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SEC/1302/2023 February 13, 2023

National Stock Exchange of India Ltd.

"Exchange Plaza", C-1, Block G,

Bandra- Kurla Complex,

Bandra (E),

Mumbai - 400 051.

Scrip Symbol: APARINDS

Kind Attn.: The Manager, Listing Dept.

BSE Ltd.

Corporate Relationship Department, 27th Floor, Phiroze Jeejeebhoy Towers,

27 Proof, Printoze Jeejeeonoy Town

Dalal Street,

Fort,

Mumbai - 400 001.

Scrip Code : 532259

Kind Attn.: Corporate Relationship Dept.

Sub.: Submission of Transcripts of Antique's Annual Investor Conference made on Monday, February 6, 2023.

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

Dear Sir,

Kindly refer to our letter no. SEC/0602/2023 dated February 06, 2023 w.r.t. submission of link of Audio Recordings of Antique's Annual Investor Conference made on Monday, February 6, 2023.

Pursuant to the provisions of Regulation 30(6) of the Listing Regulations, we are now submitting herewith the transcripts of the Antique's Annual Investor Conference made on Monday, February 6, 2023 (Session 1 and Session 2).

The aforesaid transcripts are also made available at the website of the Company at www.apar.com.

Kindly take note of this.

Thanking you,

Yours faithfully,

For APAR Industries Limited

(Sanjaya Kunder) Company Secretary

Encl.: As above

APAR Industries Limited

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"APAR Industries Limited Investor/Analyst Group Meeting Organized by Antique Stock Broking

February 06, 2023







MANAGEMENT: Mr. KUSHAL DESAI – CHAIRMAN AND MANAGING DIRECTOR
Mr. RAMESH IYER – CFO

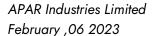


Management:

If it's okay with you all, maybe I can spend the first 10 minutes please.

So, I can just first give you just a really quick overview of where we see the opportunities kind of brought it up on earnings calls and stuff, but I can kind of just cover that. So, if you look at the three businesses that we have, there are some common links to the opportunities that are there. So. Because we supply a lot of building blocks that go into the power infrastructure, supply chain. It starts off really with the whole lot of addition is happening in renewable energy around the around the world. Solar installations, wind installations. Also, nuclear power plants are starting to come up because they are now classified as a clean energy. And we have a presence in India. We're trying to build that presence outside India. So that's one area where - so you've got basically generation. So, you have cables going into generation. You have conductors going into evacuation. From there because from each of these locations you have to evacuate power that wasn't working. And then you have transformer oil that goes into every transformer that's there. You have one transformer, a step-up transformer. You know at the site, but going to the grid and step-down transformers, you know it's part of the grid. So that's how these three major areas will benefit from the addition of this. Of the solar wind, etcetera. The energy generation. Then you got transmission networks that are being strengthened all over the world and in most cases, what's happening is that the locations where you can get this renewable energy is quite different than where the consumption is taking place. For example, if you take solar, the cost of real estate plays a very important role. If you want to set up very large parts. So, then the transmission line is therefore that much longer.

The second area were seen the growth coming from is public transportation. So, on the public transport side, you got a lot of metros and railway which is going in because that's again a cleaner form of transportation in terms of emissions. So, in India the networks have become from diesel to electric and if you see the amount of assets which are being added in India for rolling stock, which is both locomotives as well as passenger. That again actually is quite cable intensive because you have a lot of cables and for instrumentation



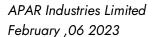


in the locomotive and then you have the last point wiring that goes through the coaches. And in all in all cases you end up having this generation at one point in the train, and then the power getting transferred through that. So, you have longer trained and trains at more electric points. The intensity of wiring is going up. So that's another major area of growth.

The third one that we see, which we've not realized fully yet, but it's coming up, is this whole 5G rollout happening around the world. And that's where the interesting part is that in 5G, you don't not only do you need fiber optic, but you also need hybrid fiber optic with copper. Because the power intensity is also quite different and the number of sites is is 5x 10x of what it is, and quality. So the intensity of the density of towers is much higher and you need this cabling to run through. So for example, some of the cable going into the US have started going into that. Because there's a 5G rollout is happening quite rapidly, so that's another major area of growth.

So, and then finally in our cable business, one of the opportunities that we see is, we've taken our electron beam technology and converted into a house wire. Today we're the only player that actually has that. I think people like Polycab and all can also come into making wires in that manner and the whole market will expand. But these wires are the last mile building wires that would go into a building, but they carry three really significant USPs. One is it has a 50-year life because the technology that we used to make the polymer the same as what we use for the defense and the nuclear power plants. So, once you wire it, 50 years, we have data to prove that the wire can last for at least 50 years.

Secondly, it can carry 50% more current. Then a conventional wire and I guess it's becoming important in today's context because you don't know what power you're going to consume. In five years down the line, you have robots for cleaning. I don't know what else the electrical will have in the house. And the third thing is it's melted resistant, so it becomes almost short circuit proof. The short circuit happens when the insulation of a wire when is overheated, it falls off and then two naked wires touch each other and there is a fire. Sparking fire etcetera. In these wires, they are melting resistant. So, it will if even if there is smoke, it will be hours before which the insulation will melt off the wire. So, you can prevent a short circuit fire taking place because the smoke would get

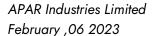




detected and put off the installation. It has higher safety, it has longer life and it has much higher capacity.

So, we started seeing good traction for it. We started in two states Kerala and Gujarat. Wherever we have been able to show a demo of this wire versus another wire, of any wire, the customer, especially if they are the final decision maker, 90% of the time they choose because it costs only INR 1,000 a square foot, extra INR 1,000. It costs an INR 1 a square foot. To increase the wire, so take a 1,000 square foot flat, you'll spend INR 1,000. In selecting if you if you choose this wire above a discounted wire that's available. So, these are the areas where we see. You know our growth taking place. Fortunately, the most of these areas that growth is not only restricted to but at the same time everywhere in the world the same effects are there. This is non-conventional energy getting added everywhere and especially in developed markets. So, in these markets, earlier our products didn't find any and there wasn't enough capex going on for our products. Right now, it's the exact opposite. If you are able to deliver faster, you can get a premium price for it.

Secondly, this whole railway thing is not again restricted to India. Every city is expanding their subways, metros, because again, the emission is much lower in an urban concentrated area. The third thing is that one of the things we've done also along with the house wires is that we made auto cables and we've been focusing on a niche of actually buses. Because they require much larger harnesses compared to a passenger car. They already have Motherson Sumi, so many other big companies already there. So, we have we are supplying to Electra, we are supplying to IBM and all these buses. So that business also slowly-slowly is becoming more meaningful. Mumbai will be the first city to switch entirely to electric. I think it should happen sometime in 2024. Entire BSP fleet will be electric. So, our wires are going into all of these. So, these are the broad areas where we see the good thing is that this whole infrastructure build up is not something that's going to happen in a couple of years. It will take five years, 10 years for it to happen around the world and because it is happening with such a broad base, we feel much more confident that year-on-year the business will come when it's very constant. When your buyer is very concentrated, then you are the wagonies of the buyer, right?



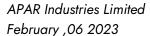


They suddenly don't want to spend capex. Your business reduces whereas you're the base itself is so huge that and so many customers are there around the world requiring these products. That's why we have the confidence that it's going to be a year-on-year growth. So that's a very high-level overview.

I can spend a few minutes on each of the segments which are there. So, if you see on the conductor segment, I would say that there are two major things which have happened because you see the profitability has increased substantially. And if one were to boil it down to tell you in two minutes. What it actually changed. So, what has changed are two things. One is that there is a set of premium products which we've been working on for years, which have now found a market. So, we have these high efficiency conductors which are now increasingly being used for getting power into cities. So, it first started with a mega city like Mumbai and Delhi. Delhi still there was more space, but Mumbai there is absolutely no space coming in. But it's now started going into the second-tier cities. Because the electrical consumption there is growing at a much faster pace than even in the Metro, so you have the Pune, Nagpur, Mangalore again this requirement is coming up.

Second thing is this OPGW which is really an earth wire. So, in a conductor you have an earthing wire at the which is the last wire that you see. So that used to be just a made out of steel, galvanized steel. Now it has a fiber optic cord in it because every opportunity that you have where you can carry data is going in. Because data is the new oil and it's just going to explode. So, and the most reliable form of transmitting data is on a fiber. So, this OPGW is growing and we see during this COVID period there was a lot of delay in awarding contracts and executing contracts, but now it's clearly catching up and for any new transmission line the earth wire is pretty much being specified as an OPGW wire.

The third product line that we've that we've been working on is, copper-based products. So erstwhile, our entire conductor business direct only with aluminum and aluminum all alloys. Whereas today we started off with this railway electrification. When we developed the catenary wire and contact wire to India now that electrification program, the basic electrification program is getting over. It will get over and by the end of the bulk of the money would be



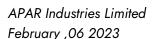


spent. But the interesting thing is that actually when this electrification was coming on, APAR presented to the railway board and RDSO, the specifying authorities there, to use a alloy and copper alloy. Because that can carry much more power and you can use it to run the high-speed trains.

But at that point in time there were two problems. One is A, the railway didn't want to spend more money. B, we would have been the only supplier of that because we had developed the technology ourselves and none of the other suppliers could produce that. So, all the wiring which has gone in the conductor ring which has gone in is just standard copper catenary wires and contact wires. Now India is starting to speed up the trains. So, the demand for that is now going to come up. So hopefully because of that this business will the railway electrification business also will continue. In addition to that, we added copper transpose conductors which conductor windings that go into the core of a transformer. And we also added. We've just recently added copper bus bars. When you go into any installation, and the meter rooms or any of these will find one big bus bar of copper from which then you know all the tappings are taken for the various meters. So that's kind of building into the copper capability that we have.

And finally, the icing on the cake actually for the conductor business is that our turnkey business has been growing. And what we've done is that our turnkey business is actually very focused around the specialized products that we manufacture. So we have no intention of competing against Kalpataru or KEC or Tata Power or any of these guys on normal transmission lines. Our focus is around high efficiency conductors, OPGW, all these where there is an element of working with the end client on specifying the product, designing the network, and then delivering the product as well as the supply. Our supply portion or our manufactured product needs to be a significant part of the total turnkey. The advantage that is brought is that A, we are much closer to the customer so we can come up with the right solution for them. We are directly in touch. B, you're eliminating a very important layer that was resulting in deflating our prices.

The EPC guys would take the order and then they'll try to compete three, four companies against each other. In this case, we have more expertise than the





EPC companies. Especially, when you are doing re-conducting of line. So, the combination of these things is what has helped the conductor business. So, the premium products have started coming from these five areas.

Analyst:

Just to understand the impact of the community cycle out there, on a conventional conductor like-to-like basis, what would be change in your spread for quarter basis say two years ago and now?

Management:

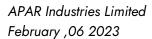
So, before we had this range of products right, if you just took conventional conduct, I'll answer your question by just completing one last sentence. So, what has happened here is that 44% of our revenues are coming from these five. So, you take the order book which is there, which is about INR 4,800-odd crores, 44% of that is coming from these five product lines and you've got CTC and bus bars and all which are ordered on a month-to-month basis. So, it doesn't actually carry a long-term order book like OPGW or HEC or these turnkey projects. So, we feel that this 40%-odd is something that's here to stay for a while.

Second thing is that the commodity or the standard conductors which were there, which we were selling in India and not making much margin or making no margin on that entire portfolio we have now started exporting. And just to explain in a very simple language, the problem in India is that everything goes by a two-bit process. So, once you clear a technical specification. Then no matter how good or bad your product is, you are at whoever the cheapest gets the order. So, in short, 41 on 100 and 100 on 100, is equated to the same price. And so, as a consequence, if you're putting in a lot of more effort in terms of process quality EO error, none of that is actually getting captured in the form of the customer appreciating or paying for it.

Today what's happened is that the overseas markets have been opened up especially the United States, Australia, Europe etcetera, we've taken this, we are selling premium products in India and we've taken our standard products and started exporting it. So, in fact if you take the last part of the order book, I think standard products is less than INR 5 crores. Order intake negative.

Analyst:

So here just you can give an idea about the competitive scenario in – your standard user India is very competitive and because of heavy margin all things





all. But globally, how are we compared to other global players who might be supplying.

Management:

So, in – you take for example the US market. So, the US also has conductor manufacturers, but they have some limited capacity and over the years these networks are not being built at all. So, the capacity has come down to a very large extent. Now today for people to set in new capacity, A. it is quite expensive, B. manpower is not available. So, you build the plant but then it needs to be staffed. So as a consequence, what we are finding is that for products like ours, local manufacture is not something that's happening or is very easy to do at a very large scale.

Analyst:

But your Indian competitor, you are in the standard conductors, can he not go to the...

Management:

Yes, so the thing is what that – the so here it's supporting the pass mark is 40 on 100 in for many of these customers this path the pass mark starts from 70 and go up to 90. So as a result of the people who you have to compete with or the kind of product that they have to deliver in order to satisfy that clients requirement is significantly higher, and the main reason for that is that these guys look at a lifecycle cost of the product. The product last for it's supposed to last for 35 years, 40 years but can last for 50 years. So, we are looking at the life cycle cost. Whereas here what is happening that people look especially many of the government buyers that they have a certain budget they want to make sure that they maximize usage of that budget. That doesn't take into account the life cycle cost. What are the losses on the line? How long will it last? Those sorts of things.

Analyst:

Sir, Indian competitors won't have similar quality as yours...

Management:

So, Sterlite is the one company that we compete with all over the place. Sterlite Power, they have almost a comparable range of products as we have, except that they are less focused than we are on this business.

Analyst:

The other smaller ones, not.

Management:

One is that other is that they also look at companies having very strong risk management framework. So, some of the smaller players, they don't have so



Analyst:

APAR Industries Limited February ,06 2023

much, no all their septets for having hedging and all they end up they may end up trying to speculate the price of aluminium which we don't do at all.

Chinese globally would be more competitive than us but because they don't

want to be more competitive.

Management: We were facing a big problem with China because of the FTAs that China had.

We are as competitive as the Chinese in terms of all of these products pretty much. So, on like-to-like field we were always able to compete. So, in Canada, where the Indians had zero duty, Chinese had zero duty, we were competing against them. Australia, China had a 4% advantage. In the US, Australia meaning, China and Australia had 4% advantage and the US had 5%. But now Chinese product you have to pay 25 to 30% duty so it's completely out of the game. Even if both of us had the same price point, I think we are in a position

to compete.

Analyst: So, there is a big macro turnaround for us that the US wants to...

Management: And I think the Chinese-US relationship, I mean you know better, is not the

shorter balloon. Now again, there is a problem. So, I think from that standpoint and one of the good things that the current Modi government is doing is that they are really working on getting FTAs in place. So, we have an FTA signed with Australia. We have an FTA signed with the UAE. In the US, fortunately India is slightly better off than China, but there are discussions going on and just recently Mr. Goyal had a specific meeting with the top 50 exporters from India. And that he mentioned a number of FTAs which are at various stages of negotiation. And one with Europe, I think is something that he feels will happen. That's another big ticket one which will happen. The UK is on its way. So basically, it's allowing Indian exporters, our export will go up only if we are

not at a disadvantage relative to another big player like China.

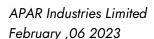
Analyst: In export market, the only query for you would be US should spend money on

the grid infrastructure and second you should get all the certifications and...

Management: We already have the certifications in place. That's something that we've

invested like anything over the years. We're doing a lot of business development. We are not feeling the result because the spending only was not

happening. So, whatever spending they were doing, the local guys were able





to meet that requirement. And the US mentality generally, for maintenance is one where I want product in 48 hours or 24 hours. No, unless we start stocking our product layer without an order, it was too risky a proposition. What's happening today is a lot of the orders are project orders. You don't need 24-hour delivery. You have to organize when the panels are coming in, when the windmill is coming. It's like a two year or an 18-month project. So, they tell you what window you need delivery in, so we can plan out and deliver the product.

Analyst:

At the company level for a conductor business, do you think the current kind of profit profile per ton basis will sustain? Because that is almost like 2x to 3x of what you used to do in years.

Management:

More than that. So, see what, that's why we've been even guiding that if you look at this current product mix that we have, that base level which used to be INR 8,000 to INR 12,000 per metric ton that we are comfortable that base itself has moved up to INR 22,000 to INR 24,000 per metric ton, just because of the product mix that has changed. In addition to that, if the more premium offerings are there, so for example you take high efficiency conductors, there are different types of conductors. So, if you take the very high-end ones, you can carry 2x the power, 3x the power, obviously we make more margin on because there's much more engineering that's gone into that.

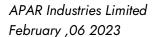
So currently what's happening is that we have a lot of good tailwinds in there. We have some benefit which is of the freight. We were heard before we have benefited from that currently. So if you take out all these factors and you say you bare bone, there is no tail, there is no wind at all, that itself has gone up now to this 22,000 to 25,000 and moment anything else comes in which is favorable, you can expect that to go up working your way above that.

Analyst:

But this is significantly lower than your current number.

Management:

Yes, well if you take the nine months it's at INR 40,000 a ton. A little bit of the EBITDA also increased because the interest costs have increased so that we are factoring in. So you have to look at not only EBITDA, but if you look at because the interest also has gone up. So when you look at earnings after interest, then automatically that also has been adjusted. Because where you had in the export business, even domestic may, but export may has been quite





stark. We used to get funding at 11.25% including premium. Today, you are closer to 5% with all the increases that have happened. So that has also been factored into the cost. So the EBITDA has got a little boost from that.

Analyst:

In the tailwind, when we say not only includes things like freight and steel, but also things like customer requiring order much earlier or in quick span of time. So, all those also actually gets into the tail end...

Management:

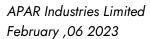
And if the US continues to buy, if some of these countries continue to buy, see today we are seeing some customers who are so pissed off with China that they are taking an undertaking from us. You will not use a single Chinese component in the manufacture of the product. Nothing, no metal, nothing. They would give an undertaking. Now if these undertakings continue then obviously you stand to benefit. So, but politics is politics and I don't think I want to make a call on that. The point here is that if all of these things disappear, you're still at a level which will be a double award, 2x to 2.5x award you were three, four years ago.

Analyst:

So, this RDSS is now exports, you explain very well, but on the domestic part, RDSS is going to be a big deal and then we want 300 megawatts of renewable energy. So, when we put say 300 megawatts of – gigawatts over next seven years, how much will be the opportunity for conductors and how much for cables? Because as...

Management:

RDSS is actually much more on the – so there are two sets of products there. You have your power cables. So they start off with the low volt, I'd say LV cables, going up to 66 kV. That's the range. Bulk over to be 33 kV and below. And then we have a product which we have pioneered and is now included in this, which is the Medium Voltage Covered Conductors, these MVCC. So basically it's a conductor where it has a very specialized insulating covering on it. And so it increases safety dramatically of the product because you can be much closer and not have radiation even if you touch the wire. Because that in Mumbai, you don't see it because it's been mostly underground, but if you go to any place you go to Bangalore and you go outside anybody's bungalow, you see a cobweb of wires over there. So that's where it has some play.





Secondly, it can go into increase safety in any of these places like, you take a forest or you take a wire, conductor that is running along the highway because you have a lot of tree planting happening. There's a branch of the tree goes across two phases again; you'll have a shot. So, all that gets eliminated. So, we've pioneered that, in India. We've been educating all the and they've included it in the RDSS now.

So, I think I mean the rule of thumb if you go 3 lakh crores is what I used to say. RDSS about 30% of that is your cable conductor portion of which I say 90% is cable and 10% is conductor. So, the conductor demand is going to come from another funding altogether. This is called reconditioning, augmenting transmission networks. That's what it is.

Analyst:

That is over and out.

Management:

RDSS is fundamentally focused on improving two things. One is the losses in the distribution setup and secondly, improving the architecture of the distribution. If you take today, you go into the rural areas in Maharashtra, you still have eight to 10 hours of load shedding happening. Not because power is not available, but because there is no way in which they can distribute that power.

Analyst:

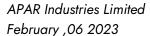
Then this 300 gigawatts whenever it comes the solar parks, wind parks, it will need a lot of cables and conductors. So, do we see some opportunity there for us?

Management:

Yes, we see that opportunity there. Problem in India is that again that same 4,100 and then there are some of the big developers are there. They don't care a damn about quality. They just want to flip the asset. Even big names are there so we are supplying to them. We have orders that go in even today into Adani and some of the other big solar guys. But increasingly we are finding that as the solar demands are coming up in the US and Europe, they are finding their specifications and standards are much higher. We are very clear, whatever gets me the higher margin, x the plant, right? The world is my market.

Analyst:

Going from your talk, maybe five years later you will be a much larger exporter. You are still sitting on 40% exporter. What you may go to 60%, 70% is that possible or not?





Management:

Yes, it's possible. Depends on who pays me more money and values of our products more. It's quite possible. See, two years ago we were nobody in cable exports and FY '23 we will be the largest exporter of India. You know leap from all the other cable manufacturers. I think what we've tried to do here is that any product that we've developed, we try to develop it not only for the Indian market but looking at a global standard. And maybe we did it because we have any engineering driven kind of company and we believe in tomorrow solutions today which is our motto. But now it is being divided because suddenly when everyone is buying all over the world our products are getting accepted more easily.

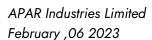
Analyst:

Sir in the cables business you guided for 25% CAGR, so does this division we do a much faster growing. So, within the cable division, there are two parts. One is the retail which you are trying just like Havells or Polycab. The second part which is a low medium voltage high voltage industrial or the great cables.

Management:

I don't know but besides that we just go to the cable side. Basically, on the cable side, there are multiple there are five major areas of the business. So, you have one. The first one is what you're talking about with the whole power cable. So, in terms of construction complexity, the low end of the building wire, which is what we have come out with the building wires that I spoke about. Then you have instrumentation control cables. You have LV cables, MV cables, HV cables, right? So that's one stream.

The second stream is your elastomeric cables, which are going into windmills. It's going into your mining segment, etcetera. So that we have a very strong market share. Windmills, we have 70% share. And the beauty is today that all, solar is not the only way to grow, right? Because in the monsoon you don't get any solar, you get a lot of wind. So now, in fact, our own hybrid which we are, which we have set up with a company called CleanMax to supply clean power into our own cable plant. Because now people are asking for carbon emission footprint on your production in all these markets. So, we have already maxed out the solar which we can do in our facility. All the rooftops are maxed in terms of what we are doing. So, we've now signed up with CleanMax and we have a joint venture company which they are going to install and run. But we part invested in which will supply clean power in here. So, if you want power





on the air it has to be wind and solar. So, we have a good position on the wind side and we have a global approval in place on most of the wind companies. We have GE, Nordex, Vestas, Siemens Gamesa. All these champs and there are two Chinese companies are there.

Analyst:

What would be our content roughly average? Megawatt of installation, what would be our cabling content?

Management:

So, it varies between solar and wind. In the case of solar, see there's one cabling which is the string cabling. It's on the panel, which is why we have a lot of strength because of electron beam and the construction of that, it's simple, but we need a high quality. The other one is actually much, there's a lot of more cable involved just in the panel wiring, wiring to the panel, etcetera, which is just a regular LV cable. So there everybody can complete. String cabling is where we end up having a stronger position. So, it's about, I'd say about 10%-12% of – in the case of solar is more. In the case of wind, the wind tower itself is very expensive. So, it's much lower, maybe 5%.

Analyst:

Sir, total value chain put together per megawatt can we take 1 crore we subcabling would be involved sir?

Management:

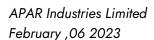
No, much less than that because if suppose you take INR 6 crores, INR 7 crores per megawatt because wind is little costlier than solar. So, in the case of wind, it's hardly, it's a single digit. Whereas in the case of solar it's like, maybe 12%, 14% from here. That's what it is.

Analyst:

So, these elastomeric cables are mainly into the renewable energy.

Management:

Yes, then the next one is this electron beam-based cables. That's going into rolling stock, railways. So, locomotives as well as coaches. It goes into all these defenses which is largely Navy. Because the warships require huge amount of instrumentation, submarines, frigates, all these. And so that's the other major area of growth for us. And then you have optical fiber. And here upon the OFC side is not only OFC, but it's the specialty hybrid, which is a combination of. And then there is a separate specialty cables which are being used niche products by the defense particular. Again, which require in every instance, telecommunication and power. For example, you have a balloon. What is Chinese? Right? You can have a floating balloon or you can have a balloon





which is actually connected at a point. There was a plan that India had and we developed a teether cable for that, which is to have these balloons in about 75 kilometers inside of India's border. That can carry cameras that can oversee activity that's happening in 200 kilometers into across the border. So in any military movement, any other movement can be detected. But I think now they are not going through with that with that only. But these are the products which are there. It takes you four or five years to develop the product. If it works, you make a lot of money. If it doesn't work, it's okay.

Analyst: And these except for the power, the other four cables would be what

proportion of revenue and profit say? Because power would be the lowest

margin like the power cables.

Management: Power cables is the lowest margin. So, if you exclude, house wires, what power

cables is what about 40, next to your 25.

Management: We'll see about 10%.

Management: The last would be 25, the optical fiber would be 10%. And then electron beam

and specialty would be another 10%.

Management: It's actually part of all this. So, the elastomeric business this year will be around

700 odd crores out of the 3,200. But you see on the power cable side where our margin has increased or improved is the export of product has not happened. They don't give what they say. That's not in our DNA to know what to do. So, you go to a market where people expect you to supply what your specification says. We were finding it difficult to do that now. The markets have opened up. So, we have trouble supplying a metro in India, but we are very well placed in Australia for example. We got 50% of the Sydney metro

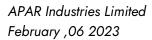
job. It's a really huge job. 100+ crores of cable. Same thing here.

Analyst: Sir, this elastomeric, electron, optical, competition will be less in all this. Are

we the only one there?

Management: There is competition but slowly people are getting into it but then the market

is also growing, the applications also are growing. So, for example elastomeric cables, none of the other players are really the big players have come in. Universal is the only one that's there. We take Polycab, Kei, Havells they are





not really much in the elastomeric, big elastomeric cables. On the electron beam side, Polycab has set up e-beams and Universal has set up beams, but they are focusing only on solar cables at the moment. There are others from niche players that are there in this business.

Analyst: And because in the demand environment for cables and conductors both is so

good, are we seeing any capacities coming?

Management: We mentioned on our call also that we have a plan of adding about 350.

Analyst: But other because even when the whole...

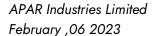
Management: Yes, will add.

Analyst: And then three years later we again region over capacity.

Management: Well in certain areas, if someone is going to focus on only a very narrow part

of the product range you can easily add that and power cable it doesn't take very much for you to add capacity for LT cables and stuff like that. But now the moment you US, you have a UL cable requirement. The conductor portion is standard, but the polymer is totally different. And it requires UL approval and UL is just like FDA. Then take a sample of the shelf of a CBS and it will go for testing. And the full traceability there, right? FDA approval number, everything is there. Same thing on the cable. You have to print your UL approval number. They don't talk to you. They just pull a cable from some construction site and send it for testing. And if that cable fails, then UL is cancelled. You get a letter by email saying, here's the report with. Use of your cable is suspended. UL.

So, I think, even guys who are here and doing various kinds of things, they will also be a little bit more circumspect, but the market itself is going to expand, so we will see a lot of – I think our protection is basically two fold. One is you have the range of product. Secondly, you don't design and make products only for the Indian market, or it should be available for a global audience. If you do these two things, then it will help secure both growth and profitability. That's what our mantra is that. And we see the developed markets like US, Europe, Australia and all these. There was nothing, we could hardly supply anything from here. Now today the requirement itself has gone up so much and in Australia there is hardly any manufacturing left of cables.





Analyst:

So apart from India like when you compete in developed markets who are the other, which are the other countries which are involved like So China is now out of the way for various reason. Apart from...

Management:

So, Chinese cables are there in some places, but you've got some European manufacturers, you've got manufacturers or local also. So, for example Sydney Metro, Brisbane which manufacturers locally the largest cable company in the world. So, they had 50% of the orders we got 50% of the order. They placed the order and they made a premium to us. Because of local supply, they had then supplied to all those installations for many years. So, there will be some competition will come with local or regional players. And you will have competition from India also. You have Polycab, you have Havells, all of these guys are also looking at exporting, but the market is huge. FY '21, the US imported \$19 billion worth of cables.

Analyst:

The capex over next three years, what would be the thousand crores capex you think?

Management:

So, we are looking right now at what we really planned out is about INR 350 crores. That should – see the ratio is around anywhere between 7x to 10x approximately. So, you put in this INR 350 crores of capex, you can get INR 3,000 crores of revenue. So that's the plan. On the cable side, we are looking at a Greenfield site which is not very far from our existing manufacturing location so that you can then keep expanding at that site, as the demand increases and the demand has been changing. So, for example in the US, there is very strong requirement of the building wires going into real estate. Now the housing is reduced, but the infrastructure spend is increased. The cable construction is also slightly different.

You have to have that flexibility in terms of configuring your equipment. Once you have the basic place infrastructure, etcetera, then you can keep dropping production lines.

Analyst:

How big is it Greenfield site which you are planning, sir?

Management:

It's about. It's spread out on about 45-odd acres of land. So, it can accommodate, I would – see we are occupying currently about 40 acres for producing this. We can produce about 4,500 crores. Typically, with that I



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mean if I just extrapolate you can go to about 9,000 crores, 10,000 crores. On the cable side we plan it out properly. So, there's sufficient for the next few years sufficient then after that if the house wires and all pick up then one has to see whether you want to set up manufacturing and other parts of the. Thank you.

Analyst: But there you can spend about INR 500 crores, INR 600 crores of capex?

Management: No, more than that. Right now, we have planned INR 350 crores. It will build up maybe 30% of that. Some of it is going into existing – some of the capex is going into existing locations. Because anything in Greenfield India means it's 1.5 years, two-year project. Power connection, this, that, land clearances, all

that.

Analyst: So land is completely acquired sir?

Management: No, it's in the – we've signed the MOU and all that. Finally, all the transfers of

- all that is happening. Hopefully, it should get done in the next couple of

months.

Analyst: Sir, in EHV anything we have taken the initiative, sir....

Management: Well, I mean, I think, I mean, if you put a good EHV plant today, it will cost

you about INR 250 crores. I'd rather put INR 250 crores on these other product lines where I already have an established product, market. There are already four or five major players are there in EHV. And as the UAE thing comes down, we've got multiple players in the UAE. This free trade agreement comes in. That's the only cable that they can compete with. Kei and Universal in India. We find Ducab and all these chaps coming in. So, we would rather

concentrate on where we've proved ourselves and our differentiation.

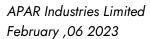
Analyst: You have so many products, better quality than what India needs. So, you can

just talk a little bit about your R&D base and how do you get intelligence to make these? You will also have a great sales team to do all these exports and

take these approvals in the foreign countries...

Management: So, we so what we've what we've invested in. Fortunately, you know the

company has been right under the third generation. You know we've been very engineering focused. It's only now that we've added people to do





branding and all that sort of stuff. The thought process in the company was give me you make good products and demonstrate your customer and they'll approve it and start buying it. So, we've always had all right from the last 50 years, we've had always a team that has been focusing on the company's motto when the company started was called tomorrow's progress today. So that was the mindset. When we rebranded the logo and all of apart at that time when we did that exercise reason changed it to tomorrow solutions today. Because ultimately what we found is all our growth is happening by sitting with the customer and understanding what problem they have and what solution they are looking for. You provide that solution then you become, that much more valuable to the customer. So, all of these products are actually come by looking at some expertise which we think we can develop in house and our customer requirement. Be clear. So, we have teams in and all the plants, every plant has an R&D center which is DSIR approved. Department of Science and Technology. And we don't capitalize any R&D spending. Whatever is spent is expensed. In some of these cases you don't know, like for example, this Navy stuff, you develop so many different types of cables for the Navy. So, you develop 50 cables, maybe 10 of them will actually get up, because they themselves are also experimenting until you develop this, then they change the spec. But it helps enhance your total capability.

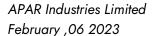
The same thing with export. We saw in our oil business when we started going out of the country for transformer oil, similarly for conductors. The standards which people put on you when you go overseas is very, very much higher than. Here we also meaning people are ready to overlook issues there. It's a go no go. We don't need all this. Please take it back. It doesn't matter how much it costs. You can't even sit in front of them and take it away. I'll reduce the price by 5% and take it. So go no go.

Analyst:

Any project product adjacencies you will be looking at in terms of cables and connectors you have like metering or anything you will look at a bit?

Management:

We have so much of room to go. This business can be more INR 10,000 crore business in five years. So. Just I think the focus has helped us. No need to look here and there.





Analyst:

The gross book capital any reduction will happen with B2C coming into play or working capital days gross and inventory plus receivables can it come down directionally lower, sir?

Management:

So, as the B2C part grows, yes, obviously it will. But then when you have the turnkey side of the business growing, then that eats up a bit of money. Because what happens is that a certain portion that last 10% is generally kept for you to complete demonstrating all the requirements which are there. We've been quite good in terms of getting that released, but that may take several more months. What happens if a line has to be completed, only 10% of the line is left. But that retention is there, until that 10% line is completed, you can't leave hands on it. The whole line has to run. So, that's one of the reasons why we want to focus on the, and plus the branded side of the business, we see the whole wires market getting far more organized. You see all the branded players; their largest market share is taking away from the unorganized sector. The Polycabs, Havells, R.R., Finolex, Kei. It's not that the wires market is growing at the same pace that they are going.

Analyst:

But don't we extend they have become organized as the next 70%-75% market would have become organized as like three years GST and everything got implemented. So now an organization will be very small?

Management:

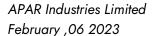
There is not that much differential in the price available. You pay GST on copper; you pay GST on your polymer and the number of avenues and as the IT setup improves the GST, they are able to trace who's evading GST so many raid are happening. So, I think, that phenomena is only going to increase, there small guys will do well if they provide the right quality of the product, if it is based on evading taxes then you are having a problem today.

Analyst:

So, this distribution is based on cable wire?

Management:

You know in FY22 we did about 100 cr. And this year we will do 180 cr. And our target for next year is to do 350 cr. So basically it is a function of setting up distribution etc. so if you see on FY22 market given in our earnings call we had 19 distributors as of March 22 whereas today we have 97 and our retail counter presence we had 276 that we were accessing in March and today we





have 1543. So it is still 10% of what Polycab would have, may be more than 10 times also, but it is growing at a very rapid pace, in the quarter itself we have 40 odd distributors, we had 600-700 retail counters because our team has started now getting added and expanded.

Our sense is that we can add from 180 to 200 which we will do this year to 350 next year and year after that 500, that seems very much possible, we have the whole plan in place and we have just started our advertising actually so whatever we have grown is without it, only last month in Kerala we have started this ATL, advertising by march we have enough distribution to start in other locations. And the good thing is we have grown this building wire business with EBITDA positive, we haven't lost money in single month.

Analyst:

Sir, I think your export will cross so much cash flow so you can spend a little more money here from this is the place were markets really.

Management:

Yes, we have a plan. But you know the thing is that you've got to make a fundamental call of whether you want to go through a wholesale, semi-wholesale strategy or you want to go through with a distribution-led strategy. And our sense is that if we go through with a distribution-led strategy then like, if you take all the companies, Havells is the only one that is really got, if you take Polycab also 10% of their sales is non-cable sale. If you take Kei, there is nothing which is non-cable. Havells is the only one that has really and they have wherever they have very strong distribution, they have the full product basket they have. So, I think if we build a distribution, it may take a couple years longer. Other product extensions can also then be stored better. I think that seems like a. The strategy we want to do right now.

Analyst:

Yes, thank you.





"APAR Industries Limited Investor/Analyst Group Meeting Organized by Antique Stock Broking

February 06, 2023







MANAGEMENT: MR. KUSHAL DESAI — CHAIRMAN AND MANAGING
DIRECTOR

MR. RAMESH IYER - CFO



Management:

10 more minutes just giving you a quick overview of where we see the main demand and growth drivers that are there. And then we can discuss it little bit more granularly on segment basis. Please feel free to ask questions as we run through this.

So, you see fundamentally in terms of growth drivers for us, it's really being driven – so the largest portion is coming from – new infrastructure has been stepped on the renewable energy side. It's happening not only in India, but it's happening in most parts of the world. So you have renewable energy coming in the form of solar and grid.

In addition to that, there is a revival of nuclear power, which has also been considered as clean energy from today, because the emission is relatively very low, and so there, your cables going into the generating assets itself. So solar panels in the sensor farm cables going to the wind mills. A lot of cables go into any nuclear plant. So there's one portion that's in the plant itself.

Then there is a second piece, which is an evacuation from that into a grid. So either it goes into a regional grid or a national grid depending on the country and the format that's in place. So that's one really big driver. Transformer volume is very linear with whatever infrastructure goes into the transformation, stepping up, stepping down, etcetera right? So that's one big driver.



Second driver that's coming is from public transportation. So you got every major city in the world is adding to subway's, metro's rail transportation, because it's a much cleaner form of transport. So that's another portion coming in. In India, the railway spends are very high. You see the budget allocation is also Vande Bharat and all these. We can discuss in a little bit more detail when we come to the cable conductor segment. So that's another driver.

The third driver is basically in terms of data, data movement. So on the conductor side, we have a range of, we have a product called OPGW, which is earlier you had on transmission line just a ground wire. Today you have a ground wire with a fiber optic cord and these are high-capacity fiber optics cables that run inside of that wire. And that's the backbone of national movement of data.

So even today, the two largest data transporters are POWERGRID and the Indian railways across the country. You never hear that name, because we are actually buying from Reliance, or from a broadband Airtel or a broadband operator, but these are the guys who are carrying it. So every transmission line new going in is coming in with this optical function.

Also this 5G requires a huge increase in the amount of cabling and it's not only fiber optic but it's also copper, and for saving space and right of way, these are coming out in the form of hybrid product, so same cable in both fiber optic and copper. So that's the third area of growth.

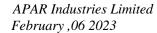


The fourth area of growth really is just basic increase in electrical consumption happening at the last mile. So electric car coming in, more usage of electrical appliances, and as far as usage is concerned, last mile wiring is increasing. House wires, low tension cables, etcetera. So these are four major areas of growth that we see across the company.

The good thing is that growth is coming not only in India, but in most cases it's coming across the world at the same time. And, therefore, companies that have the products and have the approvals in place to service these markets are seeing an automatic jump, not only in terms of sales but also in terms of profitability.

So that's just a macro view. Now if you come down to the three business segments that we have, I'll just have to summarize in a nutshell where the conductor business actually stands. So, if you – if I just dial back 10 years ago, most of the business came only from just plain vanilla conductors. The aluminum conductors, they were used for transporting power from point-to-point and a single specification in terms of the type of product running across the country. POWERGRID doing a lot of – POWERGRID and electricity was being the main implementers of it.

From that, today we have got five different verticals that we have brought into the conductor business, which are what we would call premium offerings. So, besides the standard conductors, we have a whole range of these high efficiency conductors, which they do two





things. One is they carry a higher amount of current. So on the same tower, you can re-conductor, put a new one in place, you can carry anywhere upwards from 25% percent to 300% more power on the same line. So that's one area that's come up.

The second one I already mentioned is OPGW. And there the advantage we have is our cable plant produces the fiber optic cable and that gets encapsulated in the conductor plant. The conductor team then sells the finished OPGW product.

Analyst:

Can you explain that again?

Management:

So, every transmission line has at the bottom a ground wire, which is an earth wire. For example, if you take a three-pin plug, the big thing on the top is an earth wire, right? It's for earthing. So, same thing the conductor line also have an earthing wire in it. So, previously it was just a steel wire, galvanized steel wire. Today it's a galvanized steel wire with a fiber optic core. So it's a natural product for us. So that's how we have Apar and Sterlite are the two major producers of OPGW in the country.

The third area that we got into was a range of copper-based products. So one of the things that happened for Apar was that once we got into this cable business and started growing it, cable has a good share of both aluminum and copper. So, aluminum is where Apar already had a lot of expertise because of the conductor division. But copper also, you know, expertise started developing from the cable side. So, we



brought it into conductors and developed a range of copper-based products.

So, it coincided with the whole rewiring of the Indian Railways, converting from diesel to electric. So, we then got in the catenary wires and the contact wires and became the largest producer of contact and catenary wires. There were a number of existing players, but they had limited scale. We saw the opportunity, we had the technology and capability in place in-house, so we put in the largest capacity.

So that program is now pretty much coming to an end. In 2024, it will pretty much come to an end. But besides that, we also came out with a range of copper transposed conductors, which are used in the core of any transformer. The core winding, you require this type of copper conductors in there. And we've added a range of busbars. So, any electrical installation will have a copper busbar from where you then draw and connect meters and all this other equipment that goes finally into houses. So, whether it's an industrial undertaking, whether it's a house or building, anything has that. So that's the next offering that we had.

And finally, we added a team that was doing turnkey projects. And that was very important for us to deliver high efficiency conductors and OPGW, because you have to work with the end client to customize a solution, especially in high efficiency conductors. So there what's happening is, that the right of way being limited coming into urban areas when a particular transmission line is getting saturated in terms

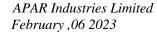


of how much power it can carry, it needs to be re-conducted. So, you can carry a significantly higher amount of power.

So, we saw that opportunity 20 years ago, saying that the amount of electrical consumption going up is increasing and this problem is going to happen. So, we invested in our own R&D, came out with the whole range of products. But the problem in India is that the spending will happen only when you have to spend and that time has come. So, first round you start seeing these projects getting executed in mega cities like Mumbai, Bangalore, Chennai, Delhi, etcetera.

But today it started percolating into the next tier cities where actually the electrical consumption growth is even higher as a percentage growth. You take a city like Bangalore, for example, where people didn't have air conditioners. You didn't need air conditioners. Now with all the population, density pollution and commercial space coming in, air conditioning has gone up in a huge way. Same thing when you go to Pune and explore it.

So, the reconditioning jobs are coming in for power lines going into all these cities also. And so why we decided on this turnkey is that you actually work with a customer for a customized solution. You look at the infrastructure that they have, you look at how much power they want to transmit, then there are other technical requirements of SAG, how much conductor can SAG, etcetera. You take all these parameters in place and come up with different models in terms of cost benefit and work with the client in terms of finally what the client wants.





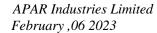
So, usually in India because they are government owned or CEA insists on tendering, it still goes through a tender process. But if you sit with them and design the whole line, you know inside and out, right, in terms of what products, where it's going to go, how it's going to happen. So, you tend to bid much more efficiently and effectively on it. So, as a result you need this turnkey business.

Also, there are specialized skills when you, these are all live wire. So, they give you an outage, there is current running on the line, they give a shutdown for some hours. And in that period, you start rewiring or re-conductor in certain sections. You need a different skill set, a lot of certified re-conducting engineers, etcetera, etcetera.

So, it's a different ballgame compared to what a typical project that KEC or Kalpataru or Tata Power or L&D would do. So, by looking at this, you know, so we classified this set of offerings as premium offerings that we have. And we've been measuring how much we are able to push and grow this. So, from practically single digit numbers in five years ago, five, seven years ago, it is now 44% of our revenue and our order book also. You take about the 4,800-crore order book, which we have in our earnings call, 44% of it is coming from these law firms.

Analyst:

Sir, what is the EBITDA per ton normalized, because of the spinning off? What is the volatility in this and probably it will take to monetize?





Management: So, the volatility is actually just depends finally on the mix of the

product, which comes in, because all of these products are at different

margin.

Analyst: What is the premium segment?

Management: No, no, no, it's much...

Analyst: The volatility, you mean?

Management: Yeah, absolutely. Especially when you do turnkey jobs, because then

you - most of them are fixed price. The moment we get it, we cover

the metal immediately. And a lot of it then is in services. And we have

tie ups, we have our own team, we have dedicated contractor teams,

which are there.

But just to complete, so 44% is coming from this. The remaining

portion is really conventional conductors, which are there. And I think

the big change that has happened is that rather than selling it in India

where we were hardly making any margin, we are exporting these

products outside India. So the strategy has been to concentrate more

domestically on the premium products, so that you get the right kind

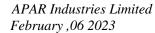
of margin mix.

And then the moment you've taken standard products and exported

them out, again the profitability is much higher on those. And the logic

is very simple. India follows a two-bid process generally, whether it's

public sector or it's private, because a lot of the private guys also come





from the PGCIL and NTPCs of the world. So once you technically clear the product then they want the cheapest commercial offer, irrespective of where you stand on the quality rating.

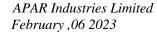
So 4,100 is equated to 100 on 100. There is really very little different, they may want to purchase preferencing, I'll rather buy from you but at X, Y, Z cost. So unfortunately, that doesn't work, because usually if you produce a far superior product, there is much more that goes into manufacturing of the product. In fact, even sometimes the tolerances that you have, etcetera. etcetera.

Moment you go outside India, there is a totally different way in which people are looking at the product. They look at the life cycle cost of a product, and not the supply cost of the product. So it's a paradigm shift. Moment you go into that, the quality rating people want, the fast rating which is 40, it will move to 70, 80 or 100 or 90, 100, depending on how sophisticated the modeling is of the buyer. This is a big change.

So the competition level goes down, the expectation of quality is significantly higher. So we've just moved most of our supplies out into these customers who tend to have much higher standards.

Analyst:

So ideally are these players who are bidding under TBCB private players and then they are putting up the transmission lines, and so ideally are these such players who are probably buying the premium products, or solutions from you?



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Management:

No, so TBCB guys are not. The ones who buy the – whom it was the turnkey today, largely is de-bottlenecking in certain lines of PGCIL and state transmission. Because the state transmission companies are the ones who are bringing power into the cities. So we have to work with those entities.

Fortunately, the state transmission companies are actually very well with good cash flow, because nobody wants to mess with the transmission company. Because you have a generator and you have a receiver, the distribution guy. The cost of transmission is very low comparatively. So suppose the guy is paying INR 5, you may be paying 10 paisa, 15 paisa as a viewing cost. If you don't pay that, transmission company shuts you out, you're going to get nothing at the end.

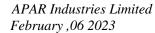
Transmission company is paid off first, so the guy who suffer is the generator. That's how you find the dues of generators, which are a problem. And the transmission companies are very strategic in nature, because if you don't fix this at the right time, it takes time, right? It's a live wire. So it will take several quarters for you to slowly, slowly change each section by section and the power is still being transmitted. It means we have an outage for a certain period of time.

Analyst:

What is the scope of this reconducting?

Management:

Ultimately, every line that's gone into – and the problem in India is that people are only looking at a very short-term in terms of – may be I need this much then today's my requirement 100 is so I'll plan for 105,





unlike in other places where they would look at the next the life of the line is 35, 40 years. What will I need in 35, 40 years or 50 years time?

So that's where the whole life cycle cost and all these other things come in, which is what we've been pushing CEA, but they're moving in the right direction but it's not completely come into the future. So what happens and the consequence is that the lines, which have gone into the bringing the power into the cities all over the country, they just don't have enough spare capacity on them.

Analyst: So within cities like Mumbai and all these places, you see underground

cabling increasing and the overhead?

Management: Mumbai has always been underground cabling.

Analyst: But are we seeing such trends in other cities?

Management: In other cities also it will happen, because it's far more expensive and

the right of way is also very, very expensive and the cost of laying is

also significantly higher. So within a city if you don't want a premium

building, you don't want a wire running across the building, some

aspect safety becomes an issue.

But we've come up with a solution where we have something called a

medium voltage covered conductor, which is part of our cable

offering, where you have a conductor with insulation on it. So it

completely eliminates the safety issue, it becomes zero. And in fact,

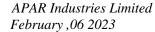


we got - we were able to convince Maharashtra MSEDCL, placed an order on us for about a INR 100 crores for that.

We've been supplying in Bangalore, Odisha, many other places with MVCC. And it's now been included in the RDSS. This whole RDSS – because Mumbai is not a good example, but even if you go to a city like Bangalore and you go outside anybody's house, bungalow, you will see a cobweb of wires.

So if you want to clean all that up and if you want to increase the safety you need to move to this. Also it has a special purpose, if you if it goes through a forest area and you take a large bird or a large animal. An elephant trunk can go across two phases. It will get electrocuted instantly. The same thing with a bird, you take a flamingo, you take a peacock, they are big bird, right? So they can easily cross two wires, two phases. It will be burned in a fraction of a second, it will be finished, because the transmission is happening at, starting at 132,000 volts. What you have here is 220 volts and you get a shock. You can imagine what happens there when you go walk across two phases.

So once you go to MVCC this is eliminated. Also a lot of last mile wire conducting is along the highways or the roads and in India we have planting trees along that. So you go on a road and you see trees on either side. So when the branches grow, again, it can short the wire. So in our own plant in Kathalwad in the monsoon, we have every 15 days we have a crew that take permission from the – and we pay for





the pruning of the trees. And now finally they are putting an MVCC solution into it. Once you put it in place, the problem is eliminated.

Analyst:

On the premiumization, we have done well in wire and conductor and some of this you will research much. If you look at specialty oil and lubrication, just what's the outlook there and what is the possibility of premiumization?

Management:

So actually the company originally started with trying to premiumize products in the specialty oil business. And the first area, which we really managed to get global acclaim in is in transformer oil, moving up in terms of the voltage levels, which were there.

Then on the automotive side, we were looking at various, first, I'll just tell you the competitive landscape. What happened in the specialty oil side is that other than transformer oil where we reached to be the third largest in the world, when you look at lubricants, you are dealing with really with gigantic companies. Each company is a, if you've taken the GDP ranking, they all rank in the top hundreds in the world. You have ExxonMobil, you have Chevron, you have Shell, you have Valvoline, you have Total Energy. All of these, folks, which is the largest industrial oil and specialty lubricant manufacturing in the world out of Germany, every one of them is present in India.

So, not that we are not growing and not that we are not taking market share, but when you want to take market share from somebody like this and then you have the three PSUs, IOC, HPC, BPC, where the

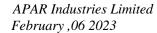


lubricants sale, they are not measured on profitability, they are measured on volume. Because they run a refinery, they need to evacuate X-amount of product and lubricants are more valuable generally than selling a raw material-based oil.

So to gain share there is much more difficult. If I have to grow turnover by INR 100 crores in lubricants, it is far more difficult than from to grow turnover of INR 100 crores in conductor and conductor is more difficult than growing the INR 100 crore in cable, because the cable is addressable market, Indian market is INR 65,000 crores.

If you look at the entire lubricant market, you're looking at INR 15,000 crores and you're looking at who are you competing within the cable market. So the cable market you have very entrenched players on the LT house wire side. You have Polycab, which is the largest. Then you have Havells, which is very well-branded. Then you have RR cables, you have Finolex, and now you have KEI, which is –so these are the top five players in there.

But they are mostly growing and focused on the power cable and the house wire side. So we saw the field being opened on specialty cables. Just like how we grew our specialty lubricant business basically trying to find solutions for clients. The same thing we saw here. So there were products in the mining side, railways, navy, defense. The renewable energy when it came up new, we were the first guys to get approval for panel wiring, what they call string cables for the solar panels. Then solar evacuation, it's an LT cable only, but slightly modified.





Then we invested in manufacturing cables for the inside of windmills. Today, we have about 75% market share. We invested money on the E-beams for getting into rolling stock for locomotives and coaches. That area, none of these five guys were – their focus was a power cable, so all of them put EHV capacitors, extra high voltage. We said forget extra high voltage, these guys are already there. We concentrate on what we are comfortable with. So today we are INR 3,000 crores revenue. Polycab is I think whatever INR 12,000 crore or something in the cable side INR 12,000 crore or INR 14,000 crore on the cable side. But our range of cable is at least 5x of their range, because that is not solution based.

Analyst:

INR 65,000 crore market that is there for the segments that you offer. What is your addressable market?

Management:

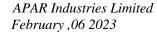
We have products now other than EHV, which is a small fraction of that. It's a couple thousand.

Analyst:

That's what focus area.

Management:

It's bulk of the INR 65,000 crores by getting into this house wire range and stuff. These house wires are about half the market, remaining cables is half the market. So, we were first addressing only half the market. Now, we have started a range of light duty cables, which is the other half of the market. Besides this, what we see is that for all the specialty cables, windmills, solar, rolling stock, the world is our market. Why do we have to – because when we developed our products, we





didn't develop it based on only Indian specifications. So we developed it looking at IEC, looking at ESDM, all these factor.

Analyst:

So most of the products are now approved with all global...?

Management:

Many of them, our entire windmill range is approved by all the top 10 windmill manufacturers including two in China. So we have approval from all 10 of them. If you take solar, we have – there's a TUV, which is the standard, German standard, which is accepted all over the world. So from day one we made sure that our cable met the TUV standards.

So then the US requirement is something called Underwriters Laboratory. Every cable tie requires a UL certification. So it takes about six months and it costs anywhere between INR 20 lakhs, INR 25 lakhs at the low end and to about INR 40 lakhs, INR 50 lakhs at the high end for one approval. So we have the largest number of UL approvals in the country amongst the cable manufacturers.

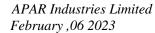
So that's what has allowed us on the cable side, because of this strategy we've been able to leapfrog from being nowhere in terms of export to now in FY '23 I think we'll be the largest exporter of cables in India.

Analyst:

What's the number? In crores, what's that number be?

Management:

About – it's almost close to 50% of our revenue. So it will be about INR 1,500 crores. If you take, two years ago we are not even doing INR 150 crores. So big jump and I think it's not that we didn't want to do it. Two things, one, is that we improved the product profile to meet





what the market is requiring. But it took some time to get the certification and once we got the certification in place the immediate demand was not there. Today electricity is the only way in urban areas for you to reduce your pollution, because the problem is what, it's a very simple problem.

You have a very high population density. So if you use devices in that high density, which are polluting, the pollution concentration is very high. That's why Beijing, Mumbai, Mexico City, Delhi, high concentration of people driving cars, doing this, that and all that pollution level high. The simplest way is you take away these polluting devices, you'll have a dramatic reduction in the emissions, bad quality air, all those problems, it will just go away. So with this whole carbon emission footprint, that is happening.

Analyst: You said this INR 1500 crores export revenue, what was it two, three

years back you said?

Management: Just couple hundred crores from the cable division.

Analyst: Okay.

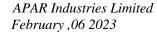
Management: INR 1500 crores is only cable.

Analyst: No, I got your point. From which sector we are getting so much

amount; solar, wind?

Management: From solar, wind, from the railways, from - because every metro

requires...





Analyst: So from this INR 1500 crores is export we are talking about. And that

also it's...?

Management: The largest market we have for export today is the United States. So if

you to take cable and conductor, after India, number two is US, and

the story has just begun there.

Analyst: You have also got some tailwinds due to the UP structure, right? So

can you just talk about how sustainable that is?

Management: So, I think, the tailwind has come right now only from the US. India is

in the process of changing FTA. We've just got an FTA that's become

effective in January from Australia, and I think UAE is becoming

effective now, I think if I'm not mistaken either March or April or

something. But the US is still the same. They're working on it. EU is still

the same. We still pay 3.8%.

What's happened is that some of these guys have really taken seriously

this China-Plus-One. And in the US, the Chinese duty has shot up from

0% to 25%, 30%, 35% depending on the product, which is there. But

we are finding some of our customers, they take an undertaking from

us. You will not use a single Chinese product. Five countries, they

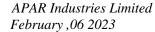
won't use any product, you give an undertaking. One of them is China,

the other one is Iran, who is popularly known. The third one now is

Russia. You have to give an undertaking. So we cannot use Russian

aluminum, even though in India you can buy Russian aluminum. We

can't use it in India.



Analyst:

So if I remove the duty structure parity on a just pure cost basis, what is the differential between ours and maybe same quality Chinese today? So if the duty structure goes away, we might be still – so just efficiency then cost efficiency is if you could put some light on that?

Management:

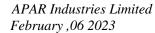
So in terms of cost efficiencies on the conductor side and even in some of the cables, we have pretty much today at par. I'll give you an example, three years ago our conversion cost, average conversion cost, whatever cables we produced, right? We were at about 11% of the sales value. Today we are at 5.5%. So some of it has come because of the type of cables, but a large portion of it has come because of efficiency that we've driven.

So it comes from scale as well as producing more product out of the productivity of the equipment and we've started a major F.O industry, F.O program where we are starting to get the automated, capturing 24x7 of data because that's the starting point for productivity, right? You know exactly where you are running faster, slower, change over times.

By focusing on all that, so I think efficiency wise we are pretty much there. We have a level playing field. We can compete, but in countries like the US and Australia, these two places particularly, they are really wanting to diversify out of Chinese products.

Analyst:

Okay. Sir, do you think this could rather than being a temporary, it could be a far longer scenario?



Management:

It could be a far longer scenario. So when we, however, in our guidance because conductors what will happen you've seen, basically we were running at INR 8,000 to INR 12,000 a ton if you took rewind to about three years ago, and then you take the three years, eight, 19 years, we are always in that bracket.

Today by looking at the mix of products we have that itself can take you to that INR 22,000 to INR 25,000. In addition to that, there are certain tailwinds, like, what you're talking about, where a preference is given to buy a non-Chinese product if an FTA comes in place, now two of them, we've got orders from Australia. Now the profitability on that will increase by 4%, because some of it – our customer because they were taking it on FOB basis, they will benefit.

But whatever we are delivering to Sydney Metro to – Sydney is over now. We are bidding on Brisbane and Adelaide Metro, etcetera. We become 4% more competitive. And anyway we are meeting the price point to win the job. So now our profitability goes up by 4%. So, some of these tailwinds, if you don't count them then you are looking at that INR 22,000 to INR 25,000 per ton, because fundamentally the business has changed.

Now if you take more ACCC, for example, the upper end of the of the high efficiency conductors, the margin is higher than if you supply one of the more standard type of high efficiency.

Analyst:

So the market is also shifting to the premium?



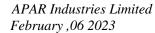
Management:

It is shifting over there. But the format finally depends on my customer. I may try to push for any format, but see it's a regulated industry at the end of the day and it's a concentrated industry. So the utility has to finally decide. What we are trying to educate people to make sure that we can maintain a higher profitability in our conductor business and to some extent even the cable business is to look at the life cycle cost of a product, which is a very established system that exists outside India and has been existing for decades.

If you take the US, if you take the standard there, it is called ASTM. It's an Australian Military Standard. So all these products we went in after World War II basically, you know, from 1945, after the great depression if you study your economics or whatever, this huge boom was there, right? It was an investment-led boom and huge infrastructure went in. So that was from the late 1940s up to 1970 until that oil shock took place. That was the bulk of the infrastructure going in.

The military set the standards. ASTM is such a high standard they set. That's why the life of these products is expected to be 35 years, but they still not changed it. Now it's reaching end of life. What is gone in 1950, you are looking at now what 70-odd years. It was supposed to last 35 years, it has already lasted double. That's the life cycle costs, which our people are still not – they are not understanding.

And if suppose you change a line, you look at the cost of aluminum in rupees. Five years ago, look at the cost of aluminum in rupees today, there is a huge inflation, labor inflation. So, if your line last less towards





the end of the life cycle of the product, the cost of risk management is like astronomically high compared to what you would have – premium you would have paid if you took that into account on day one.

So Bangladesh, for example, is going with very high-level specification. Why? Because Asian Development Bank is lending them the money. They don't have the money. The payment is over a period of 25, 30 years. The World Bank or Asian Development Bank wants to make sure that they don't have to fund another line until this line is paid for. So they are bound to look at the life cycle cost of the product.

Here we are working on our own balance sheet, so people are doing their own championship game, save 5% here, 4% there. But in a life cycle you end up hurting from it.

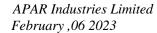
Analyst:

With current realizations 2025 that you say and whatever capacities are, what are the peak revenues that we can do with current capacity?

Management:

So you know right now we are running pretty much flat out on our conductor side. Cable is running at 90-plus percent capacity today overall. Power cable is running flat out. Elastro is running flat out.

So we are going through with a capex of around INR 350 crores and if you look at the just a rule of thumb at a macro level what would be the sales to – asset to sale ratio, it's anywhere between – depending on the mix anywhere between maybe about seven times to 10 times. You can easily go up to an addition of about 3500.





Analyst: What is the commencement?

Management: So we've already started ordering equipment, because today the

delivery times have become extremely long for capital goods. We have

already ordered it. It will get commissioned in the, you know, starting

up from March, April onwards it will start getting commissioned. So

whatever is going into our existing premises will get commissioned in

the next few months. What is going into new sites that will take about

seven, eight months, nine months starting from that point on.

Analyst: By FY25 should we complete commissioning?

Management: By 25 continuously, because there's stuff going in within our existing

place. Part of this capex is also productivity capex. Because today

we've reached, see when it was set up, you didn't know what the mix

was going to be. We have a saying in our company saying the

maximum fiction in the world that has been written is on Excel

spreadsheets. So you plan something out and then the market goes in

some other direction, customer requirement.

So when you're setting something up initially, you have to build lot of

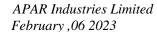
more flexibility, because you don't know, which way the market is

going to grow. Today we have so much more predictability that now

you can change some of the old equipment and make it dedicated to

certain products and get maybe 40%, 50% more productivity. And

then you use that equipment somewhere else.





So a combination of all this is going in. But I think in two years time, the entire 350 – between 18 and 24 months, it's entire 350.

Analyst:

This is for cable.

Management:

Cables and conductors put together, because you see cable also, the upstream is the same. Like, for example, the US market requires a specific alloy. If we buy that alloy from Hindalco or from Vedanta, they don't alloy it as well as we do, because they don't produce a finished product. They don't have that feedback cycle. It's natural. When you're doing end-to-end, you keep on fine tuning your product to meet those requirements. So we are putting in rolling mills, we are putting in wire drawing, anything, stranding the whole. So the conductor can also use it and the cable also can use it.

Analyst:

The oil business, oil side of the transformer?

Management:

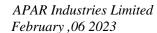
The oil side has got a lot of capacity available. So for our lubricant side, which is your industrial automotive, we run on two shifts. So basically you can entire third shift is available. And on the speciality also, we have lot of expansion room, because what we have done over the last...

Analyst:

Capex should not be required then?

Management:

No. And I'll tell you what happens here and why. Because what we have done is that we have dramatically improved our process ability of products. So we no longer blend products, let's say for transformer





oil, white oil, we can blend products in 2,000 kl tanks. You can blend two million liters in a tank. We've developed air blending, a whole lot of processes that are in. So, capacity is not a big problem. So in fact, out of this INR 350 crore, hardly INR 25 crore, INR 30 crore is going to go into the oil side.

Analyst: Your current order book, INR 4,800 crore.

Management: That's only cable.

Analyst: That's only cable?

Management: Sorry, INR 4,800 crore is conductor.

Analyst: Okay. So do you build your order book for your cables as well?

Management: So you know the cable order book is it rolls much more. You don't

have longer, you don't have such a long lead time. But even then if

you see, I don't have the exact number. It's about 1200 to 1500 cr -

yeah, but the deliveries are pretty quick. So that order book other than

for nuclear power and all would be all within three, four months.

Analyst: So what was this number like three, four, five years back? This INR

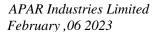
4,800 crore pitch on a backlog that you have, typically on a year-on-

year basis how much of order book you used to book maybe four, five

years back at what rate?

Management: So if you take a number of months actually the number of months where

the order book hasn't gone up. In fact in some cases it has gone down,





because in POWERGRID used to place orders, they would place orders for straight 18 months delivery schedule. So these are much shorter delivery schedules and particularly the EPC guys, they have to deliver a fixed price. And we don't take any speculation on the metal.

So our customer has to tell us then we will back-to-back block the metal.

Analyst: Normally, what's the delivery time sir?

Management: So it depends. Today most guys want shorter delivery, because there

is so much volatility on metals and stuff like that.

Analyst: What's the number of days or months?

Management: Yeah. So it will vary. So some cases it is three months, going up to

maybe six months, seven months.

Analyst: You're talking about the conductor side?

Management: Yeah, conductor only I am talking, much faster delivery. And they are

ready – the customers are ready to pay a premium for delivery.

Analyst: Sir, if you can just give us perspective on the margins front in the three

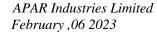
businesses. Earlier there was lot of volatility and now we probably have

a much better revenue mix. So what should we keep in mind like...?

Management: So if you take up - we sort of discussed it in the last call also. For cable

business, we are seeing a double digit, 10% EBITDA, and then

depending on more specialty products, it can go upward from that.





And we are currently at around that level for this year. Last quarter was almost 12%.

Analyst: YTD at 10%.

Management: 10 point something, 10.4 or 9.8, and if you take the last quarter it will

go a little over 10 for the whole year. And then that becomes like a

base case for us to go forward. If you then come to the conductor

business, if you take away all these tailwinds, I mentioned you know

INR 22,000 to INR 25,000 metric ton that's what we've given earlier.

That's what is a steady base case. Any tailwinds are there, it will help

you go above that.

Analyst: INR 25000 per ton real average in conductors.

Management: EBITDA per ton. Cable is 10%, conductor is INR 22,000 to INR

25,000 per metric ton. That's EBITDA per ton. That's the base case,

which used to be earlier INR 12,000, INR 8,000, INR 12,000. It's

clearly doubled because of...

Analyst: Is 44% prime number?

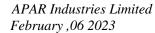
Management: Yeah, 44% right now we have, it's much higher itself. It's at if you take

the nine months we are almost 40,000. It's because we are able to

export the product to the US and all these markets. My sense is that it

will continue. But we are getting good pricing from these markets

relative to what you're getting over here.





Management:

Nine months at 40,000 per ton. So some of it is because there is a tailwind on freight. Wherever the DDP contracts were, we had got screwed when the freight rates went up, because the customers are saying DDP is DDP, your look out. Now we are gaining from the other side of the cycle. So at the end of the period actually we may end up gaining as opposed to losing, because there is much more value of contracts.

During the COVID period, people didn't want to take on big jobs, because there was not enough predictability.

Analyst: And similarly if you think you should change on the...?

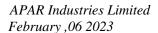
And then on the oil side, the speciality oil side, we have been around 5,000 to 5,500 is what we are running at. We will continue to run at that.

Analyst: This is what INR 3,500 crore kind of run rate?

Management: We have been actually closer to 5,000 for some time now. There may be some periods where it has gone down and gone up. During this COVID period, the oil business had a lot of tailwinds. We have gone

up to 7,000, 8,000. It's 5,000 to 5,500 per kilo litre.

Yeah, if you model it for five years, seven years, you can take overall on an annual basis. If you build a five-year, seven-year model, you can easily take these. That's what at least we do our own internal modeling,





because you plan for the worst and hope for the best, right. So that

scenario is basically this.

Analyst: Sir conductor now, today you are doing 14,000. What should we

look...?

Management: 40,000.

Analyst: 40,000 sorry. So what should we look forward?

Management: That only I'm saying on an absolute steady state basis, rain or shine

take away all the tailwinds, which are there, etcetera. we should be

between INR 22,000 and INR 25000 is like a absolute base case.

Analyst As you said there's no point in competing, because there are many...

Analyst: So, we're not competing, but it's a difficult market.

Analyst: So if I come to transformer oils, is there something like a conductor or

wires in place that, or it's via third largest will it be demand led or there

could be a moment wherein...?

Management: So here transformer oil is the only demand, right, because whatever

transformer you put in there, there is a certain percentage of oil that

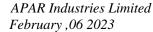
goes into it. So if you take the entire oil basket, transformer oil is one

place where you will continuously see growth, because you know as

the electrical infrastructure grows, the amount of transformation of

electricity required will proportionately increase, and therefore the oil

requirement will go up.





Analyst:

There could be a solution of new installation or there could be a lot of replacement oil or that's not all?

Management:

It's normally led by new installations, but there is also a certain amount of replacement that goes in. 3%, 4% of the installed base is the replacement on an average that's go in. But it's really led by new infrastructure. A lot of new infrastructure is going in worldwide. We also have the largest manufacturer, Nina's out of Sweden, which went into bankruptcy; they've changed three owners in the last three years. So that has also helped to some extent. We've been able to push and grow. But this kind of, you know, so we see about 5% growth in that segment.

On our lubricant side, we see growth on the industrial, where we are growing and continuously doing well. We're getting more and more approvals. And as India is getting more sophisticated in manufacturing, automatically the lubricant, you put more machinery, you need more lubrication. So it's a straight function of that.

The automotive side is where you will start seeing a lot of changes happening. And our sense is that the effect is going to come of this whole electrification, this EV hybrid business in two major areas. One is public transportation. All CNG will become EV basically, all your rickshaws, buses, taxis all that ultimately, they move from diesel and petrol to electric.

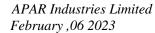


Second area is in personal mobility in urban areas, because you can build a network within Mumbai. So if you have a scooter, you are not going to use that scooter to go from here to Surat, but you will use it to travel within Mumbai and you can get that hundreds, this kilometer will go up to 100, 200 kilometers. Already the government here in Mumbai, public parking or any new building, every fifth, 20% has to have an electric charging point under new law, which are there.

So your two-wheeler will actually get affected quite a lot because that's the easiest to switch. And the ticket size also is – and the government will give incentives. They're already giving.

The second one that will get affected is your four-wheeler mobility. Cars. But we see that your trucks and that's cargo movement and agriculture will take a long way. So that's why we have been focusing a lot on agriculture, because it's not really the government's great incentive. The farmer wants it for free. So the more the government gives power to these guys that much more free power will go. So the equation doesn't fit.

And secondly, the farms are all spread out to create that infrastructure, you need a full cabling infrastructure and all that. It's a big, very long. So the quick gains on emissions and all that isn't, isn't urban route. So this is I mean is our \$0.02 opinion on it. So that's where our strategy is, you know, focused around that.





So we've been building a portfolio here, one of the largest suppliers today into the agri-tech sector. So we supply TAFE Eicher, which is the second largest. We don't have any business with Mahindra. We have a problem with their model. They basically want lubricant supplier to become a toll manufacturer.

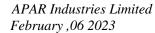
So if you have to toll, why would you toll for you? We will toll for some other companies that can get a higher margin. So there is TAFE Eicher, then we supply Sonalika. We just got approval now for all the products that Sonalika wants to export, because they are exporting. They are planning to export even into Europe and all that, the lower end tractor, etcetera. We are covering Escort. So we cover two, three and four. We are not doing two and five, which is – and then a lot of smaller people are there in that pre-owner. So we cover all these guys.

So we have a good – and we have the best product for oil-immersed brakes. UTT and oil-immersed for brakes, for tractors, we have the best product in the market. So that's how we've been gaining share in that area.

Rest, we are trying to grow our, you know, the industrial is growing, we are trying to improve our distribution footprint for the automotive. But there is going to be a lot of change here. You will see mobility side coming down for sure.

Analyst:

When do you say on the export side, whenever you're doing exports its directed to OEM or tyre one or tyre two, or it's to distributors?



Management:

So the US market is actually split. We do certain amount of supply to EPC companies directly. So if you take the utility market in the US, it's very strange. Most people may not understand it. It has about 3,000 plus utilities, of which 30 of them are of gigantic size and the remaining 2,970 are really small. So to service those 2,900 odd utilities you need a distribution setup, because those guys don't want to stock anything. They want 24-hour service on any replacement or whatever.

So because of that you have its distribution led for standard. So what we do is we follow two strategies. We have relationship with – out of the top 10 importers, we are working with three of these top 10 importers who we supply their stock and we sell. And then we work with EPC players where we supply them direct.

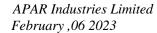
Analyst:

And the payment?

Management:

Payment is generally not a problem. We take ECGC cover, so that covers 90% percent, because the US doesn't work on LCs, they work on all direct. But so far, we are quite careful in terms of who we deal with, and we've tried to keep ourselves within the ECGC limits. In fact, ECGC has been a major positive surprise.

When we started growing the US business, obviously, we didn't have the ECGC. ECGC normally goes on historical data. But now what to do? Suddenly, the requirement has gone up two-fold, three-fold. So we asked for a meeting with the senior management there and to our





pleasant surprise, I think about 15 top people of ECGC came for the meeting. They wanted to understand what's happening in the US markets and global markets and after we presented, almost an hour long presentation, an hour long Q&A. And then they have been quite fast in looking. Not that they give it to anyone and everyone, but we've not seen them act with so much of speed compared to the...

Analyst: So this is for which product you mention?

Management: For cables and conductors both. See in oil what happens is that as a

company we have a blanket approval of US\$2 million per customer.

So most of the customers are falling under a \$2 million.

Analyst: For billing or annual number?

Management: No, no. So this is at any given time. So if you have a 30 days, it will

rotate once a month, if you have 90 days, it will rotate four times like

that. For India to export, you need all this sort of stuff to follow. It's not

just ports and it's the banks. So now we've got increased lines from

banks. There are more banks today willing to do factoring or forfeiting

as they call it. Otherwise they wanted some ridiculous prices. You have

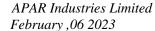
big ticket factorings, so all that is coming in.

Analyst: And should we have debt for the books?

Management: Yes, some debt is getting minimal, but we have working capital.

Analyst: And this INR 350 crore capex would be mostly in terms of loan, or you

take some...?



Management:

So we plan to take a borrowing for it, because we really don't have any long-term debt on our books. We have less than INR 200 crore, INR 50 crore will get paid in this quarter. So a loan of INR 150 crore. So it works out well and we want to keep the strength of our company is to always maintain some headroom in the balance sheet, because you know working capital – if you are going to grow at this pace the banks look that when they give you working capital funding, or certain portion of it is contributed by the company.

Analyst:

What's the internal target like in case of three year, four years, what are you...?

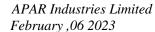
Management:

So our sense is that the conductor business can grow at 25% a year, sorry, the cable business. The conductor business will grow in double digit, because of premiumization as well as volume. And the oil business we expect growth of about 5% per year approximately. Bottom line can easily grow at 25%. For this year it's like a huge jump up.

But if you take an average of the last two years and then extrapolate then that's the more – yeah, it's a more – actually to really look at our business you need to look at rolling 24 months then you'll get a – you can really then see the trend.

Analyst:

Yeah, agree. Doesn't the high base present a challenge for you for the next year? It's a tremendous base, which you have got.



Management:

Because, you know, yes, so I'm not so sure that you will get a 25% growth over what. This year we have already done close to INR 400 crores PAT. I mean, the last quarter, we said on the call also, if you extrapolate it, it will be INR 130 crore approximately, INR 125-odd crore.

So next year to expect a 25% growth on that is very difficult. It may not happen. But if you take a long-term, you know, you average out the last two years and then take a trend line, you can see a 20-odd percent growth.

Analyst:

Thank you, sir. Thanks.

Management:

Okay. Thank you. We have actually upgraded our presentation on our website, so you will have a lot of more information.