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Date: 08<sup>th</sup> May, 2024

To,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051.  
NSE Symbol: BHARATWIRE

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
**BSE Scrip Code: 539799**

Dear Sir/ Madam,

**Sub: Transcript of the Earnings Conference Call with Investor & Analyst under regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of the Earnings Conference Call held with investors of the Company on Friday, 03<sup>rd</sup> May, 2024 to discuss the earnings of the company for the quarter ended 31<sup>st</sup> March, 2024.

Further, the transcript is available on the Company's website at the following link:

[https://www.bharatwireropes.com/assets/document/pdf/967\\_1714741668.mp3](https://www.bharatwireropes.com/assets/document/pdf/967_1714741668.mp3)

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,

For **Bharat Wire Ropes Limited**

**Govinda Soni**  
Company Secretary and Compliance Officer  
Memb. No.: F12937

Encl.: as above

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**Bharat Wire Ropes Limited**  
**Q4 FY24 Earnings Conference Call**

Event Date / Time : 03/05/2024, 16:00 Hrs.  
Event Duration : 44 mins 27 secs

**CORPORATE PARTICIPANTS:**

**Mr. Murarilal Mittal**

Managing Director

**Mr. Mayank Mittal**

Joint Managing Director

**Mr. Sushil Sharda**

Director and Head of Finance

**Mr. Tushar Pendharkar**

Ventura Securities Limited

## Q&A PARTICIPANTS:

1. **Darshil Jhaveri** : Crown Capital
2. **Siddhartha Bhattacharyya** : Authum Investment
3. **Shivani Kumari** : Monarch Network Capital
4. **Ganesh Kumar** : GK Advisors
5. **Dhananjai Bagrodia** : ASK Investment
6. **Pratim Roy** : Stewart and Mackertich
7. **Bhavesh Chauhan** : Aditya Birla Money
8. **Kunal Bihani** : HVPL
9. **Chinmay Nema** : Prescient Capital
10. **Gautam Kothari** : Individual Investor

## **Moderator**

Ladies and gentlemen, good day and welcome to the Bharat Wire Ropes Limited Q4 and FY24 Earnings Conference Call, hosted by Ventura Securities Limited. 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 signal an operator by pressing \* and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Tushar from Ventura Securities Limited. Thank you, and over to you Tushar.

## **Tushar Pendharkar**

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities Limited, I welcome you all to Bharat Wire Ropes Limited Q4 and FY24 earnings conference call. The company is represented by Mr. Murarilal Mittal, Managing Director; Mr. Mayank Mittal, Joint Managing Director; Mr. Sushil Sharda, Director and Head of Finance. I would now like to hand over the call to the management for his opening remarks. Thank you, and over to you sir.

## **Murarilal Mittal**

Thank you, Mr. Tushar and Ventura Securities for hosting this call. Good evening, ladies and gentlemen, and thank you for joining us today on the earning call for Q4 FY24 and FY2324. Bharat Wire Ropes Limited today is one of the leading manufacturers of specialty wire ropes, slings, and wire strands with over thousands of varieties of products and SKUs.

Our products meet the functional needs of various industrial applications such as general engineering, aviation, fishing, elevators, cranes, material handling and offshore oil exploration, ports, shipping, and mining. I would like to extend a warm welcome to all of you as we gather here today to discuss and reflect our company's recent performance results. The results are excellent. Even in challenging market conditions our unwavering commitment to excellence and innovation continues to drive us forward.

I would like to invite Mr. Sushil Sharda, Director of Finance to share the financial highlights with you. Thank you.

## **Sushil Sharda**

Thank you. Good evening, everyone. Let me give you a brief about the financial highlight for FY24. For the FY23-24 our consolidated revenue reached to INR 622 crore registering growth of 6% on YoY basis. EBITDA for the period increased to INR 164 crore reflecting a growth of 18% YoY. EBITDA margin stood at 26.39% rise of 283 basis

points on YoY basis. Our net profit for FY23-24 amounted to INR 96 crore marking a significant growth of 55% YoY basis. The PAT margin stood at 15.47% rising 491 basis point YoY basis. We have seen reduction of 9% in Q4 though our EBITDA stood at 26% almost at same level, but on number terms, it has come down by 18% mainly on account of disturbance in Red Sea material movement.

Now I would like to invite our Joint Managing Director, Mr. Mayank Mittal to share some of the operational highlights and strategic insight with you. Thank you.

### **Mayank Mittal**

Ladies and gentlemen, I am pleased to highlight our operations highlights and the factors FY24 financial performance. We recorded a 7% YoY increase in volumes and 5.6% in revenue owing to debottlenecking of capacity and new product development. Our EBITDA margins also witnessed significant improvement of 18% and PAT increase of 54%. This growth can be attributed to our strategic efforts in reducing raw material cost, power and fuel, debt reduction, and new product development along with the new geographical penetration.

Additionally, our steadfast focus on high value-added products have been a catalyst for our growth. Furthermore, the accumulation of our strong credential track record has bolstered our reputation and trustworthiness in the market. In terms of capacity, our current utilization stands at around 60% for FY24. Our order book position is secure, equivalent to three to four months of operations.

We can now open the floor for the question-and-answer session. Thank you very much.

### **Q&A**

#### **Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. The first question comes from Darshil Jhaveri from Crown Capital. Please go ahead.

#### **Darshil Jhaveri**

Hello. Good evening, sir. Thank you so much for taking the question. I hope I'm audible.

**Mayank Mittal**

Yes, you are.

**Darshil Jhaveri**

Yeah. So, sir, just wanted to know like what is the current situation right now again in the Red Sea and what kind of guidance that we would be looking forward for FY25 in terms of revenue and margins?

**Sushil Sharda**

See, basically this Red Sea disturbance is now gradually stabilizing. Initially there were a lot of delays in shipments, availability of ships. Now things are improving. Of course, the freight cost had gone up, which also is now gradually coming down. And the customers are also now getting familiar with this situation. And we hope that in couple of months the situation will significantly improve.

**Darshil Jhaveri**

Okay, sir. So, with regards to our guidance for FY25, what kind of revenue growth can we look at, sir?

**Sushil Sharda**

See, we have not given any forecast for revenue growth in next year on official channel with stock exchange. However, we expect that the growth what we have seen in last couple of years, we hope that the trend to continue.

**Darshil Jhaveri**

Okay, sir. Fair enough, sir. And sir, does the extra freight cost put the pressure on our margins or do we pass on that cost to our customers, sir?

**Sushil Sharda**

Practically majority of freight cost is passed on to the customers. Customers are now gradually accepting the situation and they are ready to pay the freight cost, whatever increases.

**Darshil Jhaveri**

Okay.

**Sushil Sharda**

And in fact, if we would have not been able to pass it, our numbers would have not shown this kind of growth.

**Darshil Jhaveri**

Okay. That's it from my side, sir. Thank you.

**Sushil Sharda**

Yeah.

**Moderator**

Thank you. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. Next question comes from Siddhartha Bhattacharyya from Authum Investments. Please go ahead.

**Siddhartha Bhattacharyya**

Hello. Am I audible?

**Mayank Mittal**

Yes, you are.

**Siddhartha Bhattacharyya**

Yeah. Hi. I just wanted to understand from a margin perspective the mix of products that we have. So basically, are we operating at a peak mix as of today, peak margin and effectively the best mix today? Or is there room for improvement over here also?

**Mayank Mittal**

Hi. So basically, we have not reached the peak. In fact, we have just started to focus on the value-added products. So, I think there's a lot of headroom available wherein we can improve the product mix well.

**Siddhartha Bhattacharyya**

Okay. And so basically, base margin products would be what percentage of your sales today, if I may ask that?

**Sushil Sharda**

Approximately around 15%, 10-15% of products are high value-added products. And rest are general products. Yeah.

**Siddhartha Bhattacharyya**

Okay, got it. Yeah. Thank you. Thank you so much.

**Mayank Mittal**

Sure.

**Moderator**

Thank you. Next question comes from Shivani Kumari from Monarch Network Capital. Please go ahead.

**Shivani Kumari**

Hi, sir, thank you for giving the opportunity. A couple of questions. First will be on the working capital requirement. The cash conversion cycle has increased to 140 days as against 84 days last year. What could be the possible reason? And going forward, what would be the working capital requirements looking like?

**Sushil Sharda**

Well, working capital cycle, of course, in recent past has gone up because of buildup of inventory and because of buildup of debtors. So generally, if we extend the credit then sometimes we get the better pricing also. So, because now we have reasonable liquidity at our disposal, we sometimes we are ready to extend the credit, that gives us

price advantage also. So, in real sense, the working capital cycle is not that big concern for us. Generally, we maintain it within the reasonable level of around four to five months.

**Murarilal Mittal**

See, one more thing is there, looking to the past trend of the customers and reliability of customers, certain customers, we start giving credit in the global market, that increase our overall revenue and give better margin. And let me tell you one thing that till date, Touchwood, there's not a single debtor, bad debt in our systems, in the international market. So, we are very careful regarding credit. At the same time, we start giving credit to certain regular customers. That's why the last year the debtors increased by almost INR 35-36 crores. But I don't think it will further increase so far number of days concern. So, this year the level likely to maintain same level.

**Shivani Kumari**

Okay, sure. Thank you for answering that. Sir, the next question is on the subsidy that was collected in FY24. So, could you please give me the sense of that? What is the subsidy that is expected to be collected in FY25?

**Sushil Sharda**

The total subsidy which is yet to be received is about INR 90 crore as against INR 148 crore due to us. And we expect that in this year. I mean the number is very difficult to predict. But maybe around INR 40 crore approximately, we can expect in this current year. Yesterday also we received some part payment of around INR 4 -5 crore. So, we hope that as the situation improves the government will release the subsidy amount.

**Shivani Kumari**

And sir, what is the basis of subsidy collected? Like how is it decided INR 40 crore number? How did we arrive?

**Murarilal Mittal**

Madam, actually depend upon the allocation of funds by government. Like I understand recently they allotted INR 2,400 crores. Out of INR 2,400 crores, INR 1000 crores disbursed in March itself by the Government to the Ministry. And post that this is they disbursed to all the companies, percentage wise. And yesterday also INR 1,400 crore is another INR 1000 crore disbursed, they're also getting. So, when a government disbursed, then the department give pro rata basis to all the eligible candidates. Not a particular company, every company will get pro rata basis.

**Shivani Kumari**

Okay, understood. So, sir, you mean to say in FY24 total of INR 148 crore of subsidy were collected. That was throughout like so far.

**Murarilal Mittal**

INR 148 crore was total claim till date. Out of that last year we collected in FY23-24... How much collection?

**Sushil Sarda**

Last year? Yeah, around INR 23 crores.

**Murarilal Mittal**

INR 23 crores we collected into FY24.

**Shivani Kumari**

Okay, thank you. And another question is on customer concentration. So, what is the customer concentration? Meaning as in top 5 customer and top 10 customer contribution to the revenue?

**Mayank Mittal**

We have more than 200 customers. So, the customer concentration like top five will be contributing to less than 20% of the revenue.

**Shivani Kumari**

Okay, sure. Thank you. I'll get back in the queue for any follow-on questions.

**Mayank Mittal**

Sure. Okay, thank you.

**Moderator**

Thank you. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. Next question comes from Ganesh Kumar from GK Advisors. Please go ahead.

**Ganesh Kumar**

Okay. Sir, am I audible?

**Mayank Mittal**

Yeah, you are.

**Ganesh Kumar**

Just a couple of questions. Based on the subsidy that we have submitted for and received over the last two, three years or so. Coming to FY25, will there be a scenario where lesser subsidy will also impact our profitability?

**Sushil Sarda**

No, the subsidy will continue till October FY25. So, for March FY25 financial year, the subsidy will continue, full financial year.

**Ganesh Kumar**

Okay. So, my question is, at some point in FY25, when the subsidy be exhausted and thus impact our profitability?

**Murarilal Mittal**

No, not FY25-26, it will be October FY25. So, half year of the next year is FY25-26 October, 7 months is available in next year. This year full year is available. So next year also there will part year, seven months subsidy available. And as explained that we are continuously trying to increase the contribution by manufacturing high value products, so product mix is changing. The moment we change product mix, our percentage of profit get increased, so value addition get increased. So, the subsidies part impact will be utilized once we increase our volume in the high value product and product mix.

**Sushil Sarda**

And question is regarding the subsidy limit. Basically, we still have significant amount of subsidy limit. So, it will not exhaust. In fact, some of the eligibility we may have to forego. Because by that time we will not be able to utilize the entire eligible amount.

**Ganesh Kumar**

Got it, sir. Just one more question. Word on the street is that there is too much price competition for the normal products, the non-value added products. So how do you see that panning out for our company in FY25 based both on volume and in terms of profitability?

**Mayank Mittal**

So just to give you a perspective, the general engineering product is majority used in all the construction sectors, infrastructure sectors. And most of our products are getting exported globally. So almost close to 80%, 78% of our products are finding applications abroad. And the global market size would be somewhere in the range of \$6 billion to \$8 billion. So, I don't think it's correct to say that there's too much competition and too much pressure on the pricing.

**Ganesh Kumar**

Even on the normal non-value-added products?

**Mayank Mittal**

Yes, I am talking about non-value-added products because we are competing with mostly with Koreans and their cost of production and their sales price is higher than us.

**Ganesh Kumar**

Okay, got it, sir. I will go back to the queue.

**Mayank Mittal**

Sure. Thank you.

**Moderator**

Thank you. Next question comes from Dhananjai Bagrodia from ASK Investment. Please go ahead.

**Dhananjai Bagrodia**

Hi sir, congratulations on actually delivering good set of results in a tough environment. Just wanted to understand how are we seeing, let's say, volume growth for the next year, I mean, broadly, no specific numbers and how do we see maybe OP per ton going with it?

**Mayank Mittal**

So, we expect to grow at a percentage which we have already clocked. So nothing extraordinary I will say, but it would be in the range of 10% approximately. And per ton value addition would again, we are focusing on the value added products. So, I am sure we would again grow based on our focus on the value-added products.

**Dhananjai Bagrodia**

Okay, any ballpark number or like what would be OPM, what are we expecting OPM-wise?

**Sushil Sarda**

See, basically since we have not made any public announcement about our forecast.

**Dhananjai Bagrodia**

Okay, sir.

**Sushil Sarda**

I think on estimation basis only. I mean, you need to analyse us because if we give number, then it will not be, right.

**Dhananjai Bagrodia**

Okay, sir. Sure. And so what would be a CapEx?

**Murarilal Mittal**

Last year that EBITDA is almost INR 41,000 per metric ton. And as we expected, we are going for the value-added products. So, this percent, this absolute number EBITDA per ton contribution is going to increase in the current year also, depend upon the product mix, how much percentage we are going to make for the high value products. So, EBITDA percentage per ton from, let us say that FY21-22 it was INR 18,000 per tons, FY22 to FY23 it was INR 35,000 tons. And this year it is INR 41,000 per tons. And this likely to be trend. So, you can just guess it that the company's bottom line and the top line is going to improve substantially.

**Dhananjai Bagrodia**

Okay, perfect. And sir roughly what CapEx number are we looking for the next two years?

**Murarilal Mittal**

See, there is no major CapEx plan we decided till date. But the routine capital expenditure for utilization of our existing capacities, where our bottleneck is there, that equipment we are regularly adding. At the same time, we are also working for the major capital expenditure program that will be final within six months' time. And then definitely we will announce. Right now, for better utilization and better product mix, we are adding the equipment which will give us better margin in the coming years.

**Dhananjai Bagrodia**

Okay, fantastic. Thank you. And maybe just one last question. Any risks we are seeing across the board?

**Murarilal Mittal**

See, the major risk to business is always financial risk. And our debt ratio is less than 0.2. So, I don't think financial risk we have. Marketing risk? Yes, there is, because of Red Sea issue, but that is settled on now. So, I don't see any risk in our business, we will be looking to the global demands of almost \$6 billion to \$7 billion is the market. And our product is, you know, consumed by more than 52 countries across the globe.

So, in particular market, if there is some restriction, the other market gives openings to us. So, we are well spread across the globe. That is our strength. And as I explained you, financial risk is virtually negligible when current debt ratio is less than 0.25. So, we don't foresee any major risk in the company's operations in the coming years.

**Dhananjai Bagrodia**

Okay. Perfect, sir. Keep up the good work. Thank you.

**Mayank Mittal**

Thank you.

**Sushil Sarda**

Our interest is hardly around 3% of our turnover.

**Dhananjai Bagrodia**

Sure.

**Sushil Sarda**

Thank you.

**Moderator**

Thank you. Next question comes from Pratim Roy from B&K Securities. Please go ahead.

**Pratim Roy**

Hello. Am I audible?

**Moderator**

I'm sorry to interrupt you sir. Your voice is not audible.

**Pratim Roy**

Now, am I audible?

**Moderator**

Yes, sir.

**Mayank Mittal**

There's a lot of background noise.

**Pratim Roy**

Yeah. Now it's audible, sir?

**Mayank Mittal**

Yeah, go ahead.

**Pratim Roy**

So now the subsidy, we are getting subsidy. That's why the profitability looks good. So if you can give me some idea that the going concern, this is how much long-term sustainable EBITDA margins we can expect from the company?

**Sushil Sarda**

Well, see, if you want to understand the EBITDA analysis, you please analyse our number for last four-five years. We used to be at EBITDA, including subsidy at 8% in FY18-19, which now has reached to 26%. So, it's not only subsidy which is contributing to EBITDA, the significant improvement in our product mix, as Mayank has explained in detail. So the EBITDA margin gradually is improving because of various reasons, which we have been explaining again and again.

**Pratim Roy**

Yeah, that's I understand, sir, due to the value added product that you are introducing and debottling also there. So that's all are playing out. But I'm just trying to understand, what is the sustainable EBITDA? It could be around 25% for the FY2627 levels? Is that a fair assumption?

**Sushil Sarda**

I mean, to sustain, we can, even if we are at 10% EBITDA without subsidy, it is very much sustainable. So sustainable has no real, I mean, we don't have any debt obligations significant now as on in our books. So, the sustainability is a very subjective question.

**Murarilal Mittal**

And if you see last 12 quarters continuously, the improvement is in the notice in the company's operations. And these 12 quarters we are consistently performing well and this trend is likely to continue. There are two reasons. One is our interest cost is going down continuously, number one. Number two, our focus issue is gradually shifting to high value product, which gives a better yield. So, subsidy or no subsidy is not going to impact our sustainability in the coming years also. The EBITDA in worst case also it will not be less than only 21%, subsidy is around 7-8%. So, the way 26% EBITDA reported last year. So, this trend is going to continue even in the next few years also.

**Pratim Roy**

Thank you, sir. Thank you for opportunity.

**Mayank Mittal**

Thank you.

**Moderator**

Thank you. Next question comes from Bhavesh Chauhan from Aditya Birla Money. Please go ahead, sir.

**Bhavesh Chauhan**

Sir my question is, over the next three years, what is the kind of volume growth that company would be targeting?

**Mayank Mittal**

It's a very subjective question. Three years is a very long time. And looking at the various geopolitical situations, it's very hard to predict or give any sort of numbers. But more or less the trend that you have seen in the past quarters, the trend is likely to continue.

**Bhavesh Chauhan**

Sir, in the past three years we have done very-very well. I mean, I can see sales growth of nearly 35% over the last past three years. So, are we kind of saying that this kind of trend will continue?

**Murarilal Mittal**

See, between FY21 and FY22 and FY20, yes, you are right that sales was very, almost a 30% growth and last year around 7%, 8% growth. But this year also around 10-11% is expected definitely. And the next year we expect if we finalize our expansion plan and other things then it can go further up, but yet to finalize the expansion plan. So, we are adding some equipment which will give the better utilization of the existing capacity and coming year period level to announce some constructive plans for the complete expansion.

**Bhavesh Chauhan**

Okay, sir. Thank you.

**Mayank Mittal**

So, we have 5-6% in terms of revenue. So, this is what we estimate that the trend is likely to continue like that.

**Bhavesh Chauhan**

Got it, sir. Thank you and all the best.

**Moderator**

Thank you. We have a follow-up question from Siddhartha Bhattacharyya from Authum Investment. Please go ahead.

**Siddhartha Bhattacharyya**

I have a few questions. So, I just wanted to understand in our product portfolio today, is there room for expansion in terms of new SKUs?

**Mayank Mittal**

Definitely. I mean, Wire Rope is a very complex product and there is a lot of SKUs that can be manufactured with tweaking of some machines or adding some more machines. So, we are constantly in the foray for adding new products, focusing more on the value-added products that will give higher EBITDA margins and PAT percentage.

**Siddhartha Bhattacharyya**

Perfect. So, it is more of SKU based and process based that the more and more value-added products can be increased, basically?

**Mayank Mittal**

Correct.

**Siddhartha Bhattacharyya**

Okay. Now, my next question is in terms of wallet share. You said, we know that Koreans are very large players in this industry. So just wanted to understand, we have close to 200 customers. Just wanted to understand how has our wallet share with these customers moved over the years. Are we selling more in terms of their spend percentage? How do we look at that? What has been the trend?

**Sushil Sharda**

In this business once the customer starts dealing with us, they remain with us unless we don't service them. So, it is not something we're in commodity type of business where in the customer comes and goes because of the pricing. It's a relationship which is built over a period of time and almost all the customers are increasing our volume YoY basis.

**Siddhartha Bhattacharyya**

Okay. No, what I meant is if the customer is ordering 100% and let's say your competitors were doing 90% of the requirement and we were doing 10% three years, five years back. Are we doing 15% now? Are we doing 20% now?

**Mayank Mittal**

Definitely. We are increasing our market share and someone is losing their market share. So that's how I think the growth is coming in. So definitely India being a cost competitive production country, we are giving a better value to the customer.

**Siddhartha Bhattacharyya**

Correct. And obviously there is a lot of head room for further deepening our wallet share, right?

**Mayank Mittal**

Definitely. It's a huge market. 80% of the products are going in replacement of products. So, there's a lot of headroom, there's a lot of markets that can be developed and there's a lot of market share that can be captured.

**Siddhartha Bhattacharyya**

Okay. Secondly, sorry, lastly, I just wanted to understand in terms of the liability. Where does the liability or the end liability lie in case of a mishap or an accident, does it lie -- And I'm talking about let's say Wire Ropes used in elevators and construction bridges. Are we the end liability partner or does the --how does that work? If you could help me understand that.

**Murarilal Mittal**

Especially US market we have taken the product liability insurance. So, US is a different market and there it's must that we should have product liability. So we have taken this sufficient cover for US market. Other than US market, there is no specific requirement of the liabilities. However, we taken the global worldwide insurance for the any liabilities comes from the company.

**Mayank Mittal**

Also to give you one more perspective, like for example you mentioned elevator. The industry practice is to incorporate 10x the load or 10x the safety of the elevators. So if say for example, my rope is carrying 1 ton of weight, my rope is designed for 10 tons of weight. Yes. A factor of safety of 10x built up in the product. So that is the kind of safety margin that is incorporated in the product.

**Siddhartha Bhattacharyya**

Agreed. And finally, just to round this off, is that insurance component, a sizable component for us in terms of expense as of today?

**Murarilal Mittal**

Negligible. This is negligible. Very negligible.

**Siddhartha Bhattacharyya**

Negligible. Okay. Thank you so much for answering my questions.

**Murarilal Mittal**

Thank you. Thank you.

**Moderator**

Thank you. Next question comes from Kunal Bihani from HVPL. Please go ahead.

**Kunal Bihani**

Hi, good afternoon. Am I audible?

**Mayank Mittal**

Yes.

**Moderator**

Sir, could you please talk little louder, sir?

**Kunal Bihani**

Okay. Yes. Just wanted to understand the delay due to the shipments in Q3 and Q4. Are we seeing a follow-up to that? And if that was not the case, how much additional revenue would have been recorded?

**Sushil Sarda**

No. See, basically what we have seen is, because of delays, there is reduction in the new order till the time we supply the, I mean, past orders, that new order flow also reduces. So whatever effect we have lost, I don't think can be easily add to our turnover in the future. So, whatever gone is gone.

**Kunal Bihani**

Okay, fair enough. And second is last year there was some news of buying out the CCPS from the lenders. Is there something which is planned or something being done for FY25 in that direction?

**Sushil Sarda**

Yes. The promoters have already, in fact, offered to banks for buyback, and that is under consideration by banks.

**Kunal Bihani**

So, there is no timeline or turnaround in such cases.

**Sushil Sarda**

Unless it's something which we can't predict. So, banks will have to decide about and then only we'll be able to do it. But we hope that it may materialize soon.

**Kunal Bihani**

Go ahead, sir. Sorry.

**Sushil Sarda**

Yeah, we hope that it may materialize in couple of months.

**Kunal Bihani**

Okay, fair enough. And my last question is, in the international market, any specific geography where we think our wallet share or our overall sales can see a significant growth? I mean, if I look around the other competitors from the Indian market, for them, Saudi has been a bigger area to focus along with the US area. Are we competing with them or are we looking at similar traction in the same market?

**Mayank Mittal**

See, we are present in only 55 countries, and I think there are a lot of more countries or geographies that we can cater to. And number two is we are not competing against a lot of the peer manufacturers. It's basically the Koreans and the Turkish that we face more competition with. So, I think there's significant room for growth.

**Kunal Bihani**

Okay. Okay, that's all. Thank you so much and all the best.

**Mayank Mittal**

Thank you.

**Moderator**

Thank you. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. We have a follow-up question from Darshil Jhaveri from Crown Capital. Please go ahead.

**Darshil Jhaveri**

Hello. Thank you so much sir, for taking my question again. Sir, just wanted to ask about our capacity utilization. So currently we are at 60%. Hello?

**Mayank Mittal**

Yes, we can hear you.

**Darshil Jhaveri**

So, what would be the peak utilization that we could achieve from our current capacity? So, will we need a CapEx in one or two years or how would we look at it currently?

**Mayank Mittal**

So, the peak capacity utilization would be in the range of 75-80%. And to utilize that capacity, we are constantly debottlenecking whatever roadblocks we are coming across to achieve that.

**Darshil Jhaveri**

Okay, perfect sir. So just wanted to know sir, in terms of like volume. What could be the peak volume that we can achieve? Or like with our current capacity, I think we are at around 41,000 currently tons. So how would we look at it? Like, what would be the peak revenue from our current capacities before we would need further CapEx?

**Mayank Mittal**

Peak capacity would be around 5,000 tons monthly. So, this is what we estimate it to be. Again, it all depends on the product mix that we want to do. Because our focus has been on the bottom line of the product. So, it's a very fine line between capacity, tonnage and bottom line. So, we are trying to balance both and achieve the maximum bottom line possible.

**Darshil Jhaveri**

Okay. Thank you so much, sir. Yeah, that's it from my side. Thank you.

**Moderator**

Thank you. Next question comes from Shivani Kumari from Monarch Networth Capital. Please go ahead.

**Shivani Kumari**

Thank you for taking my question again. One of the question was already asked by the previous candidate. I wanted to get a sense on domestic and international market share, if you can give me a sense of that.

**Sushil Sharda**

Currently our market share is around 23% is domestic market and around 77% is export market.

**Shivani Kumari**

Okay. And the next question is -- Hi, can you hear me?

**Mayank Mittal**

Yeah, we can.

**Shivani Kumari**

Yeah. Next question is, I wanted to understand that the 6% YoY revenue growth that we have seen. What's the split of that, as in how much volume growth is fair, how much is contributed by the volume growth and how much is contributed by the value growth?

**Sushil Sarda**

Volume growth and value growth, I think that then we need to calculate those numbers in detail to give you a perfect number. But volume growth, what we have seen is our sales was 24,000 ton approximately in 2021, which has increased to 34,000 ton in FY21-22 and around 38,000 ton in FY22-23. And in the current year it is around 41,000 tons.

**Shivani Kumari**

Okay.

**Sushil Sharda**

So, this is what the growth we have seen in the volume. And of course, the realization also, in fact the realization used to be around INR 100 in 2021 which has now gone to almost about INR 145, INR 150.

**Shivani Kumari**

Okay. And going forward, what would be the trend like in sales realization, like how it is expected to grow?

**Sushil Sarda**

We expect that gradually these numbers definitely will increase. Because in this business the premium comes based on your credentials and experience and your capability to deliver. So that gradually organization is building over a period of time. So, we hope that this trend to continue.

**Shivani Kumari**

Okay, sure. Thank you so much. All the best.

**Sushil Sarda**

Yeah. Thank you.

**Moderator**

Thank you. Next question comes from Chinmay Nema from Prescient Capital. Please go ahead.

**Chinmay Nema**

Hello sir. Thank you for taking my questions. Firstly, could you list down the top three, four, maybe five products from our SKUs that we list as value added products? And what is the share of value added in our total revenue?

**Mayank Mittal**

See, there are more than 65,000 SKUs. So, to list them it would be very difficult depending on the construction and all, but the top two would be the crane ropes, the elevator ropes. So, these two sectors would be the most profitable or most important for us.

**Chinmay Nema**

Got it, sir. And overall, how much is the contribution of the value added segment to the total pie of revenue?

**Mayank Mittal**

It would be 10-15%, roughly.

**Chinmay Nema**

Got it, sir. If I talk about our sales channels for the value-added segments. Is it through distribution network or is it directly to OEMs or is it like a mix of both?

**Mayank Mittal**

It's a mix of both. We do supply to OEMs as well as we distribute our products through the big distributors globally.

**Chinmay Nema**

Got it. And could you talk about your future plans or your strategies? Do you intend to increase the share of OEMs or any strategic steps you are taking in that direction?

**Mayank Mittal**

We would like to have growth from both OEMs and distributors alike, again, which will result in better bottom line and better top line.

**Chinmay Nema**

Okay, sir. Got it. Thank you.

**Mayank Mittal**

Yeah. Thank you.

**Moderator**

Thank you. Ladies and gentlemen. If we have any question, please press \* and 1 on your telephone keypad. Next question comes from Gautam Kothari, an individual investor. Please go ahead.

**Gautam Kothari**

Hello. Yeah, hi. Thank you for the opportunity. So, I just had few questions. So, what is the current order book and further pipeline which you have in terms of projects?

**Mayank Mittal**

So, we usually maintain three months of order book and this is what the pipeline is. That's what we are seeing usually.

**Gautam Kothari**

Okay. Also, like what measures are we taking for expansion in the domestic markets?

**Mayank Mittal**

So, we are becoming aggressive in the government business. We are approaching the OEMs since we all know that India is a growth story. So, we are seeing a lot of traction and that is the result. Even our domestic share has increased from 10% to almost 22% now.

**Gautam Kothari**

Okay. Also, one last question. So, are we applying for any tenders in the Parvatmala scheme?

**Mayank Mittal**

We have had meetings with Government of India. And we would be doing something to develop the products and take part in that growth story of Parvatmala.

**Gautam Kothari**

Can we see any this thing coming in, let's say in the next financial year?

**Mayank Mittal**

I think there can be. However, there are no concrete plans as of yet.

**Gautam Kothari**

Okay. Thank you so much.

**Mayank Mittal**

Yeah.

**Moderator**

Thank you. Ladies and gentlemen, if we have any question please press \* and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. There are no further questions. Now I hand over the floor to management for closing comments.

**Murarilal Mittal**

Thank you all for participating in the earning calls. I hope we have been able to answer all your questions satisfactory. If you have any further questions, or would like to know more about the companies. Please reach out to our IR managers at Valorem Advisors. Thank you.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day.

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