

KSH International Limited

[Formerly known as KSH International Private Limited]



INTERNATIONAL

May 30, 2026

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
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Mumbai - 400 051

BSE Scrip Code: **544664**

NSE Symbol: **KSHINTL**

Sub.: Transcript of the Earnings Conference Call held on Tuesday, May 26, 2026 in respect of the Company's standalone Audited Financial Results for quarter and financial year ended March 31, 2026.

- Ref.: 1. Regulation 30 and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");**
- 2. Intimation of Earnings Conference Call dated May 07, 2026 ("Earnings Call Intimation"); and**
- 3. Intimation of Audio recording of Earnings Conference Call dated May 26, 2026 ("Audio Recording Submission").**

Dear Sir/Madam,

Pursuant to above-referred Listing Regulations and in continuation to the Earnings Call Intimation and Audio Recording Submission, we are pleased to submit transcript of the Earnings Conference Call held on Tuesday, May 26, 2026, in respect of the Company's Standalone Audited Financial Results for the quarter and financial year ended March 31, 2026.

The transcript has been hosted on the Company's website at: <https://kshinternational.com/investor-relations/transcripts/>.

You are requested to take this intimation on record.

Thanking you,
For KSH International Limited

Nakul Shivaji Patil
Company Secretary and Compliance Officer
Membership No.: A39990

Encl.: As above.



KSH International Limited
Q4 FY26 Earnings Conference Call

Event Date/Time : 26/05/2026; 11:00 hrs.
Event Duration : 58 minute 59 seconds

Corporate Participants:

Mr. Rajesh Hegde
Managing Director

Mr. Amod Joshi
Chief Financial Officer

Mr. Dhruv Chopra
Head, Investor Relations

Mr. Nakul Patil
Company Secretary and Compliance Officer

Mr. Gulshan Singh
Sunidhi Securities

Q & A Participants:

1. **Mohit Kumar** : ICICI Securities
2. **Dikshi Jain** : Incred Research
3. **Surya Narayan Nayak** : Sunidhi Securities
4. **Mahesh** : LIC Mutual Fund
5. **Jay Shah** : HDFC Securities
6. **Govind Chellappa** : CSIM
7. **Vinayak Kariwal** : Xponent Tribe
8. **Lovish Soien** : Burman Capital
9. **Rutu Chavan** : Phillip Capital
10. **Pranav Jain** : Ageless Capital
11. **Jenish Karia** : Union Mutual Funds
12. **Chirag Jain** : Spark Capital
13. **Vandana Rathi** : Korman Capital
14. **Purva Jhaveri** : One Up Financial Consultants

Moderator

Good morning, ladies and gentlemen. I'm Madhuri, moderator for the conference call. Welcome to KSH International Limited Q4 FY26 Earnings Conference Call. As a reminder, all participants will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touch-tone telephone. Please note, this conference is recorded.

I would now like to hand over the floor to Mr. Gulshan Singh. Over to you, sir.

Gulshan Singh

Thank you, ma'am. Good morning and very warm welcome to everyone. On behalf of Sunidhi Security, I welcome you all to KSH International Limited Q4 and FY26 Earnings Conference Call. Today, we have with us the management represented by Mr. Rajesh Hegde, Managing Director; Mr. Amod Joshi, Chief Financial Officer; Mr. Dhruv Chopra, Head of Investor Relations; and Mr. Nakul Patil, Company Secretary and Compliance Officer. We thank KSH International Limited for giving us the opportunity to host the call.

Now, I would like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q & A. Thank you, and over to you, Rajesh sir.

Rajesh Hegde

Yeah. Good morning, everyone. This is Rajesh Hegde, Managing Director for KSH. I extend you a warm welcome to our fourth quarter fiscal 2026 results call. I am extremely pleased with the execution and momentum this year, and it sets the stage for us going into fiscal 2027 and beyond.

Our fourth quarter and full-year financial results along with supporting information have been submitted to the exchanges and have been uploaded to our website. On today's call, I would like to focus on some of the strategic developments and demand trends we are seeing, as well as some of the key developments and operating performance of the company, including a status update on our SUPA project. Amod will then discuss the financial and operating metrics for Q4 and full-year FY26.

To refresh all, KSH International is a 45-year-old manufacturer of magnet winding wires, which is the most critical components of coils used in large and small electric machines, from power transformers down to the smallest compressors for air conditioners and everything in between. We are the leading manufacturers of specialized winding wires in India and the largest exporter of winding wires from the country.

Our installed capacity at March 31st, 2026 was 43,445 metric tons, and once Phase II of our Supa expansion is complete, we would have an installed capacity of roughly 59,000 metric tons. We are a B2B company

servicing over 120 leading domestic and global OEM customers and maintain long-term relationships with these customers resulting in repeat revenue above 95% during FY26.

Additionally, our business is make to order, which means we procure the copper and begin processing only after receiving a purchase order from the customer. Thus, LME copper price and exchange rate is a direct pass through, and we do not take any exposure to short or long-term variations in the copper price.

Roughly 75% of our revenues comes from large power transformers used in T&D, renewables, railways and data centers, driven by our core continuously transposed conductors or CTC product in which we are the market leaders in India. CTC is a complex engineered product and all of our exports are exclusively to T&D customers across four continents.

So, what is our competitive advantage for CTC? Being the first company to introduce and scale CTC in India 20 years ago, we have the most robust approvals and the longest track record of actively deployed transformers in the field across classes and across continents. Over 20 years we have refined, efficient and integrated production lines, which allow us to turn around an order in 15 to 20 days, which increases throughput and also improves profit.

We focus on ultra-precision technology to improve quality and lower losses for our customers, ultimately saving them even more than the cost of the product itself over time. Our special-purpose machines are built as per our own specifications and that takes years of experience to achieve such stringent quality standards. We also have long-standing relationships with all the leading transformer OEMs in India and abroad, which is built on years of trust and execution.

By now, most people acknowledge that the T&D sector is in a structural long-term cycle, driven by renewable energy, grid modernization, urbanization, and growing power demand for the AI data centers.

This is not just an India phenomenon, but a global one. The primary bottleneck is the supply of all types of transformers, which is driving the capacity expansion by OEMs globally. This directly feeds into demand for our products. At this point, it is worth noting that should all this transformer capacity come to market over the next three to five years, the whole supply chain, including magnet winding wires will still have a lot more capacity expansion to do to keep up with the demand.

With this demand backdrop, some of our large transformer clients have also begun to explore long-term multi-year agreements to ensure predictability of supply as they ramp up their capacity. We are evaluating the strategic and financial implications of this model, as well as our need to maintain our ability and capacity to attract and service new customers.

Looking at our export performance in Q4 of FY26, our export revenue increased at an incredible 92% YoY rate, accelerating from 37% growth in Q3 of FY26 and 22% in the quarter before that. Specialized wire revenues overall also grew 103% YoY compared to 50-60% growth in the prior two quarters. So

domestically as well, we continue to outpace the market. Specialized wires represented approximately 75% of revenue in both FY26 and FY25.

Speaking of new customers, with our capacity available now, we are working with a number of new global transformer clients predominantly across the Americas and Europe as seen by our export growth performance in Q4. For most, initial quantities are modest to test us out, but they have the potential to scale up over time.

In India, we already work with most of the large power transformer OEMs, and thus the focus domestically is to maintain and grow wallet share. Domestically, we have added a number of standard wire clients as well, particularly as capacity has ramped up in Supa. As we have stated, our focus for standard wires is predominantly in select end-use industries such as EVs, AC compressors, motors, etc., where precision technology plays a critical role.

Let me briefly touch on recent events in the Middle East. Like every company, directly or indirectly, we also faced some impact. However, none of the repercussions were material to us specifically. I think it is important to note that we serve six to seven countries in the Middle East, so any effects were on a country-by-country basis. We had some shipments to customers deep in the Gulf that got stuck, but ultimately were rerouted, so the impact was a delay of a few weeks.

Our Supa expansion continues to remain on track for FY27 completion. We ended FY26 with 43,445 metric tons of annualized capacity, which is available now for the full year. We expect the next set of new capacity to come online around Q2 of this year. Consolidated company utilization was approximately 70% during Q4.

Earlier this month, we completed another one of our IPO objects by commissioning our 3.2 MW rooftop solar project in Supa, bringing the total company solar production capacity to 4MW. These projects are for captive use and are expected to reduce power costs for the operating businesses as well. In addition, our green copper backward integration project has also made progress, and we expect to commence this facility during H2 of FY27.

Overall, sales volumes were approximately 7,600 metric tons in Q4, up from 7,400 metric tons in Q3 and 5,900 metric tons a year ago. Volumes would have been higher had we been able to deliver some of our Middle East export shipments during the month of March, which we have been able to eventually deliver in April. Nonetheless, volumes grew 29% YoY, which is again at its highest levels in many years.

Revenues and volumes only make up one part of the story. Revenue ultimately needs to translate into bottom line contribution. In Q4 of FY26, we reported an EBITDA per ton of approximately INR 74,000, up from roughly INR 64,500 in Q3 and 60,000 a year ago, largely on account of better product mix and an increase in export volumes. The key drivers for the improvement are volume growth in higher value-added products,

volume increases in export, and some positive contribution to exports from a weaker rupee as well. I briefly want to highlight some of the financial trends of FY26 that we expect to continue.

First, in FY26, with Supa capacity only available for part of the year, we delivered full year volume growth of 21%. The higher capacity will be available for the full FY27 as opposed to only for a part of FY26, and therefore, we feel that we should be able to sustain at the very least last year's growth rates. Second, we reported an EBITDA per ton of approximately 68,000 in FY26 and INR74,000 in Q4. We believe that we should be able to sustain this range and the actual performance will, of course, depend on the product mix.

In summary, our key strategy is to drive sustained growth use, to grow volumes from higher value-added segments like T&D, EV motors and exports. Second, to expand our international presence, include expansion with our global clients, to also increase wallet share with existing customers and clients. Finally, to drive operating efficiencies through scale and backward integration, and lastly of course to improve our sustainability efforts along the way.

With this, I would like to ask Amod to go over some of the financial and operational details. Over to you, Amod.

Amod Joshi

Yes. Thank you, Rajesh. I will discuss our fourth quarter and FY26 financial and operating performance now. During FY26 and Q4, our revenues from operations were INR 3,107 crore and INR 1,018 crores respectively. This shows an increase of 61% and 101% compared to the same period last year. Specialized winding wires represented approximately 75% of total revenues, excluding our operating revenue in FY26 and Q4, an increase of 62% and 103% versus a year ago, driven by ongoing demand from our T&D clients. Standard winding wires also grew 58% and 80% in FY26 and Q4 respectively.

Revenues from export growth 92% compared to Q4 FY25 and represented 27% of total revenue, excluding other operating revenue. Volume, mix and material prices were key drivers of the top-line performance.

By FY26 and Q4, EBITDA of INR 190 crore and INR 56 crore improved from INR 123 crore and INR 35 crore last year, respectively. As we have stated, reported margins can fluctuate due to movements in copper prices given that copper is a pass-through. This quarter, copper prices increased sharply, negatively impacting margins, but as you can see, did not impact EBITDA per ton. Therefore, to evaluate the underlying progress of the company's profitability, it is more important to look at the unit economics of the business.

EBITDA per ton for FY26 was approximately 67,600 per ton on a consolidated basis, up from INR 52,500 in FY25. For FY26, we delivered EBITDA per ton above our expected range of around 65,000 to 67,000 per metric ton.

Now during Q4 FY26, we reported a quarterly record PAT of INR 34.5 crore, which increased 87% from Q4 of FY25. For FY26, we reported annual record PAT of INR 110 crore, which is an increase of 62% from INR 68 crores in FY25.

Lastly, turning to balance sheet and cash flows and the steps we are taking to improve cash flow generation in a high-growth environment. First, we have significantly deleveraged our balance sheet, including most of the long-term debt, in turn, bringing the debt-to-EBITDA ratio at 0.39x to FY26 from 1.21x in FY25.

And second, working capital days, calculated on average balances, which remain between 65 to 68 days in FY26, though we expect this will start trending lower incrementally over the next several quarters. For this, we are in active discussions with banks to evaluate optimizing our banking products to achieve the desired outcome.

With that, I'd like to hand the call back to the moderator to open up for questions, please.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the questions. If you would like to withdraw your request, you may do so by pressing * and 1 again.

The first question comes from Mohit Kumar from ICICI. Please go ahead.

Mohit Kumar

Hello. Good morning, sir, and thanks for the opportunity. My first question was -- , I think you would mention that Q4 was impacted by the Middle East, right? Is it possible to quantify the impact in terms of volumes or in terms of revenue during the quarter?

Rajesh Hegde

What was the Middle East effect, is it?

Mohit Kumar

Yes, sir. Is it possible to quantify the Q4 -- for the Q4, yeah?

Amod Joshi

Yeah. So, I mean, roughly I can say dispatch is of around 100 tons to 150 tons. What could not happen in March, later on in April were dispatched.

Mohit Kumar

Understood. My second question is, how do you think about the volume growth in FY27, especially given that whatever happening around us, the war and so the inflationary environment. The copper is, the core prices have jumped up, right?

Rajesh Hegde

Yeah. So we've not seen any effect of, I mean, in terms of the war we said there was a temporary effect, but then finally it looks like the Middle East is back up, and we seem to be continuing that same momentum that we had in the previous quarters when it came to the Middle East.

The other areas in terms of exports, we've not really seen any real demand coming down. There has been some effect on the -- what do you call, the transport related prices. But then this, we have been able to effectively pass it on to the customer as well, wherever we have been doing on a CIF basis after discussing with the customer.

So having said this, we've not really seen a reduction in terms of demand either because of copper prices, nor because of the war, and I think that's to answer your question.

Mohit Kumar

And any sir, volume growth guidance for FY26, if you are giving?

Dhruv Chopra

Hi Mohit. This is Dhruv. So, I think we said in the prepared remarks that we had the new capacity at Supa for part of the year, and we still delivered 21% volume growth for the full year. So now that that additional capacity is available for this year, at the very least we should be able to do last year's growth, which is 21%.

Mohit Kumar

Understood, sir. Thank you and all the best. Thank you.

Rajesh Hegde

Thank you.

Moderator

Thank you, sir. Participants are kindly requested to ask two questions in the initial round and may join the queue for more questions. The next question comes from Dikshi Jain from Incred Research. Please go ahead.

Dikshi Jain

Hello. Congratulations on great numbers. My first question is regarding the high EBITDA per ton for Q4. What is the sustainable EBITDA per ton going forward for FY27-28?

Amod Joshi

Right. So like you correctly pointed out, Q4 EBITDA per ton was almost not 70,000, but plus 70,000 per metric ton. But we feel a range of around 65,000 to 70,000 per metric ton will be sustainable on a long-term basis.

Dikshi Jain

Okay. My second question is regarding the -- so, the payable days have improved significantly, but the inventory has also gone up in relation. Inventory days have also gone up. So, going forward, are the payable days going to be sustainable, and what is the expected working capital cycle?

Amod Joshi

So, in fact, for the payable days, our target is to improve it much more than what we have achieved for FY26. And with our negotiation with the bank, we expect the payable days to go upwards of 25 days going forward. So from that perspective, the working capital cycle will reduce by those many days for this year, which is what we are expecting.

Rajesh Hegde

Yeah. The inventory days, what happens when in the business of large power transformers, sometimes when we take an order, say for one transformer it requires, say 60 metric tons per transformer, then eventually that 60th ton has to be manufactured before it gets dispatched. So that kind of increases our inventory days, because we are in that type of a business.

So, I mean, that's one of the reasons why the inventory days has increased slightly over the previous quarters. And the Middle East also did have some effect, because we were carrying some inventory in the last quarter, which was manufactured in Q4, but finally it got shipped out in Q1 of this year.

Dikshi Jain

Okay.

Moderator

Thank you, ma'am. The next question comes from Surya Narayan Nayak from Sunidhi Securities. Please go ahead.

Surya Narayan Nayak

Yeah. Congratulations for a great set of numbers. So sir, one question, is that because of the EBITDA margin improving significantly, and we are not reporting CTC as a special segment and specialized. So just to understand, can it be possible to -- for us to give data regarding the CTC volume, so that we can go ahead with something?

Dhruv Chopra

Surya, hi. This is Dhruv. That level of granularity is not something that we do provide. I think we've said that CTC does make up the majority of our specialized, but more than half of our specialized winding wires, but we haven't gone into specific details.

Surya Narayan Nayak

Okay. So, one basic question, is that there are in the week of -- a few players entering into CTC area, one of weaker competitors and even one platform company also has entered. So in that light, so just to understand, how long it takes for a new entrant to get approval for CTC from the PGCIL?

Rajesh Hegde

Yeah. For an absolute new entrant, in this business generally what happens is, they have to start with the lower kV segment, which is probably your entry level for CTC would be your 50 MVA or a 100 MVA transformer, and then kind of work through to reach the level of, say HVDC, which is the highest level of transformers which uses CTC.

So, in the past, we've seen new entrants have taken anywhere from five to seven years to finally come up to a 765kV range as well. So, our guess is that it does take a long time, because this is a product that goes into a transformer that goes into the grid as well. And generally, onboarding of suppliers, utilities are very careful. And also, it's not just that you have PGCIL approval, and then you automatically are approved for everybody, because every utility has their own approval process, whether it is local or global. So, I think for a new entrant, which is coming at -- for the first time, my guess is that it could take anywhere from five to seven years.

Surya Narayan Nayak

Okay. So, in the empanelment list of the PGCIL, just to understand through -- because you have -- nearly have a mastery over the annealing science and the chemistry. So when for particular batch of, let's say, production, when you get orders from the different transformer companies, so is that the margin? Are pre decided? And because we are not going to participate in the PGCIL directly, but one of the OEMs are participating. So, in that case, in the state of the -- I mean, the complexity of the annealing and enameling, so is the margin are decided by you time-to-time?

Rajesh Hegde

So, I mean, how this business works is, we normally with any transformer company, I mean our customer is not PGCIL. Our customer is a transformer company. And normally, we have a year-long contract or maybe a multi-year contract now is something that we were discussing, but where we decide on the value addition depending on the complexity of the product we're going to manufacture.

Again, you know as you go up higher in the complexity chain, like say, HVDC or 765kV, the value addition is obviously higher as you move up the segment. So that's how the price is decided, unless it's an absolutely new customer, where we are quoting for the first time, then we would obviously quote on the basis of what is the complexity of the design of the product. So, it's not -- I mean, does that answer your question?

Surya Narayan Nayak

Yeah. Well, I mean is it -- I mean, do you have any say over different variability? That is what I'm asking. Or let's say, because they are very big, the OEMs are very big, so what sort of how -- relations that we are maintaining, because to accommodate our say in the matter. That is my point.

Dhruv Chopra

So yeah, hi. It's Dhruv. So just to try and clarify, so normally as Rajesh pointed out, we work with these one year or longer agreements with value addition agreements with the OEMs, where we fix on the basis of a permutation and combination of various products, services, complexities, materials, etc. There's a matrix for them. And with each permutation and combination, there is a prescribed value addition per kg or per ton that is set. It is not based on copper price. And we operate with that. So depending when there is a purchase order with us, where it falls in this data matrix, that value addition is determined for the duration of that contract.

Surya Narayan Nayak

Okay. Perfect.

Dhruv Chopra

Yeah.

Moderator

Thank you, sir. The next question comes from Mahesh from LIC Mutual Fund. Please go ahead.

Mahesh

Hi, sir. Thank you so much for the opportunity. Sir, I think current our capacity is around 43,000 metric ton, and our presentation talks about reaching capacity to around 59,000 by Q4 FY27. So, my question is for FY28, how much production is possible given the demand remains robust as it is now?

Rajesh Hegde

Yes. So generally in our business we say that peak capacity utilization is somewhere around 85% of your installed capacity. So it is safe to assume that if we have 59,000 metric tons of capacity on the ground, then the peak capacity would be at about, say 85%.

Now, obviously, you're asking a question how much we would be manufacturing in FY28. In our endeavor is, when a new plant starts, it does take about two to three years to reach that 85% figure. Of course, we'll try to do it much faster, now that the demand environment is very different. But it is safe to say that it takes about anything from, say, two to three years to reach that 85% capacity utilization.

Mahesh

Sure. And sir, given the strong demand on power side and opportunities in EV side, any plans of further adding any capacity, any plant or any new product line over the next 18 to 24 months?

Rajesh Hegde

So, we do have the space required for us to add another 10,000 tons of capacity if required. And that is something that we'll evaluate as time goes by. But it will take us a shorter amount of time to add that incremental 10,000 tons of capacity, because we have the land, the building, as well as some of the utilities,

etc., is already there at the Supa site. So, we will wait and watch, because there are so many -- it's not just the T&D that we are watching. We are looking at the EV side of it, as well as the standard wires as well.

And whichever sector is growing at a faster space, we will look at that particular -- at that point in time. So I would not rule out that over the next 24 months we won't add capacity. But at this point in time, it's still something that we'll wait and see how the market plays out.

Mahesh

Thank you so much, sir.

Rajesh Hegde

Yes. Thank you, Mahesh.

Moderator

Thank you, sir. The next question comes from Jay Shah from HDFC Securities. Please go ahead.

Jay Shah

Hi, sir. Am I audible?

Amod Joshi

Yes Jay, yeah.

Jay Shah

Congratulations on a good set of numbers, sir. So, there are a couple of questions from my side. So first would be, how does your EBITDA per ton differ between HVDC wires versus standardized transformer wires or versus coming EV traction motor wires? So, is HVDC meaningfully attractive to your 67,000 per ton FY26 average? Or is that a meaningful number in terms of HVDC? So I just wanted to know on that part.

Rajesh Hegde

Yeah. So, if you divide our business up, we've said it's specialized and standard wires, right? And if you see on an EBITDA, but I mean, what we report of course is a blended EBITDA per ton, and which is approximately around 74,000 for Q4 of this year -- last year. So, I mean, a ballpark number is, like 3:1 is the -- if you look at specialized, it's about 3x more than standard wires in terms of EBITDA per ton. But we

are growing on both fronts. That is also on the standard, as well as the specialized. So we expect the same blend to continue is what I have to say.

Jay Shah

Okay. And I just wanted -- your export revenue significantly grew in FY26 and Q4 as well. So, what geographies and product categories are driving this acceleration? Are these one-time project wins or recurring relationships?

Rajesh Hegde

So, all our exports is actually going to the T&D sector, which is transformer companies around the world. So 100% of our exports goes to transformer companies across four continents, which is basically the Americas North and South, the Europe, then the Middle East, and some to Asia as well.

We have long-term customers here in most of these geographies, and then we are also working with some new customers as well, who are expanding their facilities. All of our customers in where we export to are in the process of adding capacity, which we feel will come about sometime in this financial year or some of it in the next financial year also.

So, this is more -- at the end if you look at our exports, we've been at approximately about 30%. In the past, we were as high as 40% also. Our endeavor is to take it back up to about 40% over the next couple of years, and that's what we are going to be working on actively as well. Since the demand environment for transformers is quite good right now.

Jay Shah

Okay. Okay.

Rajesh Hegde

Yes. Thank you.

Moderator

Thank you, sir. The next question comes from Govind Chellappa from CSIM. Please go ahead.

Govind Chellappa

Yes. Hi, Rajesh. Thanks for taking my question. I have two questions. First, given what's happened with currency, how does that change your pricing, especially where the competition is imported maybe in HVDC? And secondly, how does that impact your competitiveness globally? That's the first question.

My second question is, if copper price were to remain where it is, part of the increase in EBITDA per ton I'm assuming is because of the higher inventory holding cost. And if the mix remains the way it has been for the last few quarters, which is what you've just commented, shouldn't the EBITDA per ton stay where it is in the fourth quarter. Thanks.

Rajesh Hegde

So to answer your first question, which was the impact of FX. See, I mean, when it comes to import of CTC, obviously imports become much more expensive, because it's not only the dollar-to-rupee, but also there is an import duty of 10% on the overall value that is, also on the copper portion as well. So, I would say, imports is now going to become even more -- I mean, as it is anything that was being imported was coming at a landed price, which was much higher than what the Indian prices are. And this would actually make it more -- I guess, importing would be even more not beneficial for the transformer manufacturers. That is number one.

And your second question was the, what you said is the inventory holding cost, right?

Govind Chellappa

Yes.

Amod Joshi

Can you just -- I mean, if I can request you to repeat the question.

Rajesh Hegde

Yeah, the second one I couldn't really understand -- you're saying that the -- yes, go ahead.

Govind Chellappa

Yes. I mean, the impact -- I'm trying to understand the impact of higher copper prices, which leads to higher inventory holding costs for you, and that you've said in the past it gets passed on, right?

Rajesh Hegde

Yes.

Govind Chellappa

And that's part of the reason why EBITDA per ton has gone up. Is that a fair assumption?

Rajesh Hegde

Yes. It's all in the blended -- when we say the value addition, it all comes within that as well.

Govind Chellappa

And now if the mix were to stay the same, which is what you just mentioned a couple of minutes ago. And if copper prices were to stay where they are, there is no reason for EBITDA per ton to come below 74,000.

Amod Joshi

Yeah. As long as the product mix limits can be expected to --

Rajesh Hegde

Yeah. Like, it's a blend of exports then the higher value-added products. And if you say -- I mean if the copper prices were to stay at the same level also, I think we should be close to that number of what we are talking about it.

Dhruv Chopra

So Govind, hi. This is Dhruv. Just one additional data point. I think one of the key drivers is clearly the mix between standard and special. If you look at both last year and last quarter, I think specialized has outpaced standard, but they've both grown at a healthy pace. We do expect with capacity, standard also to grow. So as long as they grow at similar rates, I think the relationship should be similar. If standard were to grow higher, then obviously it would reduce the ability of Specialized to pull EBITDA per ton higher.

Govind Chellappa

Thank you.

Moderator

Thank you, sir. The next question comes from Vinayak Kariwal from Xponent Tribe. Please go ahead.

Vinayak Kariwal

Hi, Rajesh sir. Thank you for the opportunity. So, I was tracking your share of exports and share of specialized wires. So your share of specialized wires and share of exports have remained same from the last quarter. And what I can see is your gross profit per ton has gone up from 1,12,000 to 1,27,000. So the sole variable I could attribute this is the increasing share of CTC within the specialized wire. And yeah, so do you think -- so am I right on that track? Like, this gross profit turns or increases because of that?

Rajesh Hegde

Yes. I mean, yeah you're right on that. In terms of CTC, obviously in the specialized wire, like we had mentioned, we have front ended some capacity of CTC, which is there in Supa, and that has been utilized. So, within that specialized bucket, CTC has been a major contributor.

Vinayak Kariwal

And sir, also I wanted to understand the extent of volumes we could have done if not for the Middle East disruption, and also, if there was a component of deferment of demand from our domestic OEM customers. So, if not for these factors, what could have been the utilization in this quarter? And once these factors, which I would assume are a temporary wind down, what is the capacity of utilization we could see for the whole year in '27?

Rajesh Hegde

Yeah. It would have been a few 100 tons. I mean, in about 200, because it was not only what deliveries got postponed, but there were some orders we didn't start manufacturing as well in the last quarter, seeing the Middle East situation. So that was the effect for the last quarter actually. So, I would say maybe about 200 tons to 300 tons would have been the overall effect when you look at it.

Vinayak Kariwal

And sir, are you seeing any deferment of demand from domestic OEM customers, because of the whole transformer, oil and the company price increases on their part?

Rajesh Hegde

No. Because our business, we are quite well spread out. I mean, it's not that we are dependent only on one or two transformer manufacturers. And that's why I can say that, we are able to -- if at all we see any deferment of demand or any situation that occurs with any one customer, we are able to actually look at other areas or other customers where there is a -- who is adding capacity or has the demand on their side also.

Vinayak Kariwal

Sure. And sir, last question, if I could ask. So, your employee cost per ton and if I calculate other expenses per ton, have gone up from the last quarter. So, is there a room for operating leverage to play out as the volumes increase going forward? So maybe our EBITDA per ton we'll see this from here itself, because of operating leverage --

Rajesh Hegde

Yeah. So look, as the new capacity comes up, like we started the Supa plant sometime in Q3 of F26. And that's why the fixed cost employee as well as other expenses have kicked-in in the last two quarters of FY26. Now coming to FY27 also we have a lot of new capacity that is going to kick in Q2 and over the years. So we expect that at least for FY27 our fixed cost will play out for the new capacity as it has played out in the last two quarters. And the operating leverage, if any, should kick in maybe gradually over the -- after Q4 of F27.

Vinayak Kariwal

That is very helpful. Thank you so much.

Rajesh Hegde

Yeah. Thank you.

Moderator

Thank you, sir. The next question comes from Lovish Soien from Burman Capital. Please go ahead.

Lovish Soien

Hi. Thank you for the opportunity. Am I audible?

Rajesh Hegde

Yes, Lovish.

Lovish Soien

Great. Congratulations, sir, on a great set of numbers. My question was specifically on the CTC side. So, I wanted to understand what is the total demand for CTCs in India in metric tons, if you can help me with that? And how much of that demand is currently being met by imports?

Rajesh Hegde

Total demand, I mean, what we expect somewhere around 2030 is somewhere between 100,000 tons to 120,000 tons is our estimate, in India that is. And of that, I think what we roughly saw was approximately about 1,000 tons of CTC was being imported every month because of non-availability. That was actually a few months ago.

But as of right now, when we've added capacity and some of the others have also added capacity, we feel that this import trend will go down not only because of capacity being available, but also because now in terms of their dollar to rupee exchange rate also makes it prohibitively more expensive. And now that capacity is available here, I think we should see that availability factor going down.

Lovish Soien

Sir, I just wanted to confirm. You said 100,000 tons to 120,000 tons just for CTC, or is it for the overall

Rajesh Hegde

I'm talking about only CTC. Since you asked me only CTC, I'm talking about CTC. That is the India demand. Then, again, global is something else.

Dhruv Chopra

But also, just -- sorry, this is Dhruv. Also, just to clarify, that's where the market expectations are for 2030, 2032 timeframe. If you look historically from the data where we are, I think FY25 was probably about 40,000. And from what we've seen, FY27-28 is probably going to be closer to 70,000, 75,000.

Lovish Soien

Got it. Great. Yeah, this is helpful, sir. So sir, also from what I understand, all the major players are adding capacities. So how do you see the competitive intensity going up, given that there's a lot of capacity coming online in India as well?

Rajesh Hegde

You mean to say in terms of CTC capacity or transformer capacity you're saying?

Lovish Soien

CTC capacity, I'm talking about sir.

Rajesh Hegde

Yeah. So, obviously in a high demand environment we expect new capacity to come in, but what you should really see is which of the players already qualified, and CTC obviously is going to be used in the higher kV segment. So qualification wise the existing players who are already qualified to supply to the market, that capacity is meaningful, I would say, when you look at the Indian demand scenario.

Any new player, let's say, round wire manufacturer who's going and now decided to come in at a subscale level into CTC because of the demand. We feel that, like I said in earlier on in the call, that might take anything from say five to six years for someone like that to really get approved and come to the segment that we operate in, which is about 765kV, HVDC, etc. So, that's the way to look at this business.

Lovish Soien

Got it.

Moderator

Thank you, sir. The next question comes from Rutu Chavan from Phillip Capital. Please go ahead.

Rutu Chavan

Hello, sir. Am I audible?

Rajesh Hegde

Yes, Rutu. You are audible.

Rutu Chavan

Yeah. Thank you so much for the opportunity, and congratulations on a great set of numbers. Sir, I wanted to know that out of the total capacity, is there a specific amount of capacity which is dedicated for the specialized wires, or is it all fungible?

Rajesh Hegde

No. For specialized wire, it is -- I mean, some processes are fungible, but otherwise they have distinctively, standard wire is a separate capacity and specialized wire is a separate capacity. In terms of -- so that's how it is broken up, you know?

Rutu Chavan

And is it possible to give bifurcation about the – around 43,000, how much is for specialized and how much is for standard?

Rajesh Hegde

Around 65% is for specialized and balance is for standard.

Rutu Chavan

Okay. Understood. And so, the second question is regarding so currently, as our EBITDA per ton is already at 67,000 per ton, and since we already had 75% of the specialized magnet winding wires, this thing. So, in terms of FY27-28, do we see an additional improvement in the EBITDA per ton or do we plan to like -- is it possible just to sustain the 67,000 per ton?

Rajesh Hegde

So we've said it's going to be between 67,000 to 74,000 is what we expect. The 74,000 is what we had for the Q4. So somewhere in between is something that is sustainable is what we are talking about.

Rutu Chavan

So even if currently it is at 75,000, that is still a scope to improve it more than 67,000?

Rajesh Hegde

Yeah, yeah. Because, it also depends on the product mix eventually, and then how much exports we do. But it will be -- I mean, what we are saying -- I think in the call also earlier we said, it will be -- you can take it, but it will be anything from 67 to 74.

Rutu Chavan

Okay.

Moderator

Thank you, sir. The next question comes from Pranav Jain from Ageless Capital. Please go ahead.

Pranav Jain

Hi, sir. Thank you for the opportunity. Mine was more on a sourcing perspective. While I agree the demand is really strong for all the products that you're into, and the end user demand is also picking up really well, what I want to understand is with respect to everything that's happening in the world right now, does sourcing ever become an issue? Do you ever look at that as a potential question mark going forward in case the situation persists?

Rajesh Hegde

No. Our supply chain is quite well diversified. I mean, we don't really depend on only one supplier for anything. And in terms of cost, it can become an issue, let's say if transport cost or something goes up. But it doesn't mean that availability of material is an issue at any point in time, and that's how we've managed this business so far.

Pranav Jain

Got it. And sir, with respect to this quarter, was there any contribution from the additional capacity or it was all from the existing line?

Rajesh Hegde

You mean to say in Q4?

Dhruv Chopra

Are you asking about contribution from Supa?

Pranav Jain

Yeah.

Dhruv Chopra

Yeah. No, Supa started contributing last quarter itself. And I think in the first quarter of operation, which was Q3

Rajesh Hegde

Yeah, we were almost more than 50-55% utilization.

Dhruv Chopra

For utilization. And that has pushed higher in Q4. But again, it's not based on sort of annualized capacity. You have to see what is available capacity for that period.

Rajesh Hegde

Because Supa came online October 1st onwards, and then we added some more capacity in the Q4 as well.

Pranav Jain

Yeah. So, what I meant was the additional capacity that you added Q4.

Dhruv Chopra

Yeah. Yeah. There was some confusion. Like, contribution is there. There was slight contribution there.

Pranav Jain

Okay.

Moderator

Thank you, sir. The next question comes from Jenish Karia from Union Mutual Funds. Please go ahead.

Jenish Karia

Yes. Thank you for the opportunity, and congratulations for a very good set of numbers. So my question is more on the competition. While you eluded that new competition will take time for approvals and everything, do you envisage a scenario where the demand on the transmission side is very good, and the transformer companies have been guiding for a very strong cycle for five to seven years? Considering the insourcing and indigenization requirement, do you see a scenario where the transformer companies can set up smaller capacities to meet their timelines? Do you see that scenario panning out?

Rajesh Hegde

The transformer company is setting up capacity for CTC, you say? Hello?

Jenish Karia

Yes, sir. That was the question.

Rajesh Hegde

Like, if they were to backward integrate because of -- see, I mean right now, that challenge was there for these companies when availability was an issue maybe a year ago, because all of us were in capacity expansion mode. But I don't see that happening now, where it makes a case for any transformer company to really do a backward integration -- because there is capacity available, and we are also -- we've also made it available.

So, I mean, I don't see many consumer companies backward integrating because this is not a -- I mean, this is a complex product again, and you need -- I mean, there are a lot of continuous processes in this. So you need an order -- orders to feed these processes in order to run them efficiently as well. So my guess is that barring one or two manufacturers who thought about backward integration, I don't see that being the general trend going forward, because there is capacity available also in India.

Jenish Karia

Got it, sir. And globally, are they backward integrated in any regions, or that is not the trend globally as well?

Rajesh Hegde

No, globally, we've seen none of the transformer companies are backward integrated actually.

Jenish Karia

Got it, sir. Understood.

Moderator

Thank you, sir. The next question comes from Chirag Jain from Spark Capital. Please go ahead.

Chirag Jain

Hello. Thanks for the opportunity. Hello, am I audible? I had just one question. Most of the questions are answered. Sir, can you give any update on the PEEK insulated wires? Like, what is the current status?

Rajesh Hegde

Yeah. Hi, Chirag. So this is Rajesh. See, PEEK is a new product which we are going to introduce, and sometime end of Q2 is this capacity is coming online. This is at a very concept stage. In terms of overall capacity also, it's not a very large capacity that we are starting off with, so -- but we are talking to OEMs

where we will be providing some samples, and then they will make the traction motor out of it. But this will really come about -- PEEK will really make a meaningful difference, maybe about say, one and a half to two years down the line, where we would be looking at increasing capacity, as well as the market matures to the 800 volts traction motor architecture as well.

Chirag Jain

Okay. Sir, can you just tell me, how much capacity we are expecting sir?

Moderator

Sir, you're not available, sir.

Rajesh Hegde

Yeah.

Moderator

Chirag Sir, can you please speak louder?

Chirag Jain

Yes. Can you just confirm how much capacity we are adding ?

Rajesh Hegde

Of PEEK, is this?

Dhruv Chopra

Yeah, we haven't specifically mentioned the for PEEK or other EV products, but I think in terms of once our full capacity of 59,000 tons is set, somewhere between 5-10% of that capacity would be for the automotive sector.

Chirag Jain

Okay. Understood. Thank you, sir. All the best.

Rajesh Hegde

Thank you.

Moderator

Thank you, sir. The next question comes from Vandana Rathi from Korman Capital. Please go ahead.

Vandana Rathi

Yes. Sir, most of the questions are answered. I have just one question regarding the cash flow, sir. So, we can see the operating cash flow that would like in since last two, three years. Do you want to throw some light on that? By when can we see it include this?

Amod Joshi

Right. So regarding this -- hi. This is Amod here. So regarding the cash flow, see, once the turnover if you see has gone up by almost 29%, so -- and considering our working ample site is of around 65-68 days, there's an investment needed for funding the additional revenue that are there, and that's why you can see the cash flows from operating activities, mainly because of the investments that are going into the receivables as well as inventory is negative in the current year.

Having said that, what steps we are taking to improve that situation? One is the payable days like we mentioned earlier is expected to go up. In FY26 it has already gone up by almost four to five days as compared to last year. And the current year also are targeted to improve the payable days beyond 25 to close to 30 days by the end of the year, and that should significantly improve the cash flows for '27.

Vandana Rathi

Okay sir. Thank you so much.

Moderator

The next question comes from Purva Jhaveri from One Up Financial Consultants. Please go ahead.

Purva Jhaveri

Hi, sir. Am I audible?

Moderator

Yes, sir.

Rajesh Hegde

Yeah.

Purva Jhaveri

Hi, Rajesh sir. Congratulations on a good set of numbers. Sir, I just wanted to ask you about the revenue, like EBITDA per ton which you can do in PEEK wire? Like, what is the normal EBITDA per ton which you can do? And is it specific to some kind of OEMs or it will be a mass market product or premium product? Can you just throw some light on that front?

Rajesh Hegde

For PEEK you're saying, right?

Purva Jhaveri

Yes. Yes.

Rajesh Hegde

Yeah. So for PEEK, I mean, it would probably be the highest EBITDA per ton or value addition within our basket of products. But again, I mean, this is something that will go into traction motors for 800 volt and above, and that's a new market that will come about sometime in the future. But you have to -- I would say, I mean, terms of EBITDA per ton, it will be similar to CTC or slightly higher. But this market would really mature sometime say, about one and half to two years down the line, but then we have to be able to supply this at an initial design stage or a validation stage in order to get qualified with the automotive OEMs.

Purva Jhaveri

Alright, sir. Sir, I've got another question regarding receivable days. What is the reason behind the increase in the receivable days? Like, is it a normal increase or one-time increase?

Amod Joshi

No. The receivable days, if you see in FY26, there's a slight improvement from FY25. You mean to say I think inventory days, maybe it's increased as compared to last year.

Purva Jhaveri

Alright, sir.

Moderator

Thank you, sir. That will be the last question for the day. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant day!

Rajesh Hegde

Thank you so much. Thank you.

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- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.