



Date: 14th August, 2025

To
The Manager,
Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

To
The Manager
Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai– 400051

Scrip Code: 543547

Symbol: DDEVPLSTIK

Sub: Transcripts of Earnings Call held on 12.08.2025

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs

This is in furtherance to our letter dated 29th July 2025 and 12th August 2025 with respect to Intimation of Schedule of Earnings conference Call for the 1st quarter ended 30th June 2025 ("Q1FY26") and submission of audio recording post such conference call, respectively.

In terms of Regulation 30(6) read with Schedule III Part A Para A Clause 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the transcripts of the earning conference call conducted on Tuesday, 12th August 2025 for the Q1FY26 is attached herewith.

The same will also be hosted on the website of the company at www.ddevgroup.in.

Kindly take the aforesaid information on record and oblige.

Thanking You,

Yours faithfully,

For Ddev Plastiks Industries Limited

Tanvi Goenka (Membership No. ACS 31176)
Company Secretary



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CIN : L24290WB2020PLC241791



“Ddev Plastiks Industries Limited
Q1 FY '26 Earnings Conference Call”
August 12, 2025



MANAGEMENT: **MR. NARRINDRA SURANNA – CHAIRMAN AND
MANAGING DIRECTOR – DDEV PLASTIKS INDUSTRIES
LIMITED**
**MR. RAJESH KOTHARI – WHOLE-TIME DIRECTOR –
DDEV PLASTIKS INDUSTRIES LIMITED**
**MR. ARIHANT BOTHRA – CHIEF FINANCIAL OFFICER –
DDEV PLASTIKS INDUSTRIES LIMITED**
**MS. TANVI GOENKA – COMPANY SECRETARY – DDEV
PLASTIKS INDUSTRIES LIMITED**

MODERATOR: **MS. SALONI AJMERA – GO INDIA ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to Ddev Plastiks Industries Limited Q1 FY '26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participants' lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Ms. Saloni Ajmera from Go India Advisors. Thank you, and over to you, ma'am.

Saloni Ajmera:

On behalf of Ddev Plastiks Limited, I would like to welcome you to our earnings call to discuss the operational and financial performance for the first quarter of FY '26. This session is hosted by Go India Advisors. Joining us from the management team of Ddev Plastiks is Mr. Narrindra Suranna, Chairman and MD; Mr. Rajesh Kothari, Whole-Time Director; Mr. Arihant Bothra, CFO; and Tanvi Goenka, Company Secretary.

Please note that today's discussion may include forward-looking statements, which are subject to various risks and uncertainties. I encourage participants to consider these factors when interpreting company developments. With that, I now invite Mr. Rajesh Kothari to provide an overview of the quarter and business outlook and performance. Over to you, Kothari ji.

Rajesh Kothari:

Yes. Good morning. And welcome to the Ddev Plastiks Quarter 1 FY '26 Earnings Call. We appreciate your time and continued interest in our journey. Yesterday, our Board of Directors approved the financial results for the first quarter of FY '26. And today, we are pleased to share with you our performance highlights, key developments, and outlook for the future.

During this call, we will walk you through our financial and operational performance, provide insight into our strategic direction and articulate our growth road map. We'll also shed light on the key initiatives undertaken during the quarter and reaffirm our long-term vision for the sustainable and inclusive growth in FY '26 and beyond.

Before we begin, I would like to remind you that certain statements made on this call may be forward-looking in nature and are subject to risks and uncertainties. FY '25 was an exciting year for us, marked by significant milestones and robust growth in line with our management vision and guidance.

We remain confident that FY '26 will follow a similar trajectory, driven by our unwavering commitment to excellence. Thank you, Saloni. Here is a well-structured professional speech-ready version of our entire draft policy for clarity, flow, and tone. I have preserved all the key messages while ensuring it reached smoothly as part of our formal address.

The quarter gone by has undeniably been one of the most eventful and turbulent period in recent history. Escalating global tensions, both geopolitical and economic, have resulted in a mix of conventional military actions and nonkinetic confrontations such as cyber and trade wars. These developments have fueled significant market volatility across geographies and sectors. The resulting ambiguity has weighed heavily on corporate confidence and international business. Despite such a challenging backdrop, India has demonstrated remarkable resilience.

Amid the prevailing geopolitical uncertainties, the Indian economy has emerged as a relative bright spot, underpinned by macroeconomic stability and encouraging trends across key indicators. The previous quarter witnessed an uptick in GST collections, rural base growth and government-linked capital expenditure at both central and state levels.

Inflationary pressures, including on the commodity front, remained soft. Looking ahead, we see multiple macro tailwinds supporting the growth recovery. These include a sharp cut in interest rates, middle-class income tax relief, forecast on an above-average monsoon, healthy showing patterns, easing commodity prices and surplus banking system liquidity.

One the most notable feature of first half of calendar year '25 have been the swift and decisive policy response by the government and the Reserve Bank of India in addressing emerging economic concerns. The RBI adopted a highly accommodative stance, surprising the corporates with a 100 basis point repo rate cut year-to-date, alongside a cumulative 150 basis point reduction in case reserve ratio.

This was further supported by liquidity infusion by multiple rounds of open market operations and forex. Regulatory relief measures such as the rollback of restriction on certain lenders further reinforced financial stability.

On the fiscal side, the government's FY '26 union budget stood out for its growth orientation, including the INR1 trillion income tax relief for individuals aimed at boosting consumption and sentiments. In a significant boost to fiscal headroom, the government also received a record INR2.7 trillion dividend from RBI, which is expected to support growth supportive expenditure through the remainder of the year.

After an extended phase of muted capital spending in first 9 months of FY '25, the government has decisively ramped up its investments. March '25 alone showed a record outlay of INR2.4 trillion and the 5 month period from January to May 2025 recorded a strong 41% year-on-year growth in capital expenditure. The cable and wire segment remains central to India's industrial expansion.

Now I'll explain you what are the demand drivers in the domestic markets and export markets. The major demand drivers are power generation in renewable through solar and wind energy. And also, we are seeing a substantial new investment coming in coal-based thermal power projects and related infrastructure in transmission and power distribution by transmission and distribution companies of central government and state governments.

Simultaneously, we are witnessing a resurgence in coal-based thermal power investments, which along with large-scale initiative in transmission and distribution infrastructure by central state utilities is further accelerating sector demand. We assure that we will continue to grow with the projected percentage what we have stated, and we will try to improve upon it during the current financial year and subsequently. This will be our endeavor to keep the growth momentum in the company on a continuous basis.

The Indian wire and cable market is projected to grow at the rate of CAGR of 12%, in line with this growth. Leading manufacturers are expected to undertake capital expenditure of

approximately INR13,200 crores. This scale of investment presents a significant growth opportunity for polymer compound suppliers like us who form a critical -- form a very critical link in value chain.

Over the past 5 years, FY '20 to FY '25, our company has delivered consistent and profitable performance. Our EBITDA has grown at a CAGR of 28% with margins expanding from 5% to 11%. Similarly, our profit after tax has increased at a CAGR of 46%, rising from INR27 crores in FY '20 to INR185 crores in FY '26. We remain confident in our ability to sustain this growth trajectory. In fact, it is our continued endeavor to outperform our stated target and strengthen our market position in current financial year and beyond.

Due to critical quality requirements and stringent approval process mandated by end users, polymer compound manufacturing is not amenable to outsourcing. This calls for robust quality control mechanism, advanced in-house R&D infrastructure, and continuous capital investments, making it a high entry barrier industry. With evolving regulatory standards and heightened emphasis on safety and product quality, compliance costs in the wire and cable sector are expected to rise. In this context, legacy players like Ddev Plastiks are well positioned to benefit as large, more organized players.

Now the big players such as Adani and UltraTech enter the wires and cable space, Ddev Plastiks naturally emerges as the preferred compound supplier, owing to its proven track record and deep industry expertise. As India's largest listed polymer compound manufacturer, Ddev Plastiks has effectively leveraged the evolving industry dynamics.

We are planning to increase our focus on cable segment by adding more capacities in PVC, Halogen Free Flame Retardant and XLPE compounds. Our efforts are commomerrated towards adding capacities to meet the global rising demand for cables and allied sector.

The company has demonstrated consistent cash flow generation, sustained margins expansion and holds industry-leading market share, approximately 50% in Sioplas and around 33% in XLPE, underpinned by a strong balance sheet. In FY '26, we aim to build on this momentum by expanding our compounding capacities in XLPE, PVC and Halogen Free Frame retardants to meet the rising demand for high-voltage cables.

Currently, our XLPE offering cater up to 72 kV with the planned capacity expansion, we will be entering the 220 kV segments also. Apart from the capacity, we would endeavor on getting certification for 132 kV for making it ready for commercial use by end of FY '26, early FY '27. Whilst SFR is expected to get more industry impetus, this upgrade aligns with market trends and positions us to serve the growing requirement for medium and high-voltage cable applications.

During the quarter, our export orientation encountered challenges due to geopolitical conflicts. However, we successfully mitigated these impacts by promptly redirecting product to the domestic market, where strong demand enabled swift absorption. Despite the prevailing conflicts, our export revenue grew at a rate of 3% year-on-year basis to INR154 crores. We remain firmly committed to our long-term objective, targeting volume growth of approximately 10% to 15% and revenue growth of 12% to 13%.

On a conservative basis, we aim to achieve a revenue of about INR4,500 crores to INR5,000 crores by FY '30. We also expect to maintain a robust EBITDA margin in the range of 10% to 12%. Our strategic focus will remain on enhancing our operational efficiencies, expanding our product portfolio, and delivering sustainable value to all our stakeholders. I now invite our CFO, Mr. Arihant Bothra, to take things forward. Thank you.

Arihant Bothra:

Thank you sir. We at Ddev Plastiks are pleased to announce a robust start to financial year '26. For the first quarter, revenue from operations reached approximately INR769 crores, representing a 23% year-on-year growth. This performance was primarily driven by sustained strong demand in the wire and cable industry, coupled with a 50 basis point increase in our average selling price.

EBITDA stood at INR79 crores with a margin of 10%, while PAT was approximately INR52 crores, delivering a margin of 7% for the quarter. During the quarter, we continued our capital expenditure programs, adding capacity for compounds of 5,000 metric tons in the Eastern part of the country, while bringing our installed capacity to 2,38,400 metric ton per annum. Production volumes saw a healthy growth of 11% year-on-year basis, reaching close to 52,000 tons.

Capacity utilization improved both sequentially and year-on-year basis, standing at 87%. Our capex plans remain on track with an expected investment of INR110-odd crores in this financial year. Now we request -- rather we open the floor for question and answers.

Moderator:

Thank you so much. The first question is from Archana Gude from IDBI capital. Please go ahead.

Archana Gude:

Hi, good morning and heartiest congratulations to the team for strong set of numbers. Si I have four questions. First, can you guide us on 23% net sales growth for Q1 FY26 in terms of value and volume? Also, similar numbers for Q1 FY25?

Rajesh Kothari:

Yes. Thank you so much. So this 23% growth has been contributed by 2 things. One, as we have already informed with regards to volume, volume has grown by almost 13-odd percent as compared to the Y-o-Y quarter 1 FY '25. When we see the average selling price, the first quarter average selling price was around INR136 and this quarter, we have achieved average selling price of INR148 though as compared to the previous quarter, it is a marginal increase of 50 basis points. But when we compare with the year-on-year quarter basis, it is close to 9%. So that is what contributing close to 23% of the growth.

Archana Gude:

Okay. So you said this INR136 per kg for Q1 FY '25 and INR148 for this quarter, right?

Arihant Bothra:

Yes.

Archana Gude:

So that is roughly 9% growth?

Arihant Bothra:

Yes.

- Archana Gude:** And the remaining 13% growth in the volume. Secondly on what kind of revenue should we expect once we receive this 132Kv cable certification? Let's say the fag end of FY26 or maybe some number of FY27?
- Rajesh Kothari:** So here, the important factor, 132 kV, the revenue generation we can expect somewhere in FY '27. And as we go higher in the voltage rating, the time which is taken for ramping up the volumes is quite long because you have to get the first the cables made, then cables need to get approved. And then the customers will start lifting the product in a small quantum because it is a measure of trust building.
- Despite having the certification, the volume growth takes time. So significant volume growth from 132 kV segment alone can be seen beyond 2027, not before that. But the real advantage of being able to deliver 132 kV successfully to the customer and get the approval would be seen in our volume growth for the voltage rating up to 72 kV because when people accept you as a good supplier and reliable supplier, capable supplier for 132 kV, then all the doubts for any voltage rating below that are eliminated and there you are able to grow your business in a bigger way.
- Archana Gude:** Correct. Sir, can you help me with the market size for this segment and what kind of margins are there?
- Rajesh Kothari:** 132 kV market, I will put the market within the bracket of 132 kV to 440 kV, the market size is just 10% to 12% of the total market size for XLPE insulation for this category. And realizations are generally 10% to 12% higher compared to 72 kV product. If we talk about 132 kV pricing, it is bound to be higher by 8% to 12% compared to a product which is offered for 66 kV.
- Archana Gude:** Thank you. Sir, any update on this capacity addition what we planned last year, FY '26? And when should we expect it to start contributing to the mid-sales?
- Rajesh Kothari:** Arihant?
- Arihant Bothra:** Yes. So this is already in fragment which is already happening. As we explained, 5,000 tons is already added in the Eastern Coast. And now PVC and HFFR already in process, probably by third quarter, PVC and HFFR will be completely installed and those capacities also will be running. 5,000 tons of PVC is already installed in the Eastern part of the country in this quarter, and that will be running by next week with their commercial operations. So as far as this PVC, HFFR and XLPE initial plant capacities are all in line.
- We are also planning to increase further XLPE capacity, which will be in the second half of the year, probably in the fourth quarter. So that operational capacity will be practically from the next financial year.
- Archana Gude:** Correct and lastly there has been very healthy improvement in the utilisation on Y-o-Y 87% in this quarter. So should we anticipate a similar kind of number for rest of the year in terms of utilization 87%, 88% for full year?
- Rajesh Kothari:** So if you see the average growth, which we have already projected or estimated whatever you say, we are targeting a growth of 12% to 13% on a minimum side as compared to the previous

3, 4 years. So if you compare the same, definitely, we are in line. The quarter-wise volumes may be up and down depending on the environment because second quarter is generally the monsoon season impacts

And marginally, the volumes become the lowest as compared to any other quarters. So we should not see it is on a quarter-on-quarter basis broadly. But when we see the growth, definitely, we are on a better trajectory. The demand is very strong. And we see that this 12% to 13% minimum growth is there.

Archana Gude: On the volume front?

Rajesh Kothari: Yes, on the volume.

Archana Gude: Maybe lastly I'll just see one more question on the margins here we are shy of 10%, excluding the other income, which is good. But is that this volatile raw material prices is really keeping us away from touching that 11% plus kind of mark? Or is there something I'm really missing out on reading the numbers?

Rajesh Kothari: So we see the numbers on the basis of EBITDA per ton and that too on the gross basis including the other income because most of the other incomes are part of our business. They are not separate. So if you see that the last year's average was close to INR15,100 and this first quarter has been at close to INR15,300.

So on EBITDA per ton basis, definitely, we are improving. Even if you compare with the Q1 of last year, we were at INR14 and now we are at INR15.3. So definitely, the improvement is there. The base effect of increasing the base prices from average of INR137 last year to almost INR148 in this first quarter had led to the percentage drop. But if you see the absolute numbers, it is improving on a quarter-on-quarter basis?

Archana Gude: Right, sir. Maybe my question was more of what should really we look to get back to that 11% mark for full year? How confident we are that in H2 FY '26 when we will have this increasing capacity and higher share of value-added products. And for the full year, we should expect those kind of numbers at operating level?

Rajesh Kothari: Yes. So I'll just add a clarification. We always look at EBITDA margins as per ton basis. And our focus is to improve the margin on per ton basis basically. So if realization per ton goes up, then percentage-wise, it might appear that there is no improvement. That is why my request would be that please look at our forecast and projection with regard to our commitment to our confidence to see the improvement of EBITDA on per ton basis.

And that we have delivered better EBITDA per ton basis compared to last year's first quarter and we continue -- we hold this view for this entire year as well. I hope similar kind of numbers for the upcoming quarters.

Archana Gude: I get it completely. Thank you so much and all the best to the team. I hope similar kind of numbers for the upcoming quarters. Thank you so much, sir.

- Moderator:** Thank you. The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.
- Bhargav:** Good morning team and congratulations on good performance and a fairly detailed presentation. Sir, my first question is on this certification of 132 kV. In earlier conference calls what I understand is that we were looking to go live by FY '28. But is there a positive development here now that we are saying that by FY '27?
- Rajesh Kothari:** Yes. So Bhargav, the point is that product is ready with us, but the next step is driven by the fact that it has to be tried by a cable customer. And we are having a tie-up arrangement with a couple of customers, but unfortunate part is that the trial has not taken place yet. So when we are saying that we will be able to go live in FY '27.
- It is based on the assurance we are getting from our customers that most likely they will be able to take up our product for trial in the last quarter of, say, third or last quarter of FY '26. It means another 6 months, they will be able to conduct the test and come back with the report approving the product.
- Then in 2027, FY '27, you may have some volume to start with. So this is based on the latest interaction we have with the customer. But here, always you can see a possibility of improvement by a couple of quarters in the time line and a delay of a couple of quarters in the time line, depending upon the -- how this tie-up delivers.
- Bhargav:** Secondly, sir, within the PVC, which currently has about 4% to 5% EBITDA margins, are we looking at some value-added products which can sort of lift our margins maybe to 7% to 8%?
- Rajesh Kothari:** Yes. See, as we see that people like UltraTech and Adani are planning to enter the wire and cable segment and our inputs from the market and interaction with those investors indicate that the entry will start from the building wires initially. And that is where the PVC's role is very important.
- And our margins because PVC, what we are selling is a basket of multiple products. The product which goes for building wires, the product which goes for the general purpose jacketing application also. So building wire per se delivers better margin. So we are getting ready for that opportunity, which will be offered to us the moment UltraTech and Adani start their building wire activity because we are very strong.
- And we have a very strong brand equity as far as this product is concerned because every big wire and cable player, you name anybody starting from Finolex to RR Cable to V-Guard, everybody has started their journey for building wire with our PVC compound to create a brand for themselves. So we see no difference in case of UltraTech and Adani.
- That is why we are adding capacity. And those products are definitely delivering margin of 7% to 8%. So PVC blended margin might improve as our share for the building wire goes up once these two giants are there in the market.

Bhargav: Sir, in terms of XLPE, is it fair to say that post this FTA with UAE, the competition would have intensified because the import duty on imports done by the UAE-based compounders, they have now become zero. So how are we tackling that competition given that we are also increasing the XLPE capacity?

Rajesh Kothari: Yes. So here, the duties have not gone to zero yet because they are going down with a fraction of percentage every year basis. That is one part. And secondly, the people who are supplying from Burj UAE, they are big giants and then their pricing is not driven by this duty advantage. Most of the time, they will try to pocket this duty advantage for themselves rather than passing it on to the customer.

So they keep on improving their prices wherever there is a duty advantage. So we have not seen that significant impact. The impact or intensity of the competition is mostly driven by the capacity addition by them. So whenever in say, three, four years, whenever they come up with the additional capacity, then we face a challenge for, say, a couple of quarters or maybe three, four quarters till the capacity gets absorbed in the market. So we do not see any challenge at this point of time.

Bhargav: And lastly, sir, in your PPT, you mentioned America as your focus area. So given the recent development on tariffs increasing to 50%, do we still continue to remain this as a focus area? If you can share your thoughts on that and that would be my last question?

Rajesh Kothari: Yes. So definitely, U.S.A. market is a big market and it will remain our focus because today, the challenge is that the cables which are being exported from India to U.S. market, yes, those will face a challenge and that also for a limited period of time because people will find ways to retain that market because they have created this for themselves with a lot of effort.

So people are working as we are talking to all our cable customers. But for us, the opportunity is in a different manner. Not only we are supplying to the people who are exporting cables to U.S.A. from India, but we are having U.S. certification. Today, we are having U.S. certification for one product and two products certification is there in the pipeline. Maybe another five, six months, that certificate also will come.

So that will result into an opportunity globally for us. So we can supply to our product to a customer who is based in, say, for example, UAE. UAE has got a lower rate of duty while exporting to the cables to U.S. market. So anybody who is exporting cables to U.S. market will become our customer. Only two challenges will be there with us. A, our direct export to U.S. will not grow until this issue is resolved.

Second is that our proxy export via our customers in India, yes, that may see a bit of it for some time. But at the same time, the opportunity will emerge from the other markets because those customers will come and buy from us.

Bhargav: Okay. Understood. Thank you very much, sir and all the very best.

Moderator: Thank you. The next question is from the line of Jyoti from LIC Mutual Fund.

- Jyoti:** Hi, sir. Good morning. Congratulations on a good set of numbers. So I actually wanted to know first thing is on a total basis, if you can just guide me what sort of capacity addition do we see for the next 3 years first? And then what sort of ramp-up in your total volume can we expect for the next 3 years?
- Arihant Bothra:** Can you repeat the second question, please?
- Jyoti:** First is on the capacity addition and then how do you see the ramp-up of those volume for the next 3 years?
- Arihant Bothra:** Sure. So I will address the first one. So as far as the capacity addition is concerned, we are adding when we talk about 3 years horizon close to 15,000-plus tons of HFFR. We have already added 25,000 tons of PVC as a plan for this financial year. And if required, we may add another 5,000 to 10,000 tons.
- On the XLPE front, on the cable, specifically the transmission and distribution part, we are planning to add close to 60,000 tons of capacity in this next 1.5 years' time. And that may also increase to another 24,000 tons by next 3 years of time. So on a consolidated basis, we are talking about close to 1, 30,000-plus tons of capacity being added.
- When you talk about the ramp-up, there are two different aspects to it. PVC is, as sir explained, due to the increasing demand expected, it will ramp up with the demand coming in. So it will be a gradual increase. While XLPE, we already have a demand in place in India and in the global market. So that will see a faster ramp-up as compared to PVC and HFFR. So on a consolidated level, we see that average utilization would remain above 75% to 80% on a consolidated level.
- Jyoti:** Got it. Secondly, on the margin front, so when we talk about the different kVs. So right now first, if you can guide like any idea on what sort of basically your 6 kV will have what sort of contribution towards the revenue? And so how do you determine the margin based on this kV? So can we expect it to expand beyond 11 also after a given point of time, for example, when your 32 kV comes in. So can we expect that the margin in the range of 9 to 11 can go beyond 13, 14 or 15 at any given point?
- Rajesh Kothari:** Ma'am, we are already doing our business up to 66 kV. So the new product line addition we are talking about is for 132 kV and definitely margins improve as we go higher for the voltage rating. So 1.1 kV product will have the lowest possible margin. And then as you grow from 1.1 to [inaudible 0:33:02] and then 66 kV, then your margins will continue to improve.
- And then over a period of time, product gets bracketed rather than individual voltage rating, but in a bigger range. So, for example, today, there are three categories, I would say. One is low voltage, that is products which are up to 1.1 kV, then the products which are called medium voltage, they are product up to 36 kV and the high voltage, which are product for 66 and 72 kV.
- So every segment will have a couple of percentage better margin as we go up higher. Now the margins which we are earning today is a blend of margins we get from the lowest end of the product and the highest end of the product. And as the volumes will grow, so means our projection is not assuming that volume will grow only on a high-end segment.

In fact, volumes are higher at the lower end of pyramid. So volume growth will come from all the segments. So even if we are selling more quantities of high value-added product at a higher end, at the same time, we'll be selling more product at the lower end of the pyramid also. So blended margins, you will not see much of a difference than where they are today. But at the same time, the introduction of high-end product more and more in our product range and achieving higher volume there would basically protect us from loss of our EBITDA margin because of the growth at the lower end of the pyramid in the volumes.

Jyoti: That's it. In terms of capex for this 132 what's the capex is there for this one?

Rajesh Kothari: No. We already have our equipment ready, which you can inaudible 0:34:56 132 kV. So we are -- whatever the capex which we are planning, they are not specific to any voltage rating because equipment and the machines are such that they can produce anything starting from, say, 33 kV up to 132 kV in the same setup.

Jyoti: Okay. Any guidance for the quarter 2, how do you see the -- can we see some sort of even better margins what we did in Q1 because Q1 was already good. So can we see improvement in Q2 or it will be at par?

Arihant Bothra: So with the current situation, we see that it may remain at par because monsoon season, generally quarter 2 remains sluggish for us. So as of now, we are seeing it at par.

Jyoti: Okay. That's it from my end. Thank you so much, sir and all the best.

Moderator: Thank you. The next question is from the line of Arnav Sakhuja from Ambit. Please go ahead.

Arnav Sakhuja: Hi, Thank you for taking my question. So with regards to the crude prices, so the crude price movement had been a bit volatile this quarter, especially towards the end of Q1. So I just wanted to ask, has this impacted our performance in any way or not really?

Arihant Bothra: Yes. So if you see the crude prices in India, it long ago got delinked as far as the crude prices and the demand and supply situation is concerned. So the polymer prices are mainly driven by demand supply. And if you see the last 10 years, there have been a lot of capacity addition by all the petrochemical players in terms of polymers. So in India, it is more driven by demand and supply.

However, there are different processes of each different player and different raw material inputs. So when the global prices move as far as the polymer prices are concerned, marginally the prices move here as well. So when we talk about the base prices of selling price moving up by 50 basis points, we mean that there has been increase of raw material prices by that account, and that has been passed on.

That is why the average EBITDA comes low, but the per ton EBITDA seems to be better. So I just wanted to mix two things to make you understand how things look at our end as well.

- Arnav Sakhuja:** Sure. And my next question is -- so I think someone had asked with regards -- the question with regards to the capex over the next 3 years and you had mentioned that it will be 130,000 tons. So if you could just repeat the broad breakup of this, that would be useful?
- Arihant Bothra:** Yes. So HFFR, we have committed another 15,000 tons. PVC we have already committed 25,000 tons and there may be additional 5,000 to 10,000 tons as well. XLPE, we have committed for close to 60,000 tons and another 24,000 tons can also be possible.
- Arnav Sakhuja:** Okay. Thanks for answering my question.
- Moderator:** Thank you. The next question is from the line of Guru Darshan from Kitara Capital. Please go ahead.
- Guru Darshan:** Thank you. Congratulations on very good set of numbers. Sir, our volume growth is around 12% to 13%, but overall EBITDA growth is around 22%, most likely due to lower base, which is around INR14,000 per ton in Q1 FY '25. Going forward, do you see the same kind of EBITDA growth or it will be in line with the volume growth, which is around 13%, 14%?
- Arihant Bothra:** We see it in line with the volume growth because EBITDA as we have continuously mentioned that we are targeting it to maintain our INR15 and it will be in the range of -- a broad range of INR15 to INR16 to be very precise, I can say. So it will be more driven by the volume growth from here.
- Guru Darshan:** Understood. But when you say the realization growth by 50 basis points to 0.5%, are you saying that we are charging more for the same product?
- Arihant Bothra:** As we have explained earlier also, when the raw material prices goes up, we have to pass on the similar prices to our customers. That is why if you see on a continuous basis, our EBITDA margins irrespective of the movement of raw material are on a continuous basis on stable levels. So from that perspective, when we talk about selling price going up, that means the raw material prices went up and that has been passed on to the customers.
- Guru Darshan:** Yes. So essentially, since you follow a cost-plus model, the EBITDA per ton will remain around INR15 to INR15.5, right?
- Arihant Bothra:** Yes.
- Guru Darshan:** And in Q1, finance cost was around INR5.5 crores. Could you explain what exactly is included in this figure? And what would be the quarterly run rate of finance costs going forward?
- Arihant Bothra:** See, on a net basis, our run rate is around INR4 crores to INR4.5-odd crores. When you see INR5.5-odd crores, it includes processing fees of close to INR2-odd crores and normal other cost of balance INR3.5-odd crores.
- Now since we are already borrowing and investing in mutual funds and FDs, so the income from those are reported in the other income, which is close to INR1.5-odd crores. So when you talk about the net interest income or interest cost specifically, it is net cost is INR4 crores approximately. So that is what -- our target on a net basis around INR4 crores, INR4.5 crores.

Guru Darshan: Okay. Understood. Sir, regarding the end user industry, so there are multiple variants, right, power cables, housing wires, communication cables, instrumentation cables, specialty cable and all -- which of these subsegments we currently participate? And where do you see the majority of the future growth coming from? Could you please elaborate on the opportunity we have?

Management: So there are 3 broader areas according to me, Kothari ji can add to that. So one is the house wiring, as Kothari ji already explained, the demand is already there and with new entrants, the demand will further go up. So this is an opportunity.

Next is the power cables. So irrespective of the normal replacement demand, the new demand is also very strong. With new industries coming in, with new infrastructure work going on, the power cable requirement is also going up.

And the biggest demand as we see is the distribution and transmission, 11kV 33 kV and beyond, which we constantly are talking about increasing our capacities. This is a product where due to solar, due to infrastructure improvement, due to electrification of the entire country, not in India, in the global scenario also.

This is a major driver of distribution and transmission cables, which is, I will say, is driving the overall growth. So in terms of percentage growth contributing to the EBITDA, it will always be the distribution and transmission for the next 3 years, whilst when we talk about the volume growth, it will be driven by all the 3 products together. Kothari ji, you can add if I add.

Rajesh Kothari: No, no, you covered it fully.

Guru Darshan: Okay. Sir, just last one question. You're saying that you will add around 130,000 tons of capacity. Do you still wish to maintain 13% to 14% kind of a volume growth going forward? I mean, at least for next 3 years, what kind of volume growth can we expect since you're adding almost more than one-third of the capacity?

Rajesh Kothari: Yes. So as of now, for this current financial year, the volume growth will be probably in the range, similar range because we are already at a very high capacity utilization levels. Next year, we may see, you can say, a better percentage growth, but that will taper down over a period of time.

So when we see the targets of FY '30, which we have set for us, this average CAGR growth of 13% to 14% of volume growth is coming from that target. It will be initially higher, probably going down at the later part of the period.

Moderator: The next question is from the line of from Vignesh Iyer from Sequent Investments.

Vignesh Iyer: My first question is on the capex part again. So I heard you earlier where you said that a few of the capex are planned across different compounds. So I wanted to understand what is the total cost that we will incur over the period of next 3 years on this capex and also the fact that do we have enough land parcels for brownfield expansion or are we looking at acquiring new land parcel or have we shortlisted land parcel near to our existing facility?

- Arihant Bothra:** We have a total land layout of close to INR300-plus-odd crores against this capacity addition, which we announced last year. Now when we talk about the existing land parcel or brownfield expansion, we have partially some space available with us, and we are looking for land as per the requirement of the project.
- So yes, we have identified a few and we are in process of identifying more. It is a continuous process because there are different products, different geographies also to be addressed because of our customer base. So it's a mix of all. It's a continuous process, and we are into it.
- Vignesh Iyer:** So this INR300 crores includes acquisition of land and expansion, right?
- Arihant Bothra:** Yes.
- Vignesh Iyer:** So and also one thing that I have noticed you said earlier that there are certain of the other income that is actually operating in nature. I would request you sir, if you could categorize those income as other operating income as part of the financial statement and a lot of companies do that. So it gives the investor a clearer picture of what is the operating part of the other income and what is the normal treasury other income?
- Arihant Bothra:** We'll check with our auditors how comfortable they are on this reclassification and accordingly we will do that.
- Moderator:** The next question is from the line of Bhavik Shah from Invexa Capital.
- Bhavik Shah:** Sir, my first question is when you're saying you're waiting for approvals for 132 kV. So my first question is why will customer switch from its existing supplier? Are we more cost effective or is it only based on the relationship which we have?
- Rajesh Kothari:** Yes. See, the customer will switch over to a new supplier because of various reasons. Today, they are fully dependent upon imports. So they would always love to have the localization. Because the demand for 132 kV is not as consistent and as planned as it is in case of a lower voltages of 236 kV.
- So it is all tender-based and certain times, you are having a very good demand in a few months, you have a drop in demand. So to manage your supply chain well in time to support the demand emerging, you always need to have a local supplier. That is one part.
- Secondly, if you don't have any alternative to imports, you many times end up paying very high premium. It has seen in past in all product categories, our Indian cable customers have benefited immensely, not only Indian, but overseas customers who are buying from us regularly, they have benefited immensely by having a credible supplier like Ddev Plastiks in their portfolio so that they are able to get reasonable prices from their other suppliers.
- Just for example, when we say that why a customer for 132 kV should switch to another supplier like Ddev Plastiks. Now I'll give you an example, say, UAE is a place where the Burj is place they have their plant capacity and they are having some duty advantage over us. Despite that, the customers who are based in UAE preferred continuously to buy certain quantity from us.

And also during the challenge of the COVID when supply chains were thoroughly disturbed, the people who were sitting in Dubai were not able to serve the customers of Dubai or Oman or say, Egypt and the supplier like the Ddev Plastiks serve their needs. So everybody needs to diversify their supply chain so that they do not suffer shortage of material or the price source.

Bhavik Shah: Understood. And my second question is, when we say UltraTech and Adani will come up with the capacity, like have we spoken with them or are we -- how are we confident that we'll get the orders from them or is it like we are having some monopoly in the market, which will eventually lead us to getting some orders from them?

Rajesh Kothari: No, it is not monopolistic situation. Definitely, we do not have monopoly on those products. But see, every product gives you an indirect monopoly. It is the kind of the trust somebody would have on the product. So whenever somebody is launching a new product for building wire, means starting from the Finolex, which was 27 years back.

So starting from Finolex, RR Cable, V-Guard, KEI, Havells, all these guys, when they came for launching their building wire, the first PVC compound they bought was from Ddev Plastiks or our Kkalpana Industries. And later on, they might have moved to other suppliers. But initial few years, they have been 100% dependent upon us.

Why? Because our product has got that capability of running at a high speed, giving very good surface finish consistent properties, which have been proven over a period of time. Another aspect, just to give you a perspective, even today, whenever somebody is going for BIS certification for any type of their cable initially, they would prefer to buy material from us.

Why? Because they feel safe that, yes, if we are buying this product, we will not face any hiccup in BIS certification because product is above standard, okay? So this is the reason we are confident that these 2 customers also will be our customer for first few years. That is one. And with both of them, we are already in touch. We do not have any firm RFQ, but we are having indication that they will love to work with us.

Bhavik Shah: Understood. So, I asked this question because Adani is also coming up with the PVC capacity. So eventually, they might also get into this product as well. So that was the rationale behind asking?

Rajesh Kothari: But the PVC capacity is far away. We do not see the PVC season coming up in next 1 or 2 years. This is what we hear from other sources.

Moderator: The next question is from the line of Raaj from Arjav Partners.

Raaj: Sir, about the capacity expansion you highlighted over the next 2 to 3 years. So what will be our overall capex in that?

Arihant Bothra: Around INR300-odd crores, we have already commented on this.

Raaj: And how are you going to fund this INR300 crores?

- Arihant Bothra:** As of now, since it is a staggered plan which we have done, so we are funding it from our internal accruals. And going forward, if we want to expedite, then we'll look for other alternatives. But as of now, we are doing it from our internal.
- Raaj:** All right. And sir, how much of the sales is from USA is it can indirect sales?
- Arihant Bothra:** Kothari ji?
- Rajesh Kothari:** Yes. It is, say, the proxy export by our customers in India could be, I think, close to INR100 crores plus.
- Raaj:** INR100 crores plus, okay. So, overall sales to USA is around INR100 crores or so?
- Rajesh Kothari:** 100 means, it is by our proxy customers. We don't export directly to USA. Our cable customers in India who are exporting to USA. So the product which we supply to them for the US market, that could be close to INR150 crores. I don't have any precise number, but that's the number.
- Raaj:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Jaydeep Taparia from IDBI Capital. Please go ahead.
- Jaydeep Taparia:** Thank you for the opportunity. Sir, I wanted to understand the revenue contribution from the product category. So, 73% is from polyethylene and 10% from PVC. So, the rest 17%, could you just elaborate where this revenue comes from?
- Rajesh Kothari:** So it comes HFFR, it comes from our EP, Engineering Plastic Components, it comes from trading. That's the overall breakup.
- Jaydeep Taparia:** Okay. And sir, like, by successor, after wires and cable and packaging industry, the rest 16% is from?
- Rajesh Kothari:** Sorry we missed your voice. Hello?
- Jaydeep Taparia:** So revenue contribution from successor, that 16%, that comes from? Apart from wires and cable industry...?
- Rajesh Kothari:** Many segments. It is a mix of many segments. There is footwear, there is automotive, there is FMEG segment. So it's a mix of many segments all put together. So that's why we are highlighting the major segment and then there are many other segments.
- Jaydeep Taparia:** Okay. Okay, sir. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor Company. Please go ahead.
- Saket Kapoor:** Namaskar sir and thank you for this opportunity. Hello?
- Rajesh Kothari:** Namaskar.

- Saket Kapoor:** Yes, sir. Firstly sir, congratulations for good set of numbers and also a revamped investor presentation. Sir, most of the points, the outlook, everything has been covered very well in the investor presentation and kudos to the team for representing the best for us. Sir, when you mentioned about INR300 crores capex, that will take our capacity up by 1,30,000 metric tons by 2030. That is what the capex for the ensuing 4 years you have outlined because 110 we are doing for the current year.
- Arihant Bothra:** INR110 crores we are doing for the current year. Last year, we did close to INR60-odd crores and another -- the balance is planned for the coming couple of years.
- Saket Kapoor:** Sir that means INR110 crores plus INR60 crores is INR170 crores, so remaining INR130 crores is outlined for the remaining 4 years or INR300 crores is the remaining balance.
- Rajesh Kothari:** INR300 crores is including the last year and the current year. And we haven't considered the capacity, which I have mentioned specifically on the 10,000 and 24,000 tons, which is optional. So if we consider that, then probably another INR100-odd crores need to be added. So as of now, this INR300 crores capex outlay is planned up to FY '27. And if we talk about the 1,30,000 tons, we may have to add another INR100-odd crores.
- Saket Kapoor:** Okay. And going ahead, sir, what is our current market share? And what are we eyeing after commissioning of things in 2027 and by 2030 when we are eyeing a top line of INR4,500 crores to INR5,000 crores, what would be our market share? I think segment-wise, it would be better to understand in the KV segment or a blended one, how should one take understanding of the same?
- Rajesh Kothari:** Yes. So Arihant, let me take this question.
- Arihant Bothra:** Yes, please.
- Rajesh Kothari:** So here, the market share in each segment, it is difficult to define. But when we are talking about the growth, so we are looking at the opportunities, which will drive us to achieve those numbers which we are projecting for 2030. So in that one segment is XLP compound. So today, our products are having a product range of up to 66 KV. And in that segment, starting from 11 to 66 KV, our market share is one-third of the total Indian demand. We are having 33% market share.
- Now this is an area where we see a significant growth opportunity for ourselves. Why? Because, a, the Indian cable customers are adding huge capacity in this product category, in this segment. We by going up the value chain for a product which is capable of delivering installation properties up to 132 KV, we are attaining the capability to secure higher market share with all our customers for volume range up to 132 KV.
- So this is a segment, which I would say starting from 11 kV to 132 kV XLP insulation market, where rather today, it is 66 KV and going forward, 132 KV, where our current market share stands at anything between 30% to 33%, we want to take this market share beyond 50%. So this is the biggest growth driver. That is one.

Second is halogen-free flame retardant. There, we have multiple times in our earlier conferences also, we explained that we see this market growing at a good pace, which was close to 25,000 tons per annum kind of a market, which we see with the natural progress, whatever it is showing at the moment should reach close to 100,000 tons per annum kind of a thing by 2030. And there, we are planning a capacity of 20,000 already we have committed, and we are anticipating probably we'll add more capacity there. So we'll have much larger share in that market.

Today, our market share is negligible in that segment. Market is very small. So both the things will happen simultaneously. Market size will grow and our market share will grow. So these are the two product segments which will drive our growth.

Saket Kapoor: Thank you sir for elaborating and giving us very good understanding. For the solar cable part, sir, how are we classifying that incremental demand for our compounds? Specifically, if you could -- the volume growth which we have experienced, how much would you attribute to the solar cables?

Rajesh Kothari: So see, HFFR demand growth, the key driver is the solar cable application. So if you look at our capacity starting from 5,000 tons and ending up at 25,000 tons by 2030, so it is the kind of 5x growth in that product segment and majority will come from the solar side.

Saket Kapoor: Okay. So HFFR is the one that is attributable -- the growth is towards -- inclined towards the solar cable growth only. That is what you are alluding to?

Rajesh Kothari: Yes, yes, major portion of it.

Saket Kapoor: Okay. There is a specification for which HFFR will be used while the manufacturing of solar cables are needed?

Rajesh Kothari: Yes, yes, it is -- see, Halogen because there are many products which can meet the specification, which governs the solar cable. But Halogen-Free Flame Retardant is the most optimum product, which will deliver you right value at right price point, covering all the properties which are required for solar cable application.

Like to specify, for example, the weather resistance, weatherability, because the cables are going to stay in open environment for a longer period of time, higher level of UV stability, higher level of flame retardancy, safety against fire. So all these features, you can incorporate in the most cost optimum way with halogen-free flame retardant. You cannot achieve the same through PVC or XLP.

Saket Kapoor: And when we see other solar cable manufacturers, they mentioned about e-beam cross-link solar PV cable. So are these the same or there are also various types of cable?

Rajesh Kothari: Yes, no, no. The cross-linking mediums could be different, okay? You can cross-link a Halogen Free Flame Retardant cable. You can cross-link chemically, you can cross-link it by e-beam. So we are having products which are suitable for both kind of cross-linking. Chemical cross-linking as well as the e-beam cross-linking. So my customer, whatever way they are making the cable and crosslinking it, we have the product and we are going to have the market share for that.

- Saket Kapoor:** Okay. And last point is, sir, what would be the current capacity addition for the halogen free flame retardant for this financial year and the next year?
- Rajesh Kothari:** Arihant?
- Arihant Bothra:** Yes. So, if you see the current capacity, we are already at 5,000 tons, another 5,000 tons in process of installation. So that the balance will be done probably by end of the second quarter and we'll be ready with this capacity on a commercial basis probably from the month of November. So you can anticipate that this year, we'll be having -- this will -- we will be closing around 10,000 tons of HFFR and then the following year, we'll be adding another 10,000 tons
- Saket Kapoor:** Arihant Bhai, what will be the revenue contribution from this will be for this year?
- Arihant Bothra:** Revenue contribution, more or less you can think that on a broader basis we are anticipating INR250 crores to INR300 crores by FY '28.
- Saket Kapoor:** That is at 20,000 capacity?
- Arihant Bothra:** Yes, yes.
- Saket Kapoor:** Okay. So in this 10,000 maybe INR125 crores we can expect?
- Arihant Bothra:** Yes, yes.
- Saket Kapoor:** Okay. And the margins will be -- EBITDA percent will be higher for this product? Higher than 15?
- Arihant Bothra:** Yes, it is slightly better than 15.
- Saket Kapoor:** Okay. Okay, sir. And lastly sir, in this our market share currently existing who are manufacturing this?
- Arihant Bothra:** Shakun Polymers.
- Saket Kapoor:** Okay. And there I think the IPO is due for them. So they are not the listed players?
- Arihant Bothra:** Yes. No, they are not.
- Rajesh Kothari:** They are privately held, yes.
- Arihant Bothra:** They are a subsidiary of a Mexican company.
- Saket Kapoor:** Okay. Thank you. So this will be the value-added products from which we will be eyeing to further profitable growth and the incremental margin. That should be the understanding going ahead.
- Rajesh Kothari:** Yes.



- Saket Kapoor:** Thank you and all the best to the team, sir, for setting up a good show and good start to the financial year, sir. All the best, sir. Thank you.
- Rajesh Kothari:** Thank you. Thank you. With this, I think the time is almost over now. I will request our CMD, sir, to give the closing remarks.
- Narrindra K. Suranna:** Anyway, good afternoon, everybody. So I thank everybody, every participant for their very effective and very relevant questions. I hope that our team has been able to answer all the questions in the right perspective and everybody must have got the right perspective of the company. So thanks once again for participating in this investors call. Thank you very much.
- Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.