



“KEI Industries Limited
Q2 FY '26 Earnings Conference Call”
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MODERATOR: **MR. ACHAL LOHADE – NUVAMA INSTITUTIONAL
EQUITIES**

Moderator: Ladies and gentlemen, good day, and welcome to KEI Industries Q2 FY '26 Conference Call hosted by Nuvama Institutional Equities. 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 touchstone phone.

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

Achal Lohade: Yes. Thank you, Swapnali. Good afternoon, everyone. On behalf of Nuvama Institutional Equities, we are glad to host the senior management of KEI Industries Limited to discuss Q2 FY '26 earnings. We have with us Mr. Anil Gupta, Chairman and Managing Director of the company; Mr. Rajeev Gupta, Executive Director, Finance and CFO. We'll start the call with the opening remarks from the management and then move to Q&A session. Thank you, and over to you, sir.

Anil Gupta: Yes. So good afternoon, everyone. I'm Anil Gupta, Chairman and Managing Director, KEI Industries Limited. Thank you for attending this investor conference call of KEI Industries. I'll give a brief about although you have the brief of our Q2 results, I'll give a brief.

Net sales in Q2 FY '25-'26 is INR2,726 crores. So growth achieved is 19.38%. However, Wire and Cable segment has grown in this quarter by 22% over previous year same quarter. EBITDA this quarter is INR311.63 crores with a growth of 31.2%. EBITDA net sales margin is 11.43% against 10.4% in the same period previous year. Profit after tax in this quarter is INR203 crores against INR154.8 crores last year. Growth in the profit after tax is 31.47%. So the profit after tax net sales margin is 7.4% against 6.78% previous year same period.

Domestic Institutional Cable sales, Wire and Cable is INR581 crores in second quarter against INR615 crores last year. Domestic Institutional Cable sale Extra High-Voltage Cable is INR128 crores against INR73 crores previous year. So the growth in this segment is 76%. Export sales in this quarter is INR472 crores, which so we have achieved all-time high Export sales of INR472 crores against INR241 crores last year with an overall export growth of 96%.

Total Cable Institutional sale B2B sales contribution, including export is 42% as against 39% in the previous year. Sales through dealer network, which is B2C was INR1,475 crores in the second quarter against previous year same period INR1,258 crores. Growth is approximately 17%. The B2C sales contribution was at par with 54% in second quarter as against 55% previous year. Sales of EPC division other than Cable is INR47 crores against previous year INR80 crores. Sales of Stainless Steel Wire is INR53 crores against INR59 crores last year.

Now I will brief about the first half summary, 6 months. The net sales is INR5,316 crores. So the growth in net sales is INR22.25 crores. EBITDA is INR609 crores, growth is 29.65%.

EBITDA/net sales margin is 11.46% against 10.81% in the previous year same period. Profit after tax is INR399.26 crores against INR305 crores. Growth in the PAT is 30.88%. The profit after tax/net sales margin is 7.51% versus 7.01%.

Domestic Institutional Cable sales is INR1,292 crores in this first half with a growth of 9%. And the growth in extra high-voltage sale is 61%. We have achieved INR244 crores against INR152 crores last year. Export sale in first half is INR846 crores against INR474 crores last year. The growth in Exports is 79%. Sales through dealer network is INR2,800 crores. The growth in B2C sale is 20%. The total active working dealer for the company as on 30th September is 2,100.

I will the present order booking is INR3,824 crores as on 30th September 2025. There is strong demand for the wires and cables. We are seeing witnessing very strong growth in our Exports and Domestic market is equally strong, but we have shifted some of our domestic capacity to the Exports, resulting into a little lower Domestic growth.

As soon as our new capacities, our new first phase of Sanand is operational by November '25, more than 50% of the capacity will come on board from December and which will add significant growth from fourth quarter onwards from Sanand to our existing operations.

I don't see any less slowdown in demand growth in domestic market because the growth is driven by energy sector, especially solar and wind projects, transmission and distribution, data centers and construction activity, which includes commercial and residential real estate and infrastructure projects.

So this is a brief from my side. I'll be ready to give any answers to whatever your queries you have. Thank you very much.

Moderator: Thank you very much. The first question is from the line of Natasha Jain from PhillipCapital. Please go ahead.

Natasha Jain: My first question is on the cable side. Can you break the number, 22.5% in volume and pricing, please?

Anil Gupta: The volume increase is in Wire and Cable segment is 15% and rest is due to price increase.

Natasha Jain: And sir, have we been able to pass this pricing benefit or will it show in the third quarter?

Anil Gupta: Yes, absolutely. I've been saying that all the retail segment pricing is revised every 15 days and more than 54% sale is through B2C network. And the B2B sale, whatever orders are there, we always keep inventory of copper and aluminum vis-a-vis our orders book, either in booking or with in the factories.

A lot of orders from B2B segment have price variation clause available with us. So we don't get any you can see from our margins, EBITDA margins over the last 15 years, commodity price goes up and down, but our margins are not impacted because of the increase or decrease in the prices.

- Natasha Jain:** Understood, sir. And one more question. There was a notice in the exchange from the monitoring agency saying that there has been some fallback in terms of capex and therefore, there is a delay. Can you help us understand how much delay in terms of Phase 1 and Phase 2? And would that mean that in quarter 3 and 4, we will be restricted at around 20% top line growth?
- Anil Gupta:** The first phase delay is close to 4 months. It is mainly because of the challenges faced during increased tenure of rains in Gujarat and also challenges from the contractor side because of the labor shortages. But now the first phases, which contributes more than 50% to the capacity of the total plant will be operational definitely by in November. It is now we have already started the trial runs. And by November, commercial production will come out.
- And so far as Phase 2 is concerned, which consists of mainly extra high-voltage cables and medium-voltage cables, that is delayed by approximately 9 months. It is mainly because of the complexities faced in construction of vertical tower of 158 meter, that is around 550 feet towers on which machines will be erected.
- This extraordinary construction activity was complex. And truly speaking, no architects or consultants or contractors had much experience in building making this type of construction. So hence but now the designs are set, we have already reached to approximately 32 meter of the tower height, and now it is going smoothly. So there won't be further delay what we have said, projected in our commentary.
- Natasha Jain:** Understood, sir. So at least average of 4 months delay means at least the second half, which is usually stronger will probably lag in terms of growth? So can you just help us understand what the growth can we expect? Are we in line to meet our annual guidance? Or could there be some fallback in terms of top line growth?
- Anil Gupta:** We had guided 17% to 18% growth for FY '25-'26. And I assure you that our growth will be more than that. And we will definitely cross 20% growth over and above last year.
- Moderator:** The next question is from the line of Anupam Goswami from SUD Life.
- Anupam Goswami:** Sir, with the process of now delay in Sanand plant, where our EHV and MHV as well as LT cables, where do we see the mix in the next 2 years? And sir, beyond that, what sort of demand are you sustaining? What's your probable growth or what are you seeing in the demand sustaining?
- Anil Gupta:** This business will continue to grow for next several years because of the infrastructure demand and growth in the energy sector. Energy growth in the solar, wind and energy consumption sectors will continue to drive the demand of our products. You can see from the data that how much new capacities are planned in solar, wind, even thermal power generation, battery energy storage projects, which are linked with solar projects. And also the projects will be which will use this energy.
- So this energy has to be carried by cables only to the consumption projects, consumption centers, whether it is industrial or residential or infrastructure. So the data centers will be a good growth

drivers for the cable industry. And we hope that with the increased economic activity in the country, in India as well as in the world, the demand for wire and cable, electrical wire and cable will grow substantially.

Anupam Goswami: And sir, capacity mix after the Sanand plant and what sort of revenue are we from the Sanand plant, what sort of revenue are we expecting FY '26 and '27, given the delay?

Anil Gupta: See, once full project is completed, we have estimated a revenue of around INR6,000 crores from the whole project. With the commissioning of first phase of this first phase in Sanand in November '25, around 50% of the capacity will come on board, which means around INR3,000 crores of new capacity will come on board, which will be gradually convert into revenues from the fourth quarter onwards and in the next financial year, because the capacity ramp-up and the stabilization of production will be gradual.

Rajeev Gupta: But the overall growth guidance, which we have given earlier, that will remain the same in the current year as well as for the further years also. So future year guidance was 20% to growth. We will be maintaining that guidance.

Anupam Goswami: Okay, sir. And sir, your capacity mix lastly after the Sanand plant?

Rajeev Gupta: Capacity, because out of INR6,000 crores, which Anil has just spoken, it's close to INR1,200 crores belongs to extra high-voltage and INR4,800 crores will be for low-voltage and medium-voltage power cable over there.

Moderator: The next question is from the line of Mr. Saumil Mehta from Kotak Mutual Fund. Due to no response, we will move ahead with our next participant. Now I would like to invite Mr. Praveen Sahay from PL Capital.

Praveen Sahay: My first question is related to the export because in this quarter, the export has been very good. And even in your media interaction indicated around 18% to 19% of our export contribution to be in the future.

Rajeev Gupta: Hello. Praveen, your voice is not clear.

Anil Gupta: Your voice is cut. I think we are not able to hear.

Rajeev Gupta: But he was asking about export.

Anil Gupta: But he was his question was regarding export. So I didn't hear the full question. So I don't know what was the question? Can you repeat the question, please?

Moderator: Mr. Mehta?

Rajeev Gupta: Mr. Praveen.

Anil Gupta: Mr. Praveen Sahay from PL, Prabhudas Lilladher.

- Moderator:** I'm so sorry to interrupt. I believe he has left the chat. So moving ahead, now I invite Mr. Jai Chauhan from Trinetra Asset Managers.
- Jai Chauhan:** So sir, I was just trying to understand the value chain of the EHV and the prospect of the EHV for the current business. So I just wanted to understand what is the current order book that we have for EHV?
- Rajeev Gupta:** INR636 crores is the current order book for the extra high-voltage power cable as of now.
- Jai Chauhan:** And sir, what is the current capacity that we have for EHV?
- Rajeev Gupta:** Current capacity is close to INR650 crores.
- Jai Chauhan:** Okay, okay. And sir, can EHV cables can be made in the same plant that we have and or do we need any specialized thing that we are trying to make in Sanand?
- Rajeev Gupta:** So Sanand, we are making the extra high-voltage power cable through the vertical tower. Here, we are making it through the catenary machines.
- Anil Gupta:** And also the Sanand plant is for extra high-voltage cable will be highly export oriented. We have taken care of all the technical aspects of the cables, which are required for in the different export markets. Also, it will take care of the all the technical requirements of the Indian domestic market as well of the Indian customers, up to 500 kV voltage grade.
- Jai Chauhan:** Understood, sir. So are there any certifications or pre-qualifications with large global utilities that we are currently underway to ensure swift ramp-up once the facility is operational in FY '27?
- Anil Gupta:** Sir, we already have a lot of pre-qualification and certification from many international countries for our existing extra voltage facility at Chopanki. And for Sanand, the process of certification has been initiated and it will be and the same certification what we have and experience what we have for the existing plant will be relevant for our new plant as well.
- Jai Chauhan:** Understood, sir. Got it. And sir, my second question is like you mentioned in the past as well that you have historically managed competition well and it's a good growing market. So there's ample space. But have you is there any since several large and well- capitalized industrial groups are making significant investments, is there any change in your strategic thinking around pricing and dealer relationships over medium term?
- Rajeev Gupta:** No, sir. There is no strategic change in the mind. We are already enhancing our reach towards the dealer distributor network. We are enhancing the reach towards the export market. So that's how we are open. In the past, we have opened the U.S.A. and European countries. That's how these kind of export are there in the books because we are creating a new big capacity.
- So we need to have extra market from the retail, from export, from institution. So that's how these are the process to go and to increase our sales for future also. So that's why the 20% growth

rate we have projected for next 3 to 5 years. So these are the processes and going to the newer markets so that we will not missed from the growth perspective.

Jai Chauhan: Sure, sir. Understood. Thank you. That's it from my side. Thank you.

Anil Gupta: The purpose of diversification of markets is that even if there is a slowdown in any particular market, our company's growth is not slowed down.

Moderator: Thank you. The next question is from the line of Akshay Gattani from UBS. Please go ahead.

Akshay Gattani: Hi, sir. In your opening remarks, you mentioned about data centers leading to demand. So just wanted to understand how much revenue currently coming from data centers and what types of cables are you supplying here in data centers?

Anil Gupta: See, I don't have at the moment exact figures about data centers, but this is I can say it is substantial. And in data centers, mainly it is a combination of cables, right from extra high-voltage cables, which are required to feed incoming power to a big data center and then the medium-voltage cable for mediocre level data centers.

And inside the data center, they are mostly copper cables which are mostly copper flexibles and copper power cables and as well as copper control cables. I can't I mean, I'm not a data center expert that we can explain the combination of it. But all kind of cables, what we manufacture goes into a data center.

Rajeev Gupta: But generally, the cost of projects of data center require around 8% to 9% of the wire and cable cost.

Akshay Gattani: Got it, sir. And all this whole 8% to 9% SKUs are available with KEI?

Rajeev Gupta: Yes.

Akshay Gattani: And second last question, sir, on the export business. How much revenue is coming from newer geographies which you have added and what will be the broader product mix for exports like is it EHV and HT-heavy or it's across all the products?

Anil Gupta: It is mainly in export market, we are supplying cables, which is EHV, medium-voltage HT cables and also low-voltage cables. And also one bigger chunk is for control and instrumentation cables, which is used in oil and gas sector, fertilizer plants and process plants like chemical plants. So that is our big chunk, segment of exporting.

Rajeev Gupta: Sir, from the newer geography, almost 25% of the total exports came in this year like U.S. and...

Akshay Gattani: Yes. Thank you.

Moderator: Thank you. The next question is from the line of Pulkit Patni from GS. Please go ahead.

Pulkit Patni: Sir thank you for taking my questions. Sir my first question is, as I look at the total active dealer, typically you see about 30, 40 increase quarter-on-quarter. This time you have 250 dealers that

have increased between Q1 and Q2. Any special drive that we are doing to sort of grab dealers before there's more competition coming in or maybe I'm reading too much into it because I see the number at 2,343, which is actually 250 dealers more than what you had last quarter. That's question number one, sir?

Rajeev Gupta: Even in the March also, there was 2,082 dealer distributors. As of now, we are having only 2,100 dealer distributor.

Pulkit Patni: No, sir. 2,343 is what I see active working dealers. That's why the question?

Rajeev Gupta: 2,100.

Pulkit Patni: Okay. Maybe there's something wrong in my understanding. I saw 2,343. Sir, my second question is FY '26 is very clear. There's a quarter delay. Guidance remains unchanged. You've done well in the first half. But when I look at FY '27, where there's going to be a bunching up of a lot of this new capacity that gets added, I don't see why your growth should not have been better than just the 20%. So any sort of incremental color that you would want to throw on that? Also, sir, I just checked the presentation, actually, it says 2,343. So maybe there's a mistake in the presentation?

Rajeev Gupta: Okay.

Pulkit Patni: Sorry, go ahead, sir.

Rajeev Gupta: No, that is 2,343 is the value, not number of dealers.

Pulkit Patni: No, the total active working dealer of the company as on 30/9/2025 was 2,343 numbers. That's why.

Rajeev Gupta: Anil ji, correct me because that is the value INR2,343 crores is the revenue and 2,100 is the dealer.

Anil Gupta: And your question was about the higher growth in FY '26-'27. Once this new capacity comes up, our aim will be to achieve higher growth. But at this moment, we are committed for a guidance of 20% growth in FY26-'27. And as the projects plant start our aim will be to adding production and markets may take a little time. You can build a plant and capacities in one go, but creating markets may take some time.

Pulkit Patni: Very fair point. Thank you. That's it from my side.

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

Praveen Sahay: Sorry about the last time. So my question is, sir, related to the export. As on the Y-o-Y side, if I look at 11% of a contribution reached to 17%. And also you highlighted the HT extra high-voltage and control cables are the major product you export. Even all these like 11% to 17%, even the product is HT, EHV, your HT cable declined for a quarter. So how to read that? If I

look at HT and EHV clubbed together, that is also together, revenues declined Y-o-Y. So how to read these numbers, if you can explain?

Anil Gupta: I think it is mainly because of a lot of un-cleared finished goods which could not be dispatched due to the reasons attributable to the customers. That's the only reason.

Rajeev Gupta: But basically, Praveen, year-on-year comparison, basically, last year, we were not having sufficient sale in EHV. So that EHV capacity was utilized for HT power cable.

Praveen Sahay: Right. Right. Okay, sir. Second thing, if you can give some color on the domestic volume as well because the cable, you had said a 15% overall volume growth. How is the domestic?

Rajeev Gupta: So, domestic market is also very strong, along with the export because export we have created last year new geography. So to maintain that geography, as Anilji has said, he allocated the capacity towards export because that is a newer market for us. Since we are going ahead with a large capacity addition, so additional market need to be there. So that's how this capacity was sold to export market more than the domestic market.

This doesn't mean that the domestic market is anyway weak. It is a very strong market. We are having close to INR2,100 crores order book pending order book as of date from the domestic institutional market. Market is very strong.

Praveen Sahay: Okay. And last question, sir, related to the Housing Wire and Winding Wire, where the contribution reached to around 33%, 34%. So, do we see this contribution in the coming years to increase further?

Rajeev Gupta: Sir, always, as we communicate to you that difference between the geographies like sometimes export will be higher, sometimes retail will be higher, sometimes institution will be higher. Same case with the product-wise. Sometimes EHV is low or EHV is higher, sometimes wire is low, wire is higher, sometimes LT, HT is low and higher. So these kind of interchange intermix will always be there in future also.

But overall growth target, which we have given this year for 17%, 18%, we are already surpassing those targets. For the future years, we have guided already that next 3 to 5 years, we will be maintaining a 20% plus CAGR growth. It still we will be maintaining a 20% CAGR growth.

Praveen Sahay: Right, sir. Got it.

Rajeev Gupta: For the individual product-wise or individual market-wise, we can't comment.

Praveen Sahay: Right, sir. Got it. Thank you and all the best. Thank you, sir.

Moderator: Thank you. The next question is from the line of Mr. Saumil Mehta from Kotak Mutual Fund. Please go ahead.

- Saumil Mehta:** Yes. Thanks for the opportunity. Two quick questions from my side. When I look at this particular quarter, the Domestic business growth seems to be very muted at about 3%-odd growth. Now even if I adjust and adjusting for that, the price increase, the volume would have actually been flattish or even a decline. So is my understanding correct? And was this more consciously led given you would have...
- Rajeev Gupta:** I will brief you. First of all, volume driven by the copper and aluminum. Sometimes aluminum order is more, sometimes copper order is more. As Anil said, that in export, majorly we are asking for the copper.
- Saumil Mehta:** Sure.
- Rajeev Gupta:** So in this quarter, copper increased by 18% and aluminum increased by 3%. Copper price is 3x higher than the overall with the aluminum. So that's why the production got increased in value terms by 22%. So the combination mixing, which was aluminum was earlier 58% and copper was copper cable was 42%.
- Now the copper has reached to 45% and aluminum has gone down to 55% overall product mix. So this kind of interchanging in the mix will always be there, as I said earlier, within the product, within the segment and within the geographies also like export and India.
- Anil Gupta:** Because we don't know which one from where the order is coming and which customer is taking, but there will always be a variation in this.
- Rajeev Gupta:** So for us, important is how to utilize the capacity and maintain growth.
- Anil Gupta:** And there is no question of domestic market being new. It is only we have allocated more capacity towards export because we had opportunities and it is important to create new geographies because of the upcoming new capacities we are having getting in Sanand. So we have to create the markets overseas so that our capacities are utilized.
- Saumil Mehta:** Absolutely clear. So in that case, sir, Rajeevji, when you mentioned a 15% volume growth for the quarter, would it be possible to quantify a ballpark what would be for the domestic?
- Rajeev Gupta:** No, no, sir. We cannot quantify that domestic because in domestic, we are having the value terms now.
- Anil Gupta:** And overall volume growth in first 6 months is around 15%.
- Saumil Mehta:** 15%, okay. And my second question was sir...
- Rajeev Gupta:** Because of the copper and aluminum mix change.
- Saumil Mehta:** Perfect. Perfect. And sir, going into '27, how should we look at margin? Now the idea of asking this is while our Exports and EHV are growing, obviously, that is, I believe, a slightly better margin compared to other products. Going into '27, the base will also become unfavorable, and

there seems to be some delay at Sanand as well. So I mean, what kind of margin expansion one should build going into '26-'27?

Rajeev Gupta: Sir, '26-'27, the same kind of margin we will be having the kind of margin we were having in '24-'25 and '25-'26. So the same margin will be there, but the growth will be more than 20%.

Anil Gupta: And more than around 50% of the capacity will be on board by November this year in Sanand.

Saumil Mehta: Perfect. Perfect. And last thing, any margin expansion, if at all, will be more in '28 once the entire capacity gets commissioned in Sanand. Would that be a fair assumption?

Anil Gupta: Definitely, there will be a margin expansion by 1% to 1.5%.

Saumil Mehta: Okay. Perfect, sir. Thank you so much and all the best for subsequent quarters.

Anil Gupta: Thank you, sir.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good afternoon, sir. Thank you so much for the opportunity. The HVTC opportunity is significant, but it required at least a 2-year prequalification process. I just want to understand what are the specific technical and certification milestones for the next four quarters we have planned? And which global projects or utilities we are targeting for initial HVTC cable supply upon successful certifications?

Rajeev Gupta: Normally, these are the processes we are going through since last 20 years in the company. We have grown various projects in the past. So the same way we will be doing this project also. So these are the regular ongoing process to add new customers, new approvals, new geographies. So for us, these are not new. So these are the regular processes. So that's why we are continuously repeating that the growth rate of 20%, which we have given you earlier, we will be maintaining.

Balasubramanian: Okay, sir. Sir, B2C contributes nearly 51% of sales and growing at 20%. And this institutional B2B channels grew even faster, nearly more than 30%. And like what kind of optimal medium-term to long-term mix between these two segments? And how does this align with higher margin potential from Institutional and Export segments?

Rajeev Gupta: So normally, with respect to margins, in our case, only 0.5% margin is higher in the case of retail. So margin is not very different. Normally with our kind of organization, we are happy to maintain a 50% sales through retail and 50% sales through institution, including the export market. But sometimes it will be a little higher or little lower. But normally, the 50%-50% will be there.

Balasubramanian: Okay, sir. Sir, our finance facility is majorly focused on export side. And but our current export side, as you look at on the U.S. are nearly INR150 crores to INR160 crores kind of range we have exposure. Based on the current tariff -- uncertainty in tariffs, which are the specific geographic regions we are targeting, like Middle East, Australia, Africa or Europe? And which

are the regions are prioritized over the next 12 to 18 months? And what are the concrete go-to-market plan for each regions?

Rajeev Gupta: So for us, the matter is how we are utilizing the capacity. Whether we are selling to domestic market or we are selling to export market, that is the second part. So our first priority is to grow 18% to 20% range. That's how we are focusing on all the markets, whether it's Exports or Retail or Domestic Institutional.

From where we get the order first, we are utilizing our capacity there only because margin is only 0.5% differential. So for that, we are not very fussy about that, we will only export or we will do only the retail. So we are going ahead with all the markets. And from where we are getting the order, first, we have to execute it first. So for us, more important is to utilize the capacity.

Balasubramanian: Okay, sir. Sir, lastly, EPC segment side. In this quarter, we have seen like significant degrowth. Is there any -- is that we are planning to completely exit this business or want to maintain minimal presence for strategic reasons?

Rajeev Gupta: Normally 2%, 3% as far is coming from EPC...

Anil Gupta: We will be able to -- our aim is to maintain INR400 crores to INR500 crores sales in the EPC segment. That is our goal on a yearly basis.

Moderator: The next question is from the line of Rahul Agarwal from Ikigai Asset.

Rahul Agarwal: Sir, three questions. Firstly, on margins. I mean, people always ask you that how will the margins be going forward, and we've been very vocal about it, that margins will improve going forward once the mix improves and new plant comes up.

Just wanted to understand, even when we -- such quarters like just gone by, where we see more Exports, more Housing Wire growth, lesser of EHV growth, HT, LT contribution is lower. Our margins are still hovering around 10%. Any comments on this? Like despite mix change, margins don't really change?

Rajeev Gupta: Sir, as we already spoke to in the past also because something or other thing is happening. So these kind of margins, 10% to 10.5%, will remain there. And once the EHV and the full operational of the Sanand plant is there, then 1% to 1.5% margin, EBITDA margin will get improved mainly because of economy of the scale.

Rahul Agarwal: Got it. Second was on Housing Wire. I think we are soon reaching like INR1,000 crores run rate in sales per quarter. Our brand spends, when I see last year, we incurred INR50 crores. Incrementally, building this brand on the wire side, obviously, you've done a commendable job in terms of scaling up this business over the last 3 years. Any thoughts in terms of incremental branding and spend? How would you want to go about this?

Rajeev Gupta: So same type of branding expenses will be there, almost 0.5% we are spending on the brand. So the same kind of spending in 0.5% of the revenue will be there.

- Rahul Agarwal:** And IPL sponsorship? And any other thought in terms of getting more customer now, sir?
- Rajeev Gupta:** IPL, we've been doing since last 9 years, and IPL will be continuing.
- Rahul Agarwal:** Okay. And lastly, just on the renewable consumption of electricity at your own manufacturing plants. I'm not aware of what is the ratio right now. Just wanted some comments on how are you looking at the Sanand plant?
- Rajeev Gupta:** As of now, all the plants, we are having the rooftop energy through the solar. So that is there.
- Rahul Agarwal:** Just wanted to know for the Sanand plant, is there something where we should see some savings on electricity? Because over there also, is there a higher proportion of renewable energy?
- Rajeev Gupta:** So renewables will be only through the rooftop only or unless until we connect some through...
- Anil Gupta:** No, no, we are working on a tie-up with some solar developers for a combination of solar and wind power over a period of next 15 to 20 years agreement. So I think we will conclude those such agreements in next 2 to 3 months. So that will save us the power cost.
- Moderator:** The next question is from the line of Sandesh Shetty from HSBC.
- Sandesh Shetty:** Sir, can you give the order book breakup that you usually give? My first question is that.
- Rajeev Gupta:** The EPC order book is INR484 crores. Extra high-voltage power cable is INR636 crores. Cable domestic institution order book is INR2,068 crores and export cable order is INR636 crores. Total order book is INR3,824 crores.
- Sandesh Shetty:** And sir, one thing -- one question on the order book, sir, it has been fairly flat for some time now. So any thoughts on that? Will we see growth in coming quarters?
- Anil Gupta:** There 54% of the business, which is done through B2C, such orders are executed maximum within 15 days. So those orders are never added in the order book. Order book is only for Institutional B2B sale and EPC.
- Sandesh Shetty:** Okay. Understood. And sir, one last question. Sir, this quarter, we have a very good exports. What would be the key end markets for the Exports business, like where this export cable going to?
- Anil Gupta:** Our exports are majorly going to Australia, Middle East, especially Abu Dhabi, Kuwait, etc. And all of the Middle East. Then we are exporting to Africa. We are exporting to -- now we have some developed a few customers in Europe as well and U.S. U.S., we did last year around INR160 crores of Exports, and we are sure that once this tariff matter is resolved, our export to U.S. will recommence the strike.
- Moderator:** The next question is from the line of Dhruv Jain from Ambit Capital.

- Dhruv Jain:** Sir, just one question. If you could just give us the data for the existing plant capacity utilization. And for FY '27, how much of the growth could come from the existing setup apart from the Sanand plant?
- Rajeev Gupta:** Capacity utilization was 78% in Cable division and 65% in House Wire division, 85% in SS Wire division and 46% in the communication cable.
- Dhruv Jain:** So sir, I mean incrementally for next year's growth that you're talking about. The 20% growth that you're talking about, I mean, broadly 5% to 7% would incrementally come from the existing capacity. Is that understanding correct?
- Rajeev Gupta:** Yes. Because the wire is not there in Sanand. Wire is only in the Silvassa plant.
- Dhruv Jain:** Okay. And sir, just one clarification. So this order book that you spell out, what's the execution time line for that?
- Anil Gupta:** Normally, cable orders, we execute maximum within 4 months. And EPC orders are -- there is a time line of normally 18 months.
- Dhruv Jain:** Okay. And this order book incrementally will start building up as the Sanand plant comes on stream, right? Is that understanding correct?
- Anil Gupta:** Yes. No. It will be mostly B2B, wire and cable orders of B2B Institutional sale and also the EHV order.
- Moderator:** The next question is from the line of Kunal Sheth from B&K 360 One.
- Kunal Sheth:** Yes. Hi, sir. My questions were related to margin. They have been answered.
- Moderator:** The next question is from the line of Nikhil Purohit from Fident Asset Management.
- Kunal Sheth:** Yes. Sir, my first question is, sir, with Phase 1 of the Sanand facility coming on stream and around INR1,000 crores of the capex being deployed this year, which will, of course, significantly expand the gross block. How should we think about the step-up in fixed costs, such as like overhead, maintenance, other expenses, like over the next year or so, how might that trend look like?
- Rajeev Gupta:** So next year, we are utilizing the capacity. So all the expenditure and overhead will be recovered from that. So next year, we are planning to take the topline of more than INR2,000 crores to INR2,500 crores from the Sanand plant.
- Kunal Sheth:** So how would the -- like the other expenses and employee -- like how the employee cost that...
- Rajeev Gupta:** It will be the same because we are already existing manufacturers of the wire and cable. And we will be adding the manpower depending on the utilization so that we will not incur extra overhead.

- Kunal Sheth:** Okay. Okay. And for the full year, what ratio do we see for exports to domestic as a percentage of total sales in this year and next year?
- Rajeev Gupta:** So normally, this year, close to 13%, 14%, we are trying to reach our export.
- Anil Gupta:** No, no, more than that, around 18% of our sales through exports in the next financial year.
- Kunal Sheth:** For FY '27 you've said?
- Anil Gupta:** Yes.
- Kunal Sheth:** Okay. Okay. And can you give me the volume growth individually in wires and individually in cables for this quarter?
- Rajeev Gupta:** Sir, we have the mixed plants now. So individually, the product-wise volume cannot be given because we have the metal consumption actually. On that basis, we are giving you the data.
- Kunal Sheth:** The copper and aluminum that you talked about earlier?
- Rajeev Gupta:** Yes. Yes. Because within the same plant, we are manufacturing wire and cables.
- Kunal Sheth:** Okay. Okay. Got it. And the cable to wire breakup in the B2C, is that possible to give the breakup or cables to wires, B2C segment, the distribution?
- Rajeev Gupta:** See, B2C segment, almost 55% is the wire and 45% is the cable. But sometimes, it reverse also.
- Kunal Sheth:** Okay. So this time, it is 55-45?
- Rajeev Gupta:** Almost. Almost, it is in the range of 50-50, but sometimes 5% either higher or sometimes 5% even higher.
- Moderator:** The next question is from the line of Vijayant from Bharti Axa.
- Vijayant:** Yes. Hi, sir. Sir, we have seen some moderation in domestic volume growth, right? Is it just capacity constraints? And once we expand capacity, that should pick up again or is there something else here?
- Rajeev Gupta:** It's only a capacity constraint. That's why we are growing 18% to 20%. Now 15% to 20%, whether we can grow from domestic or we can grow from export or we can grow from retail. So it does not matter to us. Ultimately, we have to grow. Which market does not matter. It is not the clear that the demand is weak. Demand is very strong in the current market, because the other companies are also working in the same market. So everyone is growing.
- Vijayant:** Sure, sir. And if you can just help me with the capacity utilization numbers, I may have missed that.
- Rajeev Gupta:** So capacity utilization is 78% in cable division and 65% in house wire and 85% in SS wire division.

- Vijayant:** So sir, these utilization levels could domestic growth not have been higher? I mean you are flat, right, in terms of capacity?
- Rajeev Gupta:** So see, capacity percentage calculated in terms of kilometers. When the higher volume like extra high-voltage goes, then the capacity in terms of the kilometer will be low as compared when the more cable sales through the low-voltage and medium-voltage. So it is not the exact reflection of the sale, because this calculation is based on the kilometer. But as for the high voltage power cable rail will be 6 times higher than the low voltage or maybe more than that, 10 times higher. So that's why the value growth is important in the case of wire and cable industry.
- Moderator:** The next question is from the line of Pulkit Patni from GS.
- Pulkit Patni:** Sir, just a follow-up. I'm not sure if I heard that right. Sir, 15% volume growth is for second quarter or is it for first half?
- Rajeev Gupta:** First half.
- Pulkit Patni:** First half is 15%. And your first quarter from what I have in my notes, it was 28% to 30%. That's right?
- Rajeev Gupta:** Yes.
- Pulkit Patni:** Okay.
- Rajeev Gupta:** Sometimes see, volume depends on aluminum and copper actually.
- Pulkit Patni:** No. No.
- Rajeev Gupta:** That's why I – yes, combination of these.
- Pulkit Patni:** That's clear. Clear sir. Clear sir.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.
- Anil Gupta:** So, thank dear colleagues. Thank you very much for joining this conference call. I hope that we are able to answer all your queries. If you have any other queries, please feel free to reach out to us. Thank you so much for trusting us.
- Rajeev Gupta:** Thanks, everyone.
- Moderator:** Thank you. On behalf of Nuvama Institutional Equities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.