



Bansal Wire Industries Limited

Manufacturers of Steel Wires

July 25, 2025

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

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code: 544209

Trading Symbol: BANSALWIRE

Subject: Transcript of Earnings Call pertaining to the Un-audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2025

Dear Sir/Madam,

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform to the exchanges that the transcript of audio call recording of the Company's Earnings Call held on Tuesday, July 22, 2025 to discuss the Un-audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2025 is attached herewith

This information will also be hosted on the website of the Company i.e. www.bansalwire.com

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For Bansal Wire Industries Limited

Sumit Gupta
Company Secretary & Compliance Officer



“Bansal Wire Industries Limited
Q1 FY26 Earnings Conference Call”
July 22, 2025



MANAGEMENT: **MR. PRANAV BANSAL – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – BANSAL WIRE
INDUSTRIES LIMITED**
**MR. GHANSHYAM DAS GUJRATI – CHIEF FINANCIAL
OFFICER – BANSAL WIRE INDUSTRIES LIMITED**

MODERATOR: **MR. PARTHIV JHONSA – ANAND RATHI SHARE AND
STOCK BROKERS LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to the Bansal Wire Industries Limited Q1 FY '26 Earnings Conference Call hosted by Anand Rathi Share and Stock Brokers Limited. As a reminder, all participant 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 a touch-tone phone. Please note that this conference is being recorded.

With this, I now hand the conference over to Mr. Parthiv Jhonsa, Lead Metal and Mining Analyst. Thank you, and over to you, sir.

Parthiv Jhonsa: Thank you, Sania. Good morning, everyone. We, at Anand Rathi, are pleased to host Bansal Wire Industries Limited Quarter 1 FY '26 Earnings Conference Call. From the company, we have with us Mr. Pranav Bansal, Managing Director and CEO; and Mr. Ghanshyam Das Gujrati, CFO.

We would now like to invite the management for the opening remarks, which will then be followed by question-and-answer session. Thank you, and over to you, sir.

Pranav Bansal: Good morning, Parthiv. Thank you for hosting us. Good morning, everyone, and a very warm welcome to Bansal Wire Industries First Quarter Earnings Call. The results, earnings release and investor presentation are available on the stock exchanges and our website. We trust you had an opportunity to review them.

We are pleased to report a strong start to FY '26, continuing the momentum from last year. Despite Q1 typically being a lean quarter, we've delivered a solid performance. This reflects the strength of our integrated operations, customer-first mindset and constant drive for innovation.

The current economic scale in India presents unparalleled opportunities for steel wire industry. India's infrastructure and manufacturing push continues to fuel demand for the steel wires. We are well positioned to ride this wave, given our scale, agility and deep presence across the end user industry.

Now let me take you through our performance in the first quarter. On the volume front, we closed the quarter with 104,000 tons of sales, which is the highest we have ever done in any quarter despite it being a lean period. This number was achieved at about a 74% capacity utilization, which gives us enough room for future growth.

A major highlight this quarter has been our strong cash flow generation. We delivered over INR100 crores in free cash flow from operating activities, driven by tighter management, better working capital discipline and improved operational efficiency. This performance marks a turning point, and we expect it to only strengthen in the coming quarters.

Now looking towards the long-term strategic road map, our main focus will be on capturing more market share and continuous volume growth over the next 3 years. We are targeting a 30%

increase in volume this year, and we are on track for that. Along with this, we will continuously be adding new capabilities to fuel growth for coming years.

In order to achieve this, we might take a small decline in our margins until FY '27, but this should normalize or, in fact, increase further from FY '28 once the backward integration and specialty wire initiatives kick in.

We are especially focusing on growing a specialty wire segment today, products like hose wire, IHT and steel cord. These import substitute products have received an overwhelming positive response from the customer further setting tone for the future growth trajectory. These products will significantly bolster our production capabilities and enable us to address the growing market demand more effectively, thereby reinforcing our industry leadership.

We expect operationalization of these products within FY '27 as and when customers approval come through, followed by a phased ramp-up between FY '28 to FY '30. We are also moving steadily on our Sanand project. Major equipment orders have been finalized with global suppliers.

This facility will help us backward integrate our steel and stainless steel wire requirement, securing raw material supply chain and reducing input costs, further strengthening our margin. It will also reflect our ESG commitment through solar energy, rainwater harvesting and a first-time, acid-free pickling process.

The confidence to continue with this growth momentum through these initiatives stems from the strong operational cash flow that we have strengthened our financial position with. We anticipate the situation to only continue and further facilitate us in ramping our production in the coming years by funding majority of our capex through internal accruals.

With this, I'd now like to hand over the call to our CFO, Mr. Ghanshyam Gujrati.

Ghanshyam Gujrati:

Thank you, Pranav sir. Good morning, everyone. I would like to touch upon the financial summary for the first quarter for Q1 financial year. Our revenue grew 15% on year-on-year to INR939 crores, EBITDA surged to 20% on year-on-year to INR75 crores, and net profit for the quarter stood at INR39 crores, up 24% year-on-year basis.

As mentioned by Pranav sir, the total value for the quarter stood at 104,000 tons compared to 97,000 tons as on the March 31, 2025. He has also mentioned that strong positive cash flow of INR97 crores in the first quarter of '26 as against the minus cash flow, which was diluted in the last year of INR150 crores.

We now open the forum for the Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Prateek Singh from DAM Capital. Please go ahead.

- Prateek Singh:** Congrats, Pranav, on a good set of numbers. Just a question as largely, I didn't get the breakup of 104,000 tons that we did this quarter, very ballpark how much was high carbon, low carbon and stainless?
- Pranav Bansal:** Yes, sorry, but we do not disclose segment-wise revenue on our quarterly call.
- Prateek Singh:** No worries. Volume also?
- Pranav Bansal:** Volume is 104,000 tons for the quarter.
- Prateek Singh:** I mean the breakup of volumes, can it be disclosed or not?
- Pranav Bansal:** That I do not have currently.
- Prateek Singh:** Sure, I'll take up later. The second question is largely on working capital and congrats on keeping the top in terms of working capital. So what were the key drivers behind reducing this? And how should we see it going ahead? Would we see further reduction in the working capital over the next few quarters?
- Pranav Bansal:** Yes, sure. So I think one of the concerns has always been that we do not generate enough free cash which is what we try to do within this quarter and which is the target for us for this year as well as next year. What you've seen is about INR100 crores free cash that we've generated this quarter. And we expect this to only improve further each and every quarter, each and every year from now. We've taken a lot of initiatives in this regard. Of course, we have tightened our inventories quite a lot.
- And we will see further tightening up of inventories as and when we go. Even after an increase of about 18%, 20%, we have still not increased our overall debtors by that much. So we have actually taken our overall debtor days down as compared to last year. This, coupled with a lot of other instruments that we've added within this quarter, have led to this kind of a result.
- Prateek Singh:** And the last question is on bead wire, if you could quickly share that. We are targeting a couple thousand tons of bead wire production. So have we started to see bead wires here or is it something which is incoming then in the next upcoming quarters?
- Pranav Bansal:** So although the capacity is installed as of now in the other, we are not utilizing it because right now, we're getting better margins in other products. And as you might remember, generally, the capacity that we always produce is fungible. So we have actually tried to shift that capacity to other high-carbon wire products, which are giving us better realization today. But as and when bead wire realizations improve, we will start producing that.
- Moderator:** The next question comes from the line of Aditya Bhartia from Investec.
- Aditya Bhartia:** My first question is on consolidation of some of the group entities. So in the last couple of quarters, we have started seeing the benefit of volumes of Balaji and Bansal high carbon coming into the listed entity. So just wanted to understand just the volume growth that we have seen on a year-on-year basis, what proportion of that volume growth can be explained by just the

consolidation of those 2 entities into the listed entity? And how much of that is happening on an organic basis?

Pranav Bansal:

Sir, I would say majority of the volume growth that you see have happened on an organic basis. As you might remember, we have consolidated most of the sales from those two entities also in the first quarter of last year. Whatever was remaining has been consolidated within quarter 2 and quarter 3. So majority of it today is organical.

And what I would also like to add is that because of this consolidation, we've been able to rarely optimize a lot on our efficiencies and customer branding, which has also helped us gain out of market. So even today, after trying our best to utilize, we are still short of production.

Aditya Bhartia:

Understood. Understood. And Pranav, given that Q1 is a lean quarter, is it fair to assume that in every subsequent quarter, we should be seeing an increase of, let's say, somewhere between 10,000 tons to 15,000 tons on a on a sequential basis? So maybe the year- end run rate then becomes more like 130,000 or 140,000 tons of volumes? Is that how you look at it?

Pranav Bansal:

Last year, we closed at about 97,000 tons being the last quarter. And yes, I am pretty confident that we will achieve a 30% kind of a volume growth within this year, if not more. So if we just do that basic math, I think we should be around maybe 1.2 lakh tons, 1.3 lakh tons by the end of the quarter -- by the end of the year.

Aditya Bhartia:

Sure. My second question is on working capital, wherein bulk of the improvement in working capital that we have seen this time around is on account of inventory, right? And as it is, I mean, if we look at last year, inventory, to a certain extent, had risen. What are the other big levers that we are having to bring down the working capital from here on? Historically, we have seen working capital operating at even lower numbers. So can we get to a similar kind of a run rate of, let's say, somewhere around 70, 80 days -- 70-odd days of working capital?

Pranav Bansal:

Sir, I think everyone has been working very hard on reducing our inventory days and debtor days. We have already done something on inventory. Now we are working on how to reduce our debtor days as well. I see no reason why we would not be able to go to that range again or maybe even better than in the near future. INR100 crores of operating cash flow is just for this quarter. We have 3 more quarters, and we'll see better -- much better results from here.

Aditya Bhartia:

Perfect. That's great to hear. And just one clarification on that. Like we have certain levers, like, let's say, vendor financing or debtor factoring. Have we started using them? Or those are the instruments which are yet to be used and all the improvement that we are seeing is purely on the basis of efforts that you've been putting in?

Pranav Bansal:

So for quarter 1, I think it will be a mix of both of these. First, majority has been in inventory, but we've also started utilizing a lot of other instruments, especially channel financing, which is one way we will be able to reduce our debtor days in the coming quarters as well.

Moderator:

There is some background noise. The next question comes from the line of Saumil Mehta from Kotak Mutual Funds.

- Saumil Mehta:** First question, in terms of while the operating cash flow for the quarter came strong at about INR100 crores, if one looks at the cash flow basis in terms of finance cost, that has started to go up. So for the entire year, what kind of cash flow finance interest one should be looking at? And structurally, is there a thought process on the EBITDA to operating cash flow conversion? Any ratio we are looking at, ballpark over the next 2 or 3 years on a sustained basis?
- Pranav Bansal:** Sure, sir. So sir, I do agree that financing cost has gone up. And of course, as our revenue goes up, this will keep on increasing. But with that being said, our cash flows would still further improve every quarter and every year because of these working capital initiatives and debtor financing and channel financing initiatives that we've taken.
- So I do not see any issue here. We have allocated about INR600 crores for the Sanand project, which is one of the major investment. And we are planning to fund that majority through internal approvals through these addition and working capital.
- Saumil Mehta:** Okay. So fair to assume that, obviously, FY '26 operating cash flow generation will be pretty strong, but going into '27 again, we should have a very high operating cash flow and probably as a percentage of EBITDA, the number should start improving from what we have seen in previous years. Would that be a fair assumption, Pranav?
- Pranav Bansal:** Yes, I agree with you on this. Our company has -- we've honestly not been focusing a lot on free cash flow generation until about now. But now this year and next year, this is, I would say, kind of a turning point for us, wherein our cash flow generation would improve substantially as compared to the past.
- Saumil Mehta:** Okay. And in terms of ballpark FY '26 and '27, what would be the capex guidance as of now?
- Pranav Bansal:** Sir, our major capex has been the Sanand project, which is about INR600 crores and maybe another INR100 crores, INR150 crores on our regular maintenance and upgradation capex and how we will keep on adding volumes capacities to meet the growing demand. So I think it's safe to say about INR700 crores, INR750 crores of capex that we're looking at this year.
- Saumil Mehta:** This will be spent on a period of 2 years or 3 years?
- Pranav Bansal:** This will be spent within 2 years, so '26 and '27.
- Saumil Mehta:** '26 and '27. So in that backdrop, fair to assume that the leverage will go up, given operating cash flow generation can be marginally short than what the capex guidance is for the next 2 years?
- Pranav Bansal:** Yes, sir. It would be. We would fund some of it through debt as well because we do not have much leverage on our balance sheet today. So we are comfortable with some amount of debt because this will -- this is for backward integration, which will really -- this is a project which will start utilization very quickly once it is up and running. So we are quite comfortable with taking some amount of debt for this.
- Saumil Mehta:** Sure. And my last question in terms of the working capital, are there specific internal teams who are working on each of the line items? Can you throw some more light onto what are the specific

objectives we have in our mind? I mean, Q1, operating cash flow reduction was -- I mean, the working capital reduction was very heartening, but how sustained these trends are? Can you talk a bit more on that? That would be my last question.

Pranav Bansal: Sure, sir. So actually, one thing is that we have done a complete organizational restructuring within the last year. Now we have a specific team looking only after raw material purchases, which is wired in our cases, and which is the reason why we have seen this kind of inventory reduction as well here. We have a 10-people team only working on reducing hours and days of inventories today. So this is the kind of tight control that has come in the system.

Apart from that, in terms of debtor finance -- in terms of debtors also, we, today, have a 75-people team in sales, including the credit control team working on this right now. We have already seen some reduction happen. And although quarter 1 was majorly with inventory, the coming quarters, we will see a major change in the debtor ratio as well.

Saumil Mehta: All the best for subsequent quarters.

Moderator: The next question comes from the line of Akash from Dalal & Broacha.

Akash: Congrats Pranav, sir, on a good set of results. So basically, I was just going through the stand-alone numbers, and we have improved significantly on our stand-alone top line. It's improved from almost INR600 crores to INR900 crores. So can you give us a bifurcation of volumes between BSPL and what we do under our stand-alone entity this quarter?

Pranav Bansal: BSPL, we did about 23,000 tons of sales from BSPL.

Akash: Okay. Understood. And so balance would be from Dadri? Or we'll have a certain element of job work as well?

Pranav Bansal: The balance would be -- I mean, some of it would, of course, be from Dadri, but from other units as well. Other than BSPL, we have 4 manufacturing units. So from all these 4 manufacturing units, we will have some outcome. Although what I would like to add here is that Dadri has done a little better than the fourth quarter.

Although, as I said, first quarter is always a lean period for us because there are a lot of labor shortages because of -- which impacts our production quite substantially. But even after that, we were able to increase our production by about 25% in Dadri year as compared to Q4 of last year.

Akash: Fair point, sir. So what utilization level would Dadri be at currently?

Pranav Bansal: Sir, the exit run rate for Dadri was at about 35%.

Akash: Understood. And sir, by the year-end, so one question would be what would be a volume guidance for next quarter? And by the end of the year, what utilization levels are we targeting?

Pranav Bansal: Sir, we have done about 104,000 tons with about 74% capacity utilization. And with this, we are already adding capacities. About 60,000 tons is scheduled to be added within the second quarter.



And now on volume front, as I said, our guidance has been 30% for this year, and we are on track to achieving this. But of course, giving you breakup will be difficult because, again, it is very dynamic how utilization levels are, how fast we are able to ramp up in Dadri all depends on that. But for the full year, I think 30% is a fair assumption.

Akash: Understood, sir. So I was just doing -- yes, sir, I actually also wanted to understand how are our -- what's the progress on our specialty wire front? So how many tons have we produced on that front in terms of hose wires?

Pranav Bansal: So hose wire, we've already done about 20% kind of a capacity utilization. Apart from that, steel cord, we have already sent samples in the first quarter, and we've already received some positive feedback from customers on sampling because of which why we are now confident of operationalizing this capacity within FY '27, of course, as and when the customer's approval comes. And after that, we are also planning for a phased ramp-up of production between '28 to '30.

Akash: Correct. Sir, if any ballpark estimate you can give by when we can start commercial production of steel cords basis what customer interactions have been till date?

Pranav Bansal: Hopefully, by the third or fourth quarter of FY '27.

Akash: Okay. So till then, it will be more of hose wire only where we'll see utilization improving and...

Pranav Bansal: We have all the works in ramping up IHT wire soon.

Akash: We have all our approvals for hole in IHT in place with the relevant customers?

Pranav Bansal: For hose, we're waiting on -- we're still waiting on major approvals to come in within this quarter. For IHT, our production will only start from third quarter. So after that, maybe 1 or 2 quarters, it will take us to get approvals there.

Akash: Okay. So just if you could summarize, let's say, out of 20,000 tons specialty wire capacity this year, '26, '27, '28, how would you basically estimate the utilization to scale up or volumes to scale up?

Pranav Bansal: You're talking about steel cord for 20,000 tons? We are looking at approvals coming in within '27, third quarter and fourth quarter. Therefore, '28 will be a year where we will see a major impact of specialty wire coming in. If everything goes well, I think we should be able to utilize about 60%, 70% of capacities by '28.

Akash: But sir, till then hose wire and IHT will any which ways be doing, right? And even those are kind of very high-margin products. So what capacities are we planning in those 2 segments, let's say, this year and next year, '26 and '27, until the time steel cords comes live?

Pranav Bansal: So till the time steel cord comes online, we will still have 20,000 tons of capacity that we can make into hose wire. We are looking at about 50 plus percentage of utilization next year. This year also, we are looking at about 35%, 40% kind of a capacity utilization.

- Akash:** Understood. And sir, my last question from my side. So I was just doing a calculation of our realization per ton this quarter and EBITDA per ton. So I think realization sits somewhere around INR90,500 or INR91,000, somewhere around that figure. And EBITDA per ton sits around INR7,200. So any comments on these 2 figures, how they will map out in the, let's say, coming few quarters, 2, 3 quarters, in which direction they shall be going?
- Pranav Bansal:** Sir, realization, honestly, is not in much of our control because it all depends on the movement in the raw material. We have a cost plus model. So whatever increase, decrease there is in the raw material will be passed on. Therefore, realization will keep on increasing. On EBITDA front, also, we've guided for a 10% increase of EBITDA this year. And I would like to stay with that guidance, although I understand that we've already done a better EBITDA.
- If you just take the first quarter, we will see a better result. But I would still like to stay with this guidance because, again, it is very dynamic. And this year and next year, we are looking at increasing market share. So I would not want to comment anything other than this on EBITDA, a 10% increase is what we are looking at.
- Akash:** And realization should improve basis the prices, right?
- Pranav Bansal:** That all depends on the raw material cost. So if you see right now, we are having -- it increases, decreases.
- Moderator:** The next question comes from the line of Mayank Bhandari from Asian Markets Securities.
- Mayank Bhandari:** My first question is on IHT wires. Could you give us any sense on the market size of IHT, particularly which are the players in this market?
- Pranav Bansal:** Sure, sir. So IHT wire is a wire that is used for suspension application in 2-wheelers. Majorly, all the EVs today use IHT wire, which is why we are coming up with this product for all the EVs, 2-wheeler EVs especially. Now looking at today, the market size would be at about 15,000 tons to 20,000 tons, but it is growing very rapidly.
- As of now, there is only one producer of this product in India, which is Tata. Otherwise, everything is still being imported. So this comes perfectly under our specialty wire vertical, wherein we are trying to substitute imports, and we are only targeting high-volume or high-growth areas.
- Mayank Bhandari:** Okay. And what kind of margin EBITDA per ton we'll make in IHT?
- Pranav Bansal:** We would be looking at about INR15 to INR20 a kg kind of an EBITDA per ton.
- Mayank Bhandari:** And secondly, sir, on this volume guidance of 30% growth, we are currently at almost 74% capacity utilization in the Q1, as you mentioned. And if we go by our capacity expansion plan, our total capacity will become almost 6 lakh or 6.5 lakh ton, right, by the end of this year, including the expansion that we are doing?



- Pranav Bansal:** So right now, we are looking at about 60,000 tons that we'll add within the second quarter. And after that also, we can be very quick in adding capacity as and when required, looking at the demand.
- Mayank Bhandari:** The 60,000 ton number was 1 lakh -- 1.2 lakh tons last quarter, right, as you had mentioned in your call?
- Pranav Bansal:** Yes. So 60,000 tons is what we were supposed to add within the first quarter, which is what we will add now.
- Mayank Bhandari:** So basically...
- Pranav Bansal:** So a total of 1.2 lakh tons can be added quickly. No problem there.
- Mayank Bhandari:** So by the end of second quarter, it will be 60,000 tons added?
- Pranav Bansal:** Yes.
- Mayank Bhandari:** Okay. What was the capex for this quarter, sir?
- Pranav Bansal:** capex for this quarter, I do not have those numbers. Maybe I'll give those details to you later.
- Moderator:** The next question comes from the line of Rehan Saiyyed from Trinetra Asset Managers.
- Rehan Saiyyed:** Congratulations for a good set of numbers. Sir, most of my questions are already answered. I am left with some of them here. Sir, like you have mentioned, like 4.5 lakh ton to 5 lakh ton market potential in specialty wires. So I want to ask if what markets are we aiming to capture in this segment over the next 2 to 3 years? If you can just put some light at it?
- Pranav Bansal:** So specialty wire as a product, I'm not expecting something great to happen within the next 1 year because there's an approval process already that has to take place, which has already started now. So as I said earlier, '27 will be a year where we will start getting some numbers with us, and '28 will be the year where we will see full year kind of a result of specialty wire. From there on, we are targeting to add capacity. Our final product, our final project is a 2 lakh ton steel cord project, which we would want to start after '28.
- Rehan Saiyyed:** Okay. Sir, my next question is around the export side. How are we competitively positioned against China and Vietnam, especially in the stainless steel wire segment, if you can just put some light there?
- Pranav Bansal:** Sure. So for exports, sir, we have only targeted very -- all mature markets here wherein the customer is ready to pay more for a better service and a better quality. And also China plus 1 has been something that has worked for us along the way.
- So even today, 75% of our export comes from U.S. and Europe, wherein there is a long approval process also and some specific types of customers wherein we are able to get our margins. With that being said, also one thing which is important for us looking at products wherein our raw

material cost is less than 50% of the total pricing. Therefore, our disadvantage to China is in less than 50% of the value.

Rehan Saiyyed: Okay. Sir, my last one, bookkeeping question. Like what is the -- other income on a stand-alone basis is 51 -- INR5.1 crores significantly higher than previous quarters. So what is driving this? Is it like a primary income, fair value gain or a onetime assessment that we have seen in this quarter?

Pranav Bansal: Sir, can you say that again? The voice was not clear.

Rehan Saiyyed: Sure, yes. So sir, like in this quarter, we have seen other income on a stand-alone basis, INR5.1 crores, significantly higher than previous quarters. So what's driving this? Is it primary income, fair value gain or a onetime assessment that we have seen?

Pranav Bansal: You're talking about other income of INR5 crores?

Rehan Saiyyed: Other income, yes, yes. Significantly higher in the last quarter.

Ghanshyam Gujrati: I am Ghanshyam Gujrati. The other income includes that forex gain -- exchange gain. That is around INR2.82 million. That's it.

Rehan Saiyyed: It increased like 5?

Ghanshyam Gujrati: No, no, no. It is not increased. Actually, as compared to the last year, last year, it was 55.62. The current year it is 22.82 for the first quarter only. This is gain in foreign exchange.

Rehan Saiyyed: Okay. That's what I am asking.

Moderator: The next question comes from the line of Sameer from Dymon Asia.

Sameer: Just wanted to understand how should one think on the ROCE, ROE trajectory, especially with the capex coming up? You also explained the working capital changes and focus on cash flow. But once this capex something is behind us, would you say that we will hit that 20% to 25% mark over the next 2 to 3 years?

Pranav Bansal: Sure, sir. So one part of ROCE is already taken care of when we are trying to work on our inventories and debtors. And you will see a better result within this year itself in ROCE. Even after the capex that we will do, we will still have a decent set of ROCE by the end of this year. And of course, as and when we progress, our focus has shifted completely to ROCE, and you will see better results. The 25% kind of a range is what we are targeting in the very near future.

Sameer: Okay, okay. That's heartening. And secondly, how is the customer feedback on some of our tire cord projects and the product? If you can elaborate a little bit on that?

Pranav Bansal: Sure, sir. So in the first quarter, we have already sent some samples to 2 of our main customers. And we've already gotten very positive feedback from one, and we're waiting for feedback from another customer.

So from that particular feedback itself, we are quite positive of getting this done quickly. We are looking at about 12 to 15 months of an approval cycle, hopefully from 1 customer, and others could take maybe 15 to 18 months. But we are quite confident on the product quality that has come out from this line.

Moderator: The next question comes from the line of Prakhar from Anand Rathi.

Prakhar: Just wanted to check in on Sanand. What are the benefits you can get from the raw material integration?

Pranav Bansal: Sure, sir. As I said, the next 2 to 3 years are years for us wherein we want to grab market share. To do that, we might have to sacrifice on our margins a little bit. But after backward integration kicking in, which is somewhere at the later end of '27, we, in '28, should come back to the normal margins that you saw in FY '25. So this is why backward integration is helping us. Although we will reduce our margins to grab market share, through backward integration, we will be able to gain back or maybe do something better than FY '25 gradually.

Prakhar: Okay. And other thing is, sir, as you've guided right now, for the 60 kt you are adding up at Dadri before you have told about 120 kt, right? So just wondered when we can say another 120 will be...

Pranav Bansal: Sir, 60 kt is something that we are adding within this quarter, and another 60 kt will be added by the third quarter. So we were supposed to add 120 kt within the first half. Now it is delayed by about 2 to 3 months. So second and third quarter is when we will add complete 120 kt.

Moderator: The next question comes from the line of Vidit Trivedi from Asian Markets Securities.

Vidit Trivedi: Most of the questions have been answered. Just wanted to know, I mean you have already mentioned that Dadri capacity at the moment is currently 35%. Just wanted to know, when do you expect it to contribute materially to the EBITDA? And what's the overall current share of exports?

Pranav Bansal: Sir, the Dadri facility is already contributing in our EBITDA and in our revenue. Even last quarter, we have done about -- more than 20%, 25% of our revenue has come from Dadri. Although it is still less than our expectation, we want this to be ramped up quite quickly because our customer responses have been very good. But we'll see how it goes. Maybe in the second and third quarter, we will see better results from Dadri.

On the export front also, we were at -- we did about INR72 crores of export, which is about 7.5% of our total revenue.

Moderator: The next question comes from the line of Jay Patel from Patel Equities.

Jay Patel: Yes. So Ghanshyam ji, my question was regarding the factoring that we are doing. So is it a recourse factoring or nonrecourse factoring?

Ghanshyam Gujrati: Yes, yes. From the payable side, it's on the recourse, and on the debtor side, it is nonrecourse.



- Jay Patel:** Okay. So just for the clarification, any default of the receivable would be borne by Bansal Wire, right?
- Ghanshyam Gujrati:** No, no, no.
- Pranav Bansal:** Sir, any debtor financing is on nonrecourse basis. So any default will not be borne by Bansal Wire in terms of debtors.
- Jay Patel:** So like if we are confident of the receivables, not going by -- this nonrecourse is high cost also. So why did we go for nonrecourse?
- Ghanshyam Gujrati:** What I said is debtor side in nonrecourse. I mean the cost is not higher. Cost is not higher, and that will be borne by the debtors itself.
- Jay Patel:** Okay. And the Sanand backward integration that we are doing, so on the EBITDA per ton basis, how much would it be additional EBITDA that we could get from backward integration?
- Pranav Bansal:** Sir, for the steel and stainless steel project alone, we are looking at maybe INR7,000 to INR8,000 of EBITDA per ton, that will be added. On a consolidated basis also, if you look at it, we are reducing our EBITDA as per our guidance by 20% in '26 and '27. But this 20% will come back again from the Sanand project alone.
- Jay Patel:** Okay. Okay. And lastly, recently, we had been to Tyre Materials Conference. So how is the response of the customers? Like are they willing to give us a chance because we see our competition is from [Not audible] in China. So how is the response? Anything you could say?
- Pranav Bansal:** So sir, the response is truly overwhelming. Our customers are truly after us, it's not the other way around. We have to prove to them and we have to submit them details on the time lines and what is happening on their various products.
- Most of the customer samples have already received by the customers, and we are waiting their results. Overall, it looks quite positive because, again, there's no other Indian company that manufactures it. This is the reason why we get such a positive response from the customer today.
- Moderator:** The next question comes from the line of Jigar Jani from Nuvama Research.
- Jigar Jani:** Congratulations on a good set of numbers. My question is on the Sanand facility. I believe you guys have increased the capex for the year of INR600 crores to INR650 crores. Just wanted to understand what led to this escalation? And also, what would be full on optimal capacity, that is the utilization at Sanand? What kind of overall EBIT...
- Pranav Bansal:** You're not very audible. Could you repeat the question?
- Jigar Jani:** So what I was asking was on the Sanand facility in Gujarat, we have increased our capex by about INR50 crores from INR600 crores to INR650 crores. I just wanted to understand what led to this escalation? And also, I believe on full utilization, what kind of revenue are you looking

purely from the Sanand facility? And what kind of EBITDA per kt can we expect? And would the cash conversion cycle be fairly similar to what we have right now in our consol numbers?

Pranav Bansal: Sanand, sir, first thing is that, we've increased our capex by about INR60 crores for 2 reasons. One is that we are putting about 60,000 tons of wire facility, which was not the plan earlier. This is for stainless steel and low carbon wire. And second is, even in the equipment selection, we have tried to select such equipments that after some debottlenecking, we can increase our capacity from 1.8 lakh tons to 2.5 lakh tons very quickly. So this is the reason for higher capex.

Coming to EBITDA and revenues, of course, Sanand being completely backward integration for 1.8 lakh tons will not reflect on our revenue because we will, at the end of the day, consume the whole product that is coming out of Sanand. From 1.8 lakh tons, what we are looking at is maybe INR7 to INR8 of EBITDA per ton it will add.

Jigar Jani: Okay. So this 1.8 lakh tons is just a backward...

Moderator: Sorry to interrupt. May I request you to come back.

Jigar Jani: No worries. I'll join back a bit.

Moderator: The next question comes from the line of Prakhar from Anand Rathi.

Prakhar: I just wanted to check what were the volumes for the Q2? And what about the EBITDA margin and EBIT per ton for the second quarter?

Pranav Bansal: You mean for the upcoming quarters, sir?

Prakhar: Yes, for the upcoming quarter, yes.

Pranav Bansal: So sir, as I said, 30% volume growth is what we are targeting for the complete year. EBITDA also, we are looking at a 10% increase in our EBITDA. Of course, this remains very dynamic because we are on a journey where we have to grab a higher market share. So I expect this and the next year to be a little tough on our margins. Of course, we are already taking steps by backward integrating and by introducing specialty wire vertical to get back on our margins and actually improve further. But a quarter-wise guidance would be not possible at the moment.

Prakhar: On a blended basis, is there anything, sir? Like what we can expect on an overhead?

Pranav Bansal: On a blended basis, we've already done about 104,000 tons of volume this quarter. This should only increase. Q1 being a lean quarter, we should see better results each and every quarter from here on.

Prakhar: Also, on the EBITDA per ton?

Pranav Bansal: EBITDA per ton, as I said, we are looking at a 10% increase in absolute EBITDA. So maybe INR6.5 a kg is the EBITDA per ton that we are looking at. We are at about INR7.2 a kg already in quarter 1.

- Moderator:** The next question comes from the line of Shweta Dikshit from Systematix Group.
- Shweta Dikshit:** Pranav, just needed this clarity, when you said that you see a 20% decline in EBITDA margin, is this what you said? Or did I miss something here?
- Pranav Bansal:** That is absolutely right, ma'am. By increasing market share within '26 and '27, we are taking provisions of taking about 20% decrease in our margins. Of course, this 20% is not actually just a decrease, it is also a difference of product mix. For example, in Q1, we have already -- we have done about INR70 to INR100 a ton, wherein it was only a change in product mix that we have taken and not much reduction in margin to increase this market share.
- Shweta Dikshit:** Okay. So Pranav my question is that when we connected last quarter, your indication was around a 10% drop in EBITDA per ton over the next 2 -- next year, and then it will recover slightly in FY '27 and then back in FY '26. But now if you guide for an EBITDA per ton reduction of 20%, what is changing on a Q-on-Q basis that...
- Pranav Bansal:** No, ma'am. There is no change here in Q1 -- in the last quarter also, I guided you for a 10% increase in EBITDA, which is the current guidance that I am giving you today as well. In terms of EBITDA per ton, there will be a 10% decrease straightaway in margin, and 10% decrease because of product mix that you might see on a blended basis.
- So as I said earlier, 30% is the volume growth that we are targeting this year, and 10% is the EBITDA growth that we are targeting this year. This remains on track. And if you look only at quarter 1, we have done a little better. But again, I do not want to commit specifically on the first -- on the second or third quarter because it could change. There could be a little bit of an up and down because of grabbing a higher market share.
- Shweta Dikshit:** Understood. And lastly, Dadri capacity was at 35% utilization...
- Moderator:** Sorry to interrupt, may I request you to come in the question queue for a follow-up question? The next question comes from the line of Saumil Mehta from Kotak Mutual Fund.
- Saumil Mehta:** Sorry, this EBITDA per ton, which is about INR7.2, which has been in the range of INR7, INR7.5, should we see that number improving in '27? Or it will be more of '27, '28?
- Pranav Bansal:** Sir, I would say '28 would be a better year for you to see improvements here because backward integration will kick in at a later end of the FY '27, but again, 1 or 2 months here and there and it might reduce. So '28 would be a better year for you to see EBITDA improving.
- Saumil Mehta:** So just to understand, this current year would be more like closer to INR6-odd since there will be a decline. Next year will go again back to INR7, INR7.5, which is what we are reporting. And then '27, '28, we should see an improvement from those compares?
- Pranav Bansal:** Yes, absolutely. And this is only with backward integration. With specialty wire numbers coming in, they should increase further.
- Moderator:** The next question comes from the line of Mayank Bhandari from Asian Market Securities.



- Mayank Bhandari:** I just wanted to understand on LRPC wires. You, I think, had alluded to that you have got -- you're in the process of getting a certification for the same, and volumes will start kicking in. So could you please give some color on that? And also the market, how is the market doing for LRPC?
- Pranav Bansal:** Sure, sir. So we have gotten some approvals. We are still waiting on BIS certification to start a majority of our suppliers, which should be coming in maybe any time now within this month or next month. After which, we will see a better utilization level.
- In terms of the market for the LRPC right now, we see a sluggish demand because there is excess capacity. So margins have reduced substantially. But of course, this is, again, a product on which we are not very dependent on. And most of the equipment used for LRPC is also fungible. So even today, we are utilizing that capacity to make other high carbon wires.
- Mayank Bhandari:** And what kind of margin do we make in LRPC?
- Pranav Bansal:** LRPC, our expectation was about INR5 a kg kind of an EBITDA. Currently, it is a little lower than that. It is about INR2.50 a kg, INR3 a kg today, looking at the market price, but this should, hopefully, improve further.
- Mayank Bhandari:** Okay. And sir, one more thing. Just checking your 30% volume growth guidance on last year, 344,000 ton volume, it gives me a capacity utilization of almost 60%, 65%. So isn't it a bit conservative, given that we are expanding a lot or capacity seems to be expanding at a much faster rate. Given the growth we are targeting, utilization remains lower than what we anticipate.
- Pranav Bansal:** Sure, sir. So as a company, we have always been at about 85%, 90% kind of capacity utilization. I understand last year was low because of the Dadri facility, which has doubled our production. So this is a one-off kind of a case where we are doubling our production within a year. Therefore, you see a lower capacity utilization.
- This year, one of the reasons for us to also delay a 60,000 ton capex by about 1 quarter is so that we've always maintained a decent level of capacity utilization so that we do not take our hit on margins because of additional costs, which is a mix that we will keep on following gradually over the quarters.
- Mayank Bhandari:** Utilization will be optimal. I mean how much optimal utilization you project in '27 -- FY '27?
- Pranav Bansal:** Sir, for our company, the optimum capacity utilization is always more than 80%. 85%, 90% is the right number for us. This is when we get the best margin and best utilization. So we would want to operate at the same pace. But again, because of the substantial increase that we are targeting every quarter, there could be a quarter where in capacity utilization is lower, and the next quarter, we add more capacities and more volumes.
- Mayank Bhandari:** But I think, sir, 85% utilization means you are growing by more than 40% a year? Okay. That's fine.
- Pranav Bansal:** Thank you.



Bansal Wire Industries Limited
July 22, 2025

Moderator: Thank you. Ladies and gentlemen, we'll take this as a last question for today. I would now like to hand the conference over to Mr. Parthiv Jhonsa sir for closing comments.

Parthiv Jhonsa: Thank you all for joining us for the conference call today. We, at Anand Rath, would like to thank the management of Bansal Wire Industries Limited for giving us this opportunity. This concludes this conference. Thank you, everyone. Have a good day.

Moderator: On behalf of Anand Rath Share and Stock Brokers Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.