



Bansal Wire Industries Limited

Manufacturers of Steel Wires

Date: August 07, 2024

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

National Stock Exchange of India Limited
Exchange Plaza, C-19 Block G,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code: 544209

Trading Symbol: BANSALWIRE

Subject: Transcript of Analysts/Investors Call pertaining to the Financial Results for the quarter ended June 30, 2024

Dear Sir/Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the exchanges that the transcript of audio call recording of the Company's Analyst/Investors Call held on Friday, August 02, 2024 to discuss the Un-Audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2024 is attached herewith.

This is for your information and record.

Thanking you,

Your faithfully,
For **Bansal Wire Industries Limited**

Sumit Gupta
Company Secretary & Compliance Officer

Bansal Wire Industries Limited
Q1 Financial Year 2025
August 02, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY '25 Conference Call of Bansal Wire Industries Limited.

From the management we have Mr. Pranav Bansal – MD; and Mr. Ghanshyam Das Gujrati – CFO to take the discussion forward. We also have an Investor Relations team from Adfactors PR. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during the conference call, please press “*” and “0” to signal an operator on your touchtone telephone. Before we begin the earnings call, I would like to mention that some of the statements made during the today's call might be forward-looking in nature, and hence it may involve risks and uncertainties, including those related to the future financial and operating performance.

I now handover the call to Mr. Pranav Bansal for his opening comments.

Pranav Bansal: Hello, and good evening, everyone. I am delighted to speak to you all for the first time post our successful listing. I hope you all have gone through the results, press releases, and the investor presentation, which are available on the stock exchanges and on our website. I would like to discuss at a macro and industry level before we dive deeper in the performance of the quarter, after which we shall have the forum open for Q&A.

For the new investors of this call, I would first like to brief you a little bit about the company. So, today, Bansal Wire Industries Limited, is the second largest steel wire producer and the largest stainless steel wire producing company in India. We have a total of five manufacturing facilities, three of which are in Ghaziabad, one is in Bahadurgarh, and the fifth is the single largest manufacturing facility in Asia, which we have just started in this quarter. We have over 3,000 SKUs that we sell to more than 5,000 different customers. As far as our vertical goes, we have three main verticals - high carbon, mild steel, and stainless-steel wires. We cater to almost 5,000 customers in various industries like automotive, general engineering, consumer durables, and we are exporting to about 50-plus countries, out of which the major exports are to the U.S. and Europe.

Now coming to the first quarter. The first quarter, I would say, has been a very crucial quarter for the whole country as we voted for a new government, because of which I feel that we have seen a renewed positive sentiment overall in the market today. Because as a company, I would

say, we are a backbone to industries like automotive, infra, or agriculture, and all of these sectors have seen good results and good tick in demand. Therefore, for us, the future is looking bright. As a whole, I would say that we have done a little better than anticipated in the last quarter, and we are hoping for similar and better results in the future as well.

So, for the first quarter our company reported an 82% jump in net profit to about Rs. 31 crores, 49% jump in revenue to about Rs. 817 crores, while EBITDA increased by 127% to Rs. 62 crores. Our EBITDA margin also rose by 260 basis points to 7.6%, and PAT margin grew by 70 basis points to 3.9%.

I would like to conclude here, and we can open the forum for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Deep Mehta, Bank of India Mutual Fund. Please go ahead.

Deep Mehta: Hi, sir. Thank you for the opportunity, and congratulations for a very good set of numbers. My first question is slightly bookkeeping in nature. If you can help me with the volumes or sales which we have done for Q1 of this quarter?

Pranav Bansal: Yes. Overall, as far as volume goes, we have done about 140% increase on a year-over-year basis in all three streams, high carbon, MS, and stainless steel combined.

Deep Mehta: Can you help me with the absolute number of volumes, if it's possible?

Pranav Bansal: Yes. The absolute number of volumes that we have done is close to 76,000 tonnes.

Deep Mehta: That's very helpful, sir. And my second question is regarding our Dadri facility, what has been your progress in commissioning of the plant? How much of the plant has been commissioned? And how should we look at its ramp up for the full year?

Pranav Bansal: Out of the 76,000 tonnes, about 6,000 tonnes has come from only Dadri. Our Dadri ramp up has done a little better than expected. By the quarter end, we have closed at about 13% kind of a utilization already. And every day, I would say we are adding capacities, and we are ramping up capacities. So, we see an increase in sales happening on a daily basis from Dadri. Looking at the current number, I am sure that we will surpass all our estimates that we created for the year.

Deep Mehta: That is very helpful, sir. If you can help me with the absolute capacity, which we may reach by the end of this year for Dadri facility.

Pranav Bansal: As far as capacity goes, the whole company will now have about 6 lakh tonnes of installed capacity by the end of this year, from the 2.5 lakh tonnes that we had last year. So, about 2.5x capacity jump will be there by the end of the year.

Deep Mehta: That's very helpful. And my last question is regarding our initiatives for adding various value-added products. If you can help us in understanding the progress on each of these projects which we are trying to execute.

Pranav Bansal: So, we as a company have been adding new products almost every month, and we continue to do so. The main focus for us, as far as margin expansion goes, will be by adding the fourth vertical of specialty wires, which is scheduled for third quarter of this year. And I would say everything is on track. We are delayed by about a month because of some imports from China, due to container availability. But otherwise, within the third quarter of this year we would start our production in specialty also. And we are looking at a quick ramp up of that product as well. With that being said, we have already tried to increase a higher margin product portfolio in all three segments of high carbon wire, stainless steel and mild steel wires.

Moderator: Thank you very much. The next question is from the line of Aditya Bhartia from Investec. Please go ahead.

Aditya Bhartia: Good evening. Pranav, my first question is on the licensing arrangement with Bansal High Carbon and Balaji Wires. If you could provide an update about when exactly are we thinking of doing? And are there any issues that we may face from customers' side? Will it be easy to move low-carbon customers to the new facility or once the licensing arrangement gets done?

Pranav Bansal: So, very important question, sir. In fact, just to update you, in the first quarter itself we have been able to transfer some sales from Balaji and Bansal High Carbon into Bansal Wire. Within the second quarter, we have taken an initiative where we will consolidate Bansal Steel & Power fully within this quarter. And by third quarter, we are looking to consolidate all numbers from Balaji and Bansal High Carbon to Bansal Wire. But with that being said, the numbers have already started coming in Bansal Wire. The revenues, EBITDA, everything is being reflected in Bansal Wire to some extent. And every month, we will see that more and more sales will be transferred. By the end of third quarter of this year, everything will be done. As far as customer goes, we have already been in touch with all customers. Wherever approval we needed, we have received. Wherever it is pending, we will get within the next one quarter.

Aditya Bhartia: Understood. And on specialty side, Pranav, you were speaking about some delays that you have seen. When exactly are we expecting the facility to become operational? How are you thinking about getting the qualifications? And by when should we actually commence commercial production?

Pranav Bansal: So, the delay for our capacity of specialty wire is because of the imports from China. We had some issues in container availability where the equipment's dispatch was pushed by about 30 days. Because of this, we see a 30-day delay in our process, although the containers have now started reaching our plant. So, their installation is underway, so we do not see any further delay in this.

As far as timelines are concerned, we are looking at starting production by November or December of this year, commercial production, after all successful trials and everything. And within the same month, we will also start selling the product. We will first look at hose wire and then we will look at steel cord. Because in steel cord, we are looking at a one-year approval process practically from the customer, wherein hose wire we will be able to see the revenues within the fourth quarter of this year.

Aditya Bhartia: And my last question is on bead wires. When should we expect the capacity on the bead wires to be coming through? And is qualification going to be a time-consuming process for bead wires as well?

Pranav Bansal: See, bead wire as a product will also come either by the end of this quarter, or may be early next quarter. As far as approval goes, again, in bead wire 50% of our sales will happen where we do not need a very long approval process, therefore, we will be able to start supplying bead wire very soon. About 40%-50% of our capacity we can achieve without an approval process. In the other 50% of our capacity, it will take us up to 8 to 12 months to get the approval from our customers.

Moderator: Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah: Sir, you mentioned about the specialty wire for margin expansion. If you would also highlight some other key strategies for growth you are undertaking, so as to better understand how to look at Bansal Wire for the next 12 to 24 months. So, if you can draw us a picture, that would be helpful.

Pranav Bansal: If you look at even our history of the company, we as a company have been growing at about 20%, 25% every year. Because of this public issue, we are anticipating a better growth than we have been doing in the last 10 years, which is why we will see, even in this quarter you will see that reflection. And this quarter, I would say, is only the start. Each and every quarter after this quarter, you should see better results, better revenue and better EBITDA. In fact, we are looking at about more than 80% growth in our EBITDA as compared to last year. At last year we were at about Rs. 150 crores of EBITDA, we are looking at least 80% growth in that within this year, majorly because of the new CAPEX that we have already started, the Dadri facility, which will take our capacity from 2.5 lakh tonnes to 6 lakh tonnes, because of which we have a lot of excess capacities to sell. And every month, we are increasing our sales, we are increasing our production.

This Dadri expansion will help us achieve a good growth in the next two to three years. With that, we are also looking at specialty wire. Specialty wire is a business in which our final plan is to make about 2 lakh tonnes. Looking at the current market, the current margin profile of this product, we are looking at a Rs. 2,000 crores kind of revenue from steel cord in the coming

future, maybe five to six years down the line, in which the EBITDA percentage is also about 20%, 25%. So, this is what specialty wire is. With that being said, all our three verticals, MS, high carbon and SS will keep continue to grow at the same pace or a better pace than we have been.

Rahil Shah: Rs. 2,000 crores you said from steel cord over the next five to six years?

Pranav Bansal: Yes. In that Rs. 2,000 crores, we are looking at 25% kind of EBITDA. Apart from that, the current business will keep on growing at minimum 20%, 25% that we have been doing in the last many years. And this year, we will see a better growth, about 70%, 80% growth as compared to last year.

Rahil Shah: That is on top-line or EBITDA?

Pranav Bansal: Sir, practically, as far as we look at our business, we look at majorly EBITDA, because top-line, again, is a function of my raw material price into the commodity. Because of that fluctuation, revenue can differentiate. But in absolute EBITDA it does not change because we follow a cost-plus model. Therefore, we are looking at least 70%, 80% jump for the whole year.

Moderator: Thank you. The next question is from the line of Praful Kumar, Dymon Asia. Please go ahead.

Praful Kumar: Okay. So, congratulations on a great listing and great first quarter. Just two, three questions here. First, how many SKUs are we currently?

Pranav Bansal: Sir, we make more than 3,000 products, and we almost add new products by the week.

Praful Kumar: Every week, okay. And that helps you to obviously maintain your margins and improve on them because of the wide bouquet of products that you have, correct?

Pranav Bansal: Absolutely. By making 3,000 products, we are serving around 5,000 customers. And this is one of the reasons why we have an 89% client retention ratio in our industry.

Praful Kumar: Fair enough. Okay. My second question is, we discussed this earlier, can you tell us the measures that you are taking on the ROCE front in terms of over the next, say, two to four, six quarters? How should we look at any measures that you have taken to improve the return on capital employed in the business?

Pranav Bansal: In fact, sir, this is a learning that we have had in the last three to four months or throughout the whole IPO process, where we understood that ROCE is a very important way to understand your business, which we did not earlier, to be honest. Now we have started focusing on **ROCE** improvement. In fact, just to update you, the quarter ending June, our ROCE from about 18.46% last year jumped to 23.85%. And we will see a positive impact on ROCE every year. Our focus is to maintain at least 20%-25% kind of a ROCE level.

Praful Kumar: Any measures in terms of, on the balance sheet side, working capital, if you can elaborate any receivable financing, any other tools that you are using incrementally that can help this? Obviously, this is a lot driven by operating leverage as well your margins have gone up, which will keep happening as you increase your utilization levels. But something structurally on the balance sheet side that you guys have initiated?

Pranav Bansal: Sir, we are actually taking a lot of initiatives on this, to improve our ROCE, as well as to have a very positive cash flow from operations. What we understand is that our own capital in the business that we have put in so many years has been funded through debt. Now in the coming years, we will reduce our own capital from the business wherein you will see a decline in the trade receivables from us. We will have less debtors, we will have less stock. As well as in general because the production increases, so our overall working capital cycle will decrease as and when we scale up. So, all of this combined, we will see a good impact, I would say, by the end of this year, we will see a very good impact on cash flow as well as ROCE.

Praful Kumar: Fair enough, ROCE. Sir, now that's great. Last question, Pranav, then I will fall back in queue, is on this new project that you guys, with the machines have arrived. Now, what it needs to succeed in this? How big is this market? Who are the current players? What's your right to win here? More about your team, what team you have built in to understand that you will succeed and maybe deliver Rs. 2,000 crores in the next three, four years that you mentioned with much higher EBITDA margins and ROCEs. So, broadly, something on this market, number of players, what market share you will have? And then a follow-up on that, yes.

Pranav Bansal: Yes. Sure, sir. So, again, as far as specialty wire goes, the product that we are looking at is steel cord, which is the main focus area. Now, steel cord is a very interesting product for us because we are the first Indian company that will make this product. So, today this is a product that is basically being imported, and the rest is being serviced by a Belgian company called Bekaert, which they have a plant in Pune, and where they make it. But still 50%, 60% of the market of this product is being catered by imports.

Now, within this financial year we will be able to start our production, we will start selling hose wire and then steel cord. Steel cord, of course, requires a long approval process, and more than that, it is a highly technical product. So, what we have done here is, today we have a very good team in place in the plant that has the technical expertise. We have also tied up with a lot of different vendors as far as the infrastructure goes, so we have the right infrastructure. We have tied up with a company that has more than 50% market share in supplying the equipments to make steel cord, and we have an exclusive agreement with them when it comes to India.

So, by all of this, I would say we have tried to do our best to have the right team in place, to have the right equipment in place so that we can succeed in this. And because we have a first mover advantage and today, after COVID, I would say all customers have understood that they cannot rely on import, we see a very good traction in this product from the customers. Which

is the reason why they have reduced our approval process from three years to about one, one and a half year. But within that one, one and a half year, through hose wire, we will still be able to utilize our capacities.

Praful Kumar: Assuming this clicks in the next one, one and a half years, until then you make hose wire, I think it should not be a surprise to us that you deliver a four-digit EBITDA in the next three to four years. That's the aspiration I think you guys are working on. Is it a fair assumption?

Pranav Bansal: Practically, the market size for this product is about 2.5 lakh tonnes today, out of which 70,000 tonnes is being made by Bekaert, the rest is being imported. So, we are looking at setting up a 2 lakh tonnes facility for steel cord in a phased manner, wherein the pilot project that we have set up is for a 20,000 tonnes capacity. As and when we get approval from our customers, we will start putting up the 200,000 tonnes facility. If and when we make 2 lakh tonnes, the EBITDA alone of 2 lakh tonnes would be about Rs. 700 crores to Rs. 800 crores, looking at the current prices. That combined with our existing business and the regular growth that we have, we should definitely look at a four-digit EBITDA very soon.

Moderator: Thank you very much. The next question is from the line of Anant Mundra from Mytemple Capital. Please go ahead.

Anant Mundra: Sir, just a follow-up from what the earlier participant had asked. You mentioned that you want to take the steel cord business to 2 lakh tonnes per project, correct, right? That's the aspiration and that would give you an EBITDA of about Rs. 700 crores to Rs. 800 crores.

Pranav Bansal: Yes, sir.

Anant Mundra: But you also mentioned that we are planning to scale up the current. So, with 20,000 tonnes we can do about Rs. 2,000 crores of revenue, with a 20% to 25% EBITDA margin. So, that comes to around Rs. 400 crores to Rs. 500 crores. So, I mean, if I scale that 10x, it should ideally be Rs. 4,000 crores to Rs. 5,000 crores of EBITDA. So, where am I being wrong in the math?

Pranav Bansal: Yes. So, sir, right now from the 20,000 tonnes facility we will be able to do a revenue of about Rs. 300 crores. From the 200,000 tonnes facility, the revenue will go up to Rs. 3,000 crores. But again, this will be done in a phased manner. So, we will start with maybe 40,000 tonnes and then every four months, every six months, we will keep on adding 20,000 tonnes, 40,000 tonnes to scale up to 200,000 tonnes. At 2 lakh tonnes we will be able to do about Rs. 700 crores to Rs. 800 crores EBITDA.

Anant Mundra: And all of this you plan to do at the Dadri facility only?

Pranav Bansal: No, sir. For this, we have already identified two locations. And the location that we will hopefully be choosing will be in Karnataka. Our production is already set for the third quarter

of this year. After this, we are anticipating that within three to six months we should be able to get a sample approval from the customers, on base of which we will start expanding for the steel cord facility also.

Anant Mundra: And you also mentioned that you have some kind of a tie-up with some company, I didn't understand. Is this some kind of a technology tie-up that you have to manufacture this product?

Pranav Bansal: Sir, we have tied up for equipment. So, the company that we have tied up with specializes in giving turnkey solutions to make steel cord, as far as the equipment and the infrastructure goes. So, we have tied up with that company for India.

Anant Mundra: Okay. But there is no technology tie-up, it's just for equipment and making the plant?

Pranav Bansal: Sir, for technology we do not need any other tie-up because we already have about 20, 25 very senior, experienced people with us for steel cord.

Anant Mundra: Also, out of the current 3.5 lakh tonnes that you are planning to expand in Dadri, 20,000 tonnes is for steel cord. Can you give us an idea of what -- how big is -- so there are other specialty products also that you are planning, right? You mentioned hose wire and then, I think I remember seeing IHT, OHT wires and other things. So, can you give us the size of that as well?

Pranav Bansal: So, sir, as far as 20,000 tonnes goes, this is all steel cord. But because it will take us about one to one and a half year to get the approval and ramp up our capacity, for that one, one and a half year, we will not sit idle. In that same infrastructure we will make hose wire, which is a product in which, as compared to steel cord where we see 20%, 25% EBITDA, here we see about 15%, 20% EBITDA. So, it is more like a bi-product of steel cord, which we will start producing because it does not need any approval process, because of which we will be able to reach a capacity utilization even in this infrastructure. Apart from that, we are looking at IHT and OHT wires, wherein we have allocated about 8,000 tonnes to 10,000 tonnes capacity in IHT, OHT wires. This is a product that is used in all electric vehicles. And this also we will be starting by next year.

Anant Mundra: Okay. So, once the steel cord facility comes online, I mean, is this an interim thing that you are doing right now or hose wire will continue even after the steel cord facility comes online?

Pranav Bansal: As and when steel cord comes online, we will also be able to start the new manufacturing plant where we will scale to 2 lakh tonnes. In that manufacturing plant, again, we will start from hose wire and then gradually go to steel cord. And when the steel cord comes online, we will have a new plant to make hose wire.

Anant Mundra: So, also, currently, so this quarter we have done about 76,000 tonnes. And out of that 6,000 tonnes is from the new facility, so the existing facility is doing about 70,000 tonnes. But its capacity is just 2.5 lakh tonnes. Whereas, we are currently functioning at a run rate of 2.8 lakh tonnes. So, this extra 30,000 tonnes is coming from where?

Pranav Bansal: Sir, this has come from Bansal High Carbon and Balaji Wires. So, these are the two other group companies which we have to take on lease within this year. But we do not want to wait for that. Therefore, whatever working capital we had, we at least started a job-work arrangement with these two companies, so that at least the numbers are consolidated as soon as possible.

Moderator: Thank you. The next question is from the line of Aditya Shah from Meteor Wealth Management. Please go ahead.

Aditya Shah: Sir my first question is, can you shed some light on the cost-plus model?

Pranav Bansal: Sure, sir. So, as you can see from our numbers also, sir, we operate in an industry wherein percentage of margin is not very attractive as like a 10%, 20%, 30% margin, and our raw material is a commodity. Therefore, to make ourselves kind of immune from the commodity fluctuation, we have been able to achieve a cost-plus model. So, now what we do here is basically whatever raw material I get, I am able to transfer my prices to my customers on the very same day. For example, for us we have two different raw materials, steel and stainless steel. Steel is a commodity wherein the prices are changed every month.

So, every month, by second or third of the month, we get to know the new pricing, and accordingly we change our prices, and our new orders are booked at the new prices. Similarly, in stainless steel, it is a more volatile commodity. So, wherever, whenever there is a change in my raw material price, we also change our finished prices. Apart from that, any inventory that we have, we target about 80%-85% of our inventory should always be sold with confirmed orders, so that we do not carry any risk of commodity in our business model, which is the main reason why we have been able to maintain a very stable EBITDA margin throughout, whether you look at the last 10, 20 or 30 years. And this is the model which we rely on even for the future.

Aditya Shah: Sir, can you shed some light or some names, clients you have onboarded internationally and domestically?

Pranav Bansal: So, I do not have such information right now. But overall what I can say is that there is no one major client that I would be able to name. Out of the 5,000 customers, there is no customer today for me where I sell more than 5% of my sales to. So, I have a very decentralized customer base. I have no dependency on any single customer or any single industry. Therefore, there is no one significant customer.

Aditya Shah: And my last question is just that, what is your CAPEX for your Dadri plant?

Pranav Bansal: Sir, Dadri plant, the total CAPEX for this project is Rs. 500 crores. Out of the Rs. 500 crores, we had already spent Rs. 250 crores last year, and the balance will be spent within this year. By the end of this year, we will be able to have the full plant upstream.

Moderator: Thank you so much. The next question is from the line of Pradeep Rawat from Yogya Capital. Please go ahead.

Pradeep Rawat: Sir, my first question is regarding the facility, steel wire facility. So, what would be the CAPEX of this particular facility that you mentioned has a capacity of 20,000 tonnes per annum?

Pranav Bansal: Sir, right now for this 20,000 tonnes, we have spent about Rs. 150 crores of CAPEX, which is very low as per the industry standard, because this is part of a very big facility of a 3.5 lakh tonnes campus. When we make a new facility for steel cord, our CAPEX will increase by about 40%.

Pradeep Rawat: So, what would be the CAPEX for the whole 200,000 tonnes facility?

Pranav Bansal: We are looking at a Rs. 2,500 crore investment for a 2 lakh tonnes facility to be done in a phased manner.

Pradeep Rawat: And this would be phased out in three to four years?

Pranav Bansal: Sir, it all depends on how quickly I am able to ramp up my capacity, how quickly I am able to get customer approvals. But yes, from the looks of it, we are targeting about five years to have this facility up and running.

Pradeep Rawat: And my next question is regarding our raw material, so where do we source our raw material from and what is the concentration of top five suppliers?

Pranav Bansal: Sir, again, I would say one good thing that we have been able to do in our business is achieve diversity, whether it is in my supplier, my customer, my products. In every case, we have tried to de-risk ourselves from any one major player. Therefore, even in my raw material, we buy raw material from all main sources. For example, Tata, Jindal, RINL, SAIL, all steel companies and all stainless-steel companies.

Pradeep Rawat: And my last question is regarding our volume guidance for FY '25.

Pranav Bansal: Sir, what I would say here is that we have already achieved 76,000 tonnes for the first quarter, and we are looking at better volumes and better EBITDA each and every quarter. My second quarter should be better than the first, third should be better than the second, and fourth should be better than the third.

Moderator: Thank you. The next question is from the line of Aditya Bhartia from Investec. Please go ahead.

Aditya Bhartia: Just a follow-up question. Would you be having details on how exactly your cash flows have been in first quarter? And what our cash and debt balance would be after first quarter?

Pranav Bansal: So, what I can give you is that the net cash generated is a negative of Rs. 41 crores for the first quarter, and this is because of the investment in our Dadri facility. To start our production, the initial level of stocks, the initial level of customer, debtors, all of that has been created. Therefore, we have invested about Rs. 80 crores last year extra in inventory, because of the Dadri facility.

Aditya Bhartia: Sorry, Rs. 80 crores of investment in inventory?

Pranav Bansal: In inventory we have done for the Dadri facility, because to ramp up capacities, we need certain initial level of inventory every year.

Aditya Bhartia: Would we be having the broad working capital details at the end of Q1?

Pranav Bansal: Sir, as far as working capital goes, we were maintaining a 70-day working capital cycle, in which the inventory days were about 30 days, and trade receivables were 43, and then we had some payables of 12 days.

Aditya Bhartia: Understood. This is at the end of first quarter, right?

Pranav Bansal: End of first quarter.

Moderator: Thank you. The next question is from the line of Sayli More, an individual investor. Please go ahead.

Sayli More: Sir, what are the overall utilization rates for your manufacturing? May I know this?

Pranav Bansal: So, ma'am, all our other four manufacturing facilities were running at about optimum utilization at about 88%, 89%, 90% kind of a capacity utilization, whereas the Dadri facility, now this is a plant where every day we have more and more capacities. But what I can say is by the end of this year, we will be able to achieve 3.5 lakh tonnes capacity. If I take that base that we will achieve by the end of this year, we have already produced 12%, 13% of that in the last month, which is June.

Sayli More: Okay. And one more question I had about the exceptional item which is showing on your book. So, can you explain what is that regarding?

Pranav Bansal: I will request our CFO, Mr. Ghanshyam to take this question.

Ghanshyam Das Gujrati: Yes, madam, last year, there was some short-term gain from investment in some other company, and from that we have got some capital gain. We have disinvested from that. And the second is that the company was having an additional plot, that has been sold. Because of those changes the exceptional income is there.

Moderator: Thank you. The next question is from the line of Pradeep Rawat, Yogya Capital. Please go ahead.

Pradeep Rawat: So, my first question is regarding our current peak revenue potential. So, once our facility is fully ramped up, so what would be the peak revenue potential from all the facilities?

Pranav Bansal: Sir, once the Dadri is fully ramped up, as far as revenue goes, if you look at the current commodity pricing, I would say that we should be able to achieve about Rs. 5,000 crores of revenue at peak.

Pradeep Rawat: And can you shed some light on the recent acquisition that we have completed of Bansal and Steel Power Limited?

Pranav Bansal: Sir, Bansal Steel & Power, it was a group company that we had acquired 76% of last year. And as per our conversation, the remaining 24% was to be acquired this year, which we have now successfully done. So, I would request our CFO, Mr. Ghanshyam Gujrati, to give some more details of the acquisition.

Ghanshyam Das Gujrati: In the current year, we are acquiring this remaining 23.85% by investing around Rs. 43 crores. The company will become the wholly-owned subsidiary company. Two years back, we were having Rs. 54 crores invested. Total overall, we are having about Rs. 95 crores of investment. And the EBITDA of that subsidiary company is around Rs. 60 crores.

Pradeep Rawat: Rs. 60 crores of EBITDA, right?

Ghanshyam Das Gujrati: Yes, that subsidiary company. And the total overall cost will be around Rs. 95 crores.

Pradeep Rawat: And my last question is regarding, so do we have any plan to raise further capital in coming, let's say, one, two years?

Pranav Bansal: So, sir, looking at the current position, the current projects that we have lined up, we do not see the company needing much cash because we are at a good run rate for EBITDA. Every year we are growing at a good pace. So, all our CAPEX plans for the next many years we should be able to do with our own accruals, whether it is steel cord or any other thing.

Moderator: Thank you very much. The next question is from the lines of Anant Mundra, Mytemple Capital. Please go ahead.

Anant Mundra: Sir, could you highlight what is the fungibility of the installed equipment across the three verticals that you are present in?

Pranav Bansal: So, sir, in fact, this fungibility is a very important thing in our business. I would like to explain to you that first, even the three verticals, there are a lot of different products. For example, in high carbon wires, we would have about 1,500 SKUs that we make. So, the main fungibility for us lies between that SKU, wherein in high carbon if we are making products for automotive, we can also switch to consumer durables or infrastructure whenever required, because of which we have always been able to maintain a very stable capacity utilization, and a very high-capacity utilization. Now when it comes to inter-vertical, I would say that the fungibility there would be about 10%. But to be very honest with you, in the last 85 years of our business, we have never had to use this. We are always able to manage within the existing fungibility of inter or within the verticals.

Anant Mundra: And out of the current production that you are doing, is there any specialty product that you are making or everything is only in the future pipeline?

Pranav Bansal: So, sir, there are a lot of different products that we are making, a lot of them giving us 25%, 30% EBITDA also, and a lot of products that give us 2% or 3% EBITDA also. So, we already have a very good mix of high EBITDA and high-volume products. Specialty wire vertical is a new vertical only catered majorly for steel cord, because we want to focus on that product separately and not include it within the current three verticals that we have.

Anant Mundra: Okay. And also, last question is, could you give me what is the current gross debt and the net debt as at the end of Q1?

Pranav Bansal: Yes. Ghanshyam ji, can you take this question, please?

Ghanshyam Das Gujrati: Yes, sir. The total debt is above Rs. 816 crores, and the net debt is Rs. 813 crores.

Anant Mundra: Sorry, I missed, what is the net debt?

Ghanshyam Das Gujrati: Total net debt, we do not have material liquid fund and the net debt is around Rs. 813 crores.

Moderator: Thank you. The next question is from the line of Deep Mehta, Bank of India Mutual Fund. Please go ahead.

Deep Mehta: Just one quick follow-up. What can be the margin potential for hose wire segment? And do we need any special permission to sell that product?

Pranav Bansal: Sir, for hose wire, the reason why we are putting up that product is because we want to utilize our capacity from day one, and because hose wire does not have any approval process. So, that is that. As far as margin is concerned, I would say it is about 10% to 20% lower than steel cord.

So, for example, if steel cord is at Rs. 100 per kg margin, it would be at about Rs. 80 to Rs. 90 a kg margin.

Deep Mehta: And because we do not require much permission, we can quickly ramp it up to 20,000 tonnes, correct?

Pranav Bansal: Absolutely, sir.

Moderator: Thank you very much. The next question is from the line of Jainam Shah, Indsec Securities Finance Limited. Please go ahead.

Jaimin Shah: I just wanted to know that you said that you have a pilot project of 20,000 metric tonnes and you wish to take it to 2 lakh tonnes. How much years will it take?

Pranav Bansal: Sir, the total that we are looking at is about five years to take it from 20,000 tonnes to 2 lakh tonnes. It could be a little sooner depending on the approval and the ramp-up that we are able to do. So, because we make most of our equipments also in-house, it does not take us time to scale up capacities. So, whenever we see demand, we are able to scale up in a matter of four to six months. Therefore, it all depends on what we are able to make.

Jaimin Shah: And the CAPEX that you are going to do in these five years, total CAPEX for specialty wires?

Pranav Bansal: Sir, only for steel cord, for the 200,000 tonnes facility we will have to invest Rs. 2,500 crores.

Jaimin Shah: This is in five years, right?

Pranav Bansal: Yes.

Jaimin Shah: And also, if you could just explain the arrangement that you have with Bansal High Carbon and Balaji wires, and the timeline that you mentioned with regards to the two previous participants that you mentioned.

Pranav Bansal: So, sir, as I explained before, first Balaji and Bansal High Carbon are two group companies that are manufacturing similar products as Bansal Wire. Therefore, the plan is to shut them down, and have all the sales come in Bansal Wire. To do that, we have already started a job-work agreement with these two companies, and within the third quarter, we will take these two companies on lease.

So, these two companies, they did about Rs. 40 crores of EBITDA last year. We are paying them about Rs. 6.5 crores per year, both combined, to take this complete revenue and EBITDA in Bansal Wire, which will happen till about one, one and a half year we will have to do this. By that time, we will already have capacities available in Dadri where we will be able to sell and

produce these products. So, within one, one and a half years, we will be able to shut them down completely.

Moderator: Thank you very much. Ladies and gentlemen, the next question will be the last question. The next question is from the line of Mr. Depesh from Invesco. Please go ahead.

Depesh Kashyap: Yes. Hi, Pranav. Thanks for taking my questions. Sir, the 76,000 tonnes volume that you gave, right, can you help me with the mix in the high carbon, low carbon, stainless steel for this quarter?

Pranav Bansal: So, high carbon, sir, was about 27,000 tonnes. Mild steel was 28,000 tonnes. And stainless steel was 21,000 tonnes.

Depesh Kashyap: Okay. And if we leave the specialty facility that is going to come, how do you think this mix will be for the next year -- for this year and the next year? Does it run on demand, or do you have anything -- visibility on that?

Pranav Bansal: Yes. So, sir, in each and every product, we will see a significant growth. But definitely, mild steel will be a product that you will see a significant change in, because this is the product that is being produced by the two companies called Balaji and Bansal High Carbon, which will come in Bansal Wire. Therefore, including those sales, we will see a better number in mild steel. But overall, each and every product, whether it is high carbon, mild steel, and stainless steel, we will see a good capacity -- quantity ramp up. In the last quarter also, we have done 140% increase in our capacities year-on-year. And even on a quarterly basis, we have increased our volume by about 14%.

Depesh Kashyap: Got it. And the 6 lakh tonnes, the capacity that you are targeting for the end of the year, just wanted to understand what is the capacity right now, annualized capacity, and how it is going to ramp up over the year?

Pranav Bansal: So, from the starting of this year, we had a capacity of 2.5 lakh tonnes.

Depesh Kashyap: Correct.

Pranav Bansal: And within this quarter, we have been able to ramp up some capacities in Dadri by 13%. And every day, as I said, we are trying our best to add more and more production to meet the demand from our customers. Therefore, we are looking at a good capacity ramp up almost every month from here. This is the reason why I am able to say that the EBITDA that we are generating this quarter, I think, is only the start.

Moderator: Thank you very much.

Pranav Bansal: Thank you. Thank you, everyone.

Moderator: I would now like to hand over the call to Mr. Ghanshyam Gujrati for closing comments.

Ghanshyam Das Gujrati: Thank you very much, Deepika. I would like to thank to all my investors for joining our call today. It was a pleasure discussing our first quarter performance. We continue to focus on diversity of our delivery and geographical phase, the expansion of production capacity in the current year. And our expansion plan will provide a boost to our financial performance in financial year '26 as we work towards improvement in value creation to the shareholder. For any query, you can either reach out to us directly or connect to our IR team at Adfactors. We would be very happy to provide any details that you require. Thank you very much again for joining the call. Thank you, investors.

Moderator: On behalf of Bansal Wire Industries Limited, that concludes this conference. For any queries, you can connect with AdFactors IR team. Thank you for joining us. And you may now disconnect your lines.