would you ascertain this to?

Management: Again, sir, I'm again re-discussing this part that you have to look at the operating profit level because there are lot of components which go by in the at the gross level. So there can be 1% or 2% variation on a quarter-on-quarter basis. So that's not the right way to look at it because our revenue mix keeps on changing each quarter. So that is not the right parameter to look at because there is freight and other components which kind of come and go based on the customer, based on the market, based on the product and all the other things.

So this is, I think, it. And with regard to pass-through, we still believe that we again restate our original conversation that most of our orders are having price variation clause and it is a pass-through to our customers. There are certain orders which are on at the firm price basis also, but those firm price basis we kind of hedge that raw material at the time of order booking itself. So largely the price volatility doesn't have a much bearing on our business model. Our raw material price volatility does not have much bearing on our business model.

Nitin Jain: Sure. And my last question is on the capacity expansion, sir. So we know that order booking and capacity expansion are interlinked. So the fact that our capacity expansion is being postponed, is it one of the reasons why our order book growth has also slowed down quarter-on-quarter?

Management: I don't think this is the right way to look at order booking. Order booking is largely, I mean again I have to repeat the same thing again and again. Since March month per se there was a large volatility in our materials and therefore our pricing also increased, suddenly increased. And that is why lot of our customers kind of take a step back and defer their purchases.

It's a normal phenomenon and that does happen whenever there is such kind of volatility in the market. We are into the B2B market and where there is always an option with the customer to kind of time its purchases according to the scenario, demand requirement.

Nitin Jain: Just a follow-up to that, sir. So there is no definite date of go-live for the capacity expansion this time. So but you have...

Management: There is no definitive date, one second, one second. There is no definitive date, but yes, we are kind of guiding that based on the developments at the site level, at the plant level, we should be able to go live by September.

Nitin Jain: Right. But what you have ascribed the, this thing, the reason for importing the machinery, the Iran war, the situation is still same, sir, like in West Asia. So why do you think you will be able to go live this time like by before the second half?

Management: Because I mean that's what I was saying that based on the site developments, the way the work is going on, the implementation is going on, this time we are guiding or we believe that we should be able to go live by September.

Moderator: Next question is from the line of Nikhil Purohit from Fident Asset Management.

Nikhil Purohit: Yes, thanks for the opportunity. So what was the volume growth separately in cables and conductors, separately?

Management: In cables and conductors. So conductors as I told you that there was a degrowth which we have discussed in the past also. On cables standalone basis, I think on a yearly basis it was around 18%.

Nikhil Purohit: And quarter four?

Management: Quarter four it should be around high single digit kind of...

Nikhil Purohit: In cables?

Management: In cables, yes.

Nikhil Purohit: Okay. And what percentage you mentioned that low voltage conductors have been discontinued, railways were already discontinued. So what percentage of sales is low voltage conductors in the total revenue for the entire year FY26?

Management: I think it is now sub 5% kind of. Last year it was I think 8%-9%, which has now come down to sub 5%. So, there was around 50%-60% kind of volume decrease in our low-cost conductors.

Nikhil Purohit: Okay, okay. And just understanding of the capacity utilization side. So we were at 75% to 80% in quarter three. We were quite comfortable with our position in March also. Now of course there have been order delays like you've mentioned earlier. But for H1 FY27, do we see any problems in terms of capacity because we're already at one of the peaks? I mean how will we be able to get growth in H1 FY27?

Management: Yes, we have managed the seasonally I mean the high season Q4 and Q3 last year and so I think we are quite confident to manage the Q1 and Q2 also basis our order book. And I think when the peak season kind of kicks in Q3 and Q4, we would be ready with our capacity with our new capacities as well. So that is how...

Nikhil Purohit: Exactly. So H2 is H2 is okay because September 2026 capacity ideally should come on. But for H1 then we're already at the peak.

Management: So what I'm saying is that our current capacities are sufficient for our H1 order book and H1 business projections or growth which we are kind of anticipating.

Nikhil Purohit: Okay, okay. And this last question on the other expenses. How did we control these to such an extent, just 4.1% of sales? And also on the employee expenses, we had indicated that the last quarter generally has higher incentives, higher bonuses given out, but here also there's a decline year-on-year if you could explain these plus how do we understand these going forward for FY27?

Management: No problem. So first I'll take the employee expenses. So employee expenses as I told you that I mean I have not told you, but I'm telling you that last year there were some one-time bonus and incentives which were declared in the month of March itself. So that booking was there in the base, which was rationalized during this year and it was kind of amortized during the year. So that is why it's not a decline as such, it is just proper way of accounting the expenditure.



So that is what has led to employee expenditure optically which looks as a decline, but there is no decrease in our workforce as well as our employee I mean employee salary or employee compensation as such. It is just that the accounting of expenditure, if you look at the last year's quarterly breakup of employee expenses, there was a sudden spurt in Q4 which has now been normalized in the current year.

So that is the reason for employee benefit. And other expenses, we have I mean we have been discussing that there is always a trade-off between gross profit margin and other expenses based on the product mix, market mix, geographic mix and all those things which kind of happening because there are lot of direct expenses like freight and other components which sometimes in some business contracts are borne by us and in some contract, it's borne by the customer. So, it keeps on varying on that part. So, it is better to look at our company's operating performance at a operating profit or EBITDA level rather than gross profit and other expense line.

Nikhil Purohit:

Got it, sir. Okay, thank you.

Moderator:

Thank you. Next question is from the line of Pranav Jain from Ageless Capital. Please go ahead.

Pranav Jain:

Hi, sir. Thanks for the opportunity. I hope I'm audible. So, with respect to the TS Conductor Corp announcement that we put out, can you talk more about that, what are the commercials look like, what kind of incremental revenues can we possibly get from that, approvals, how much time will they take for the HTLS wires? Just a little more on that.

Management:

Yes, yes. I mean we have given quite a detailed press release on this TS Conductor's development with our company. So, it is basically stepping stone or basically a starting step to venture into this high voltage conductor market for our company. Because the carbon core technology which has recently got adopted by the utilities and is now, we believe that in future can become quite relevant in the entire transmission ecosystem of our country.

And to initiate our entry into this high voltage conductor market, which again there are very few players who have such kind of tie-ups, core tie-ups because it's the core technology is limited to few players only globally in across the globe. So, there are very few players manufacturers in India who have such kind of tie-up. And with this tie-up now in place, we can actually go to our customers, take our product approvals, do type testing of our products and basically convert them into some orders and serious business and sales revenue.

So, it is a starting step into that that direction. There is no hard timeline that what when this would materialize into revenue and sales. But yes, intent is very clear and we believe that it is a very niche I mean a futuristic product and which would be adopted by the utilities as a solution to this vertical expansion in the power infrastructure.

Pranav Jain:

Just to understand, how did we kind of, you know, getting this agreement or getting into this agreement with TS Conductor Corp? Like how did it come to be?

- Management:** So, it is so we have been in the search for such kind of tie-ups and our team was in touch in with these technology providers and finally we got a breakthrough with TS Conductor.
- Pranav Jain:** Initially the agreement is for a year. So do can we expect anything to happen within a year's time or...
- Management:** No, it is as a renewable I mean it has a renewable clause, so that's not a very big challenge. Because initially it's just that whether the product we are able to manufacture the product, our we get a positive type test of the product which is manufactured. So, all that process will take around a year's time.
- Pranav Jain:** Got it. All right, sir. That's it from my end. Thank you.
- Moderator:** Thank you. Next question is from the line of Anuj Haria from Inter Globe Services. Please go ahead.
- Anuj Haria:** Hi, my question is continuing the previous participant's question. So, for the TS Conductor partnership, do we need to incur any additional capex, let's say once the products get approved six months or one year down the line? Do we need to incur any additional capex to manufacture the product?
- Management:** Not much, because our existing facility can be used to much of the extent for the manufacturing of the actual conductors. If some slight technological advancement or update updations need to be done, it is not a very big it will not be a very big capex incrementally.
- Anuj Haria:** Okay. And you've mentioned before that we have approximately 17,000 to 20,000 square meters of land available. So, could you just give a brief idea on the next capex that we plan to do? Will it be more than the INR40 crores that we are incurring right now or it will be on the same scale or lower scale?
- Management:** So, we are now basically concentrating on completing our existing capex because we are already delayed in that on that part. The next set of capex is not crystallized yet, so it will not be in all fairness it's not right to kind of give any guidance. But yes, as I have guided to or we have discussed with earlier participant also that there would be incremental capex which would be coming up to keep pace of our growth momentum. So that is the intent is there. Directionally there would be additional capex, but how much, when, where, these things currently are not decided and I think it's it will be difficult for us to discuss.
- Anuj Haria:** Okay. Just another if you could just give me the breakup basically in quarter four of FY '26 and throughout the year FY '26, could you just give me the percentage of sales from solar cables?
- Management:** I have a full year number as of now. Full year number is around 18%.
- Anuj Haria:** Okay. And what was it last year if you could just tell me?
- Management:** Last year it was INR105 crores. So basically, in percentage terms it was 10%.

- Anuj Haria:** Okay. Okay. And and this year based on based on FY27 numbers, do you expect the share to increase or remain the same?
- Management:** I think it should increase marginally. So, from 18% it can go up to anywhere between 20% to 23% kind of should be the incremental share which should come.
- Anuj Haria:** Got it. And my final questions around basically as you mentioned that there was some deferment of order booking in the month of March, which is quite obvious. But let's say in the first 40 to 45 days of this financial year in April and May, are you seeing a change in mindset of people where customers are going ahead with order booking or what's the trajectory you're seeing right now?
- Management:** Yes, there is there is an acceptance which we discussed with earlier participant also. There is an acceptance of the higher raw material prices. And I also feel that there is some I mean given the criticality of the power infrastructure, it cannot be deferred beyond a point. So, because the power consumption is increasing particularly in the summers where grid has become heavy, the distribution infrastructure is under the pressure. So, it cannot be deferred for a very long time. That that is that is the sense which we have from the market.
- Anuj Haria:** Okay, okay. Thank you. That will be all from my side.
- Moderator:** Thank you. Next follow-up question is from the line of Yash from Auriga Capital Advisors. Please go ahead.
- Yash:** Hi, thank you for taking my question again. I wanted to ask that when would this new capacity be ramped up at full utilization levels?
- Management:** We would like to ramp up as early as possible. Again, it's very, very difficult to kind of provide a very hard timeline because presently it has not come live. So, to kind of envisage would not be is very, very difficult. But yes, I think we would like to once it is live, we would like to ramp it up as soon as possible. So, the market opportunity is huge. So, opportunity-wise I don't think there is a problem because the E-Beam technology which is being which the new facility will have and the renewable cable or solar cables which we are in the market for is huge. DC cables and all those things. So basically, on all the sides there the market there is no dearth of opportunity and we would like to ramp it up as soon as possible.
- Yash:** Okay. Last one, I do see that you've got a corporate guarantee from Indo Krates and also in your PPT you've mentioned that Mr. Mangal is solely focused on managing Dynamic Cables. So just to confirm, Mr. Mangal is not looking after any other business and Dynamic Cable is only his focus area?
- Management:** Yes, so basically Indo Krates is just a property holding company. It is it does not have any operations as such, any business operations. And also that guarantee is also now withdrawn. So basically, no collateral as a collateral it was given to the bank.
- Yash:** Okay, thank you.

- Moderator:** Thank you. Next question is from the line of Kushal Shah from Nexus Equity. Please go ahead.
- Kushal Shah:** Yes, thanks for the opportunity. So sir, so I have questions on the future guidance. So, basically as you just mentioned that you I mean we should be able to commence the operation from new plant in the second half of this year. So just to look at the numbers, so in H1 of this FY '27, so would we be able to see growth vis-a-vis comparing the same number to H1 of FY '26? So H1 FY '27 versus H1 FY '26 and then follow-up question on the full year guidance for FY '27?
- Management:** Sir, we are, we don't have a practice of giving any guidance, short-term guidance. In a medium to long term, we have been growing at 18% to 20% growth rate, which in the past also and which should continue in the future also. So we don't have any practice of giving any short-term guidance.
- Kushal Shah:** Okay, thank you.
- Moderator:** Thank you. Next follow-up question is from the line of Nikhil Purohit from Fident Asset Management. Please go ahead.
- Nikhil Purohit:** So sir, if just on the gross margin side, I know where you said you look at the EBITDA, but if our core products have grown 20%, then gross margin should improve year on year, right? Considering these are higher margin products versus something like lower value conductors which we have actually discontinued, even railway cables. So why the gross margin...
- Management:** That's what I'm saying sir again and again, you should not look at a quarter-on-quarter it's very, very difficult to kind of provide any kind of explanation on a quarter-on-quarter basis. If you look at on our yearly numbers, you will see the improvement at the gross profit level also and a corresponding improvement at the operating profit level also.
- Because again there it's I mean it's very, very difficult to explain 0.5% or 1% variation at the gross profit level and operating profit or the other expense level because both are interchangeable. There are lot of direct expenses which go into other expenses and when we do our pricing or when we do our costing in that some part of our direct expenses vis-a-vis and our raw material expenses both are included.
- Nikhil Purohit:** Okay. Just last question. We continue to expect 1.5x industry growth in FY '27?
- Management:** Should be, we should be able to do it.
- Nikhil Purohit:** So our long-term 18% to 20% remains intact.
- Management:** Yes, sir. Yes, sir.
- Nikhil Purohit:** All right, thank you.
- Moderator:** Thank you. Next question is from the line of Khadija Mantri from Capri Global. Please go ahead.

- Khadija Mantri:** Sir, I just wanted to know that in FY '26 did we have any substantial exports and going forward also will we be focusing on exports or given the that we have capacity constraint in the first half we would ideally be focusing on domestic market only?
- Management:** Export was I mean, export there was a slight degrowth in FY '26 exports as compared to FY '25. Again the reason was all and this March quarter, I mean the March month the exports were typically zero, non-existent and that was the reason why there was a degrowth in our export value as well. Our focus on export is always there and will be there. We are, we have always maintained that we intend to grow our share of export within our overall revenue contribution.
- However, because of unfortunately in FY '26 earlier there was some tariff problem which kind of delayed our US plans, US entry plans, which we are now re-establishing again and that should have a critical that should give a critical boost to our export program. And also the domestic market scenario is very, very conducive as of now.
- So it's always I mean we want to catch the low-hanging fruits first rather than to go on the export front. So yes, but we believe that our export share on a long-term basis should hit 10% and should increase to 15% kind of level in the medium to long term.
- Khadija Mantri:** Okay, sir. And also this capex of INR40 crores, what is the peak revenue potential it would be, 5x asset turn we can assume?
- Management:** Yes, I mean we gradually we typically do 6x to 7x our asset turns. So yes, 5x is a very conservative I mean reasonable assumption to have.
- Khadija Mantri:** Okay. And sir, also for this HTLS conductor, do we have capacity to cater to this segment in FY '27 in case if there is any opportunity?
- Management:** So the problem is not of capacity, Khadija ji, it is more related to the type testing and approvals which will have its own process time and we are, which we will have to navigate as we go into we step into FY '27.
- Khadija Mantri:** Okay. So assuming that we get the product gets type tested in FY '27, maybe in the first half, then will we be able to deliver it from our current capacity in the second half?
- Management:** Yes, yes. So if I mean if approvals are there and if we are competitive in the bids...
- Khadija Mantri:** But it's fungible, the capacity is fungible, that is what I wanted to know?
- Management:** The capacity is fungible, yes. The process is almost the same, the core changes that's all. The core technology changes, yes.
- Khadija Mantri:** Okay, sir. And this 18% to 20% growth that we are guiding, it's a value growth or it is largely in terms of volume growth?
- Management:** I mean we typically give a value growth guidance only, so that is what it is. And it's not a single year guidance, so it is a multi-year guidance.

- Khadija Mantri:** Okay, okay, sir. I understand. Thanks and all the best.
- Management:** Yes, yes.
- Moderator:** Thank you. Next follow-up question is from the line of Nitin Jain from Fair Value Equity Advisors. Please go ahead.
- Nitin Jain:** Yes, thank you for the follow-up opportunity. My question is on the solar cable. What kind of margins do we have there? Are they above company average or in line with the company average, how is it?
- Management:** In line with the company average.
- Nitin Jain:** And regarding the PGCIL approval, how is it helping us increasing the addressable market? Like will it help us to win bigger orders or how exactly is it beneficial to the company?
- Management:** So, as I was telling you that these are all stepping stones or I mean starting steps for us to enter this high voltage conductor market, whether it is the PGCIL approval or whether you look at this technology core technology tie-up. All these things are starting steps for us to explore this high voltage conductor market because we believe that in the future it is going to be the vertical expansion of the power T&D is going to be a huge opportunity for product manufacturers like us.
- And if we are able to supply the right kind of product in the market at the right time, it would be value-additive for us as a company. So this is these are all, this is the idea and I would say the thought process behind all these things, behind all the development.
- Nitin Jain:** Right. And last question is on the US opportunity. Now that the tariff situation is more or less behind us, it has dropped from 50% to about 20% now. How are we exploring this opportunity? Is it through the TS Conductor tie-up or is there anything else that we're looking at?
- Management:** TS Conductor is not for US market; it is more to do with the domestic market. US market has to we are re-establishing our links with the distributors because it is completely distributor-led market in the in the US. And we are and because of this tariff related disruption, there was a gap of around 6 to 8 months in between where all the interest of the US distributors to procure from India had dried up.
- So now when the tariffs have gone away and now there is some policy stability in the US from the US government, we are trying to re-establish our US connects and with the distributors and trying to basically we have to start afresh in in terms of our go-to-market strategy. But we have started afresh, I should say.
- Nitin Jain:** Okay, you have started afresh already.
- Management:** Yes, yes.
- Nitin Jain:** So, should we see any contribution in FY '27 from this or too early to comment?



- Management:** There I mean there should be some contribution. How much it would be, it's too early for us to comment on.
- Nitin Jain:** Right. Okay, thank you and all the best.
- Management:** Thank you.
- Moderator:** Thank you. Next follow-up question is from the line of Yash from Auriga Capital Advisors. Please go ahead.
- Yash:** Hi, sir. You recently mentioned about getting into wire business for B2B business only. I understand that there are many players in wire business already. So how would you be standing out?
- Management:** Yes, so basically again B2B, so there are two differences. Wire management in the wire business, there are two kinds of market. One is the B2C distribution-led market and one is the B2B market, which is a principal-to-principal market. We again it is, I mean again I would like to clarify that we do not wish to focus on the B2C distribution-led wire market.
- We will confine ourselves to the B2B wire market and leverage our existing DNA because in cables, we are already a B2B supplier to many of the B2B players and would like to leverage those relationships, those markets, those institutional supply capabilities to so it's just an additional add-on product which we have introduced in our bouquet of cables.
- Yash:** Margins and ROCE profile would be similar to what your existing business does?
- Management:** Too early, too early, but yes, it should I mean given our intent to be financial to maintain our discipline, it should remain same.
- Yash:** Okay, that's all. Thank you.
- Management:** Yes.
- Moderator:** Thank you. Next question is from the line of Jay Mehta from Elios Financial Service. Please go ahead. Jay, can you hear us?
- Jay Mehta:** Yes, I can hear you. Can you hear me?
- Management:** Yes, please.
- Jay Mehta:** Sir, I want to know what is the capacity utilization right now?
- Management:** So, we I mean capacity-wise we have guided for the peak capacity utilization to be around INR135 crores a month. That is the turnover capacity which we have guided at our peak level. Optimally we being a cyclical business we are and also a customized production product we have we should be able to optimally utilize around 85% to 90% of our capacities. So, this is this is the idea which I can give present as of now.

- Jay Mehta:** But the INR135 crores number which you gave, at that time the commodity prices were last year were like 50% lower than current, right? So, the commodity prices have risen like exponentially in the last seven, eight months. So, won't that number change?
- Management:** Yes, it should change. I mean again I what I'm trying to say is that but we don't kind we can't reassess our capacities now and then. Largely and it's very, very difficult to predict the commodity prices. So, it would have increased that number might have increased marginally now, but at the time of last assessment which we did, it was INR135 crores.
- Jay Mehta:** Okay. so, for the greenfield I believe you did capex of roughly INR40 crores odd and for that you were guiding 6x turnover last in last quarter, in last-to-last quarter maybe?
- Management:** Right.
- Jay Mehta:** So then also the commodity prices are low, so by 50%. Is it reasonable to assume that?
- Management:** Again, sir, I have no prediction of the commodity price. It has increased by 50%, it can decrease by 50% by the year end. So, I have no clue on the commodity price what we do. What I was saying, what the idea which I can give you is that amongst all the commodity cycles in last 10 years.
- We have been able to our average asset turn has been around six times. So that is the guidance which I can give you for future also. Now for some quarter it can be high, for other quarter it there is no clue which anybody has on the commodity prices or the movement of commodity prices.
- Jay Mehta:** Correct. And sir, there was some R&D you mentioned about on the data center cables, you were in discussion with few subcontractors and things like that. So, any update on that?
- Management:** Yes, that is an ongoing process and as we discussed in the last call also that it's not a one quarter or two quarter phenomena because data center has a lot of other things to other parameters also or evolving.
- Yes, it is a very, very starting phase of the industry and there is lot of evolutionary challenges which they are facing. So, it will take time and it's really difficult to give a quarterly guidance or a quarterly update on such kind of trends.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.
- Management:** So, thank you all the investors and thank you for showing faith and trust in us. So we look forward to hear from you soon, with all my best assurances. Thank you.
- Moderator:** Thank you very much. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect. Thank you.