Visaka Industries

Garima: Good afternoon, everyone, and welcome to the knowledge session on Visaka hosted by Go India Advisors. Over the next couple of minutes, I will leave you with a clear picture of what Visaka does, where the money comes from, and where it is headed by 2029.

Visaka is primarily a building materials company with over 40 years of experience. Next slide, please. It is India's largest manufacturer of fiber cement boards and has built the world's first integrated solar roofing technology. In FY26, it generated approximately 1,600 crores in revenue, and its five-year gross margins have been approximately 47%, with ROCE of approximately 17%. It has approximately 14 plants across India, sells through 7,000 dealers and stockists, and reaches over 30 countries.

Talking about the businesses one by one, next slide, please. Cement roofing sheets are the first business, and this is a mature cash cow. Visaka is the number two player in India, with approximately 18% market share. Revenue has been stable at around 850-900 crores, with utilization of approximately 92%. The revenue share has been falling from approximately 70% to 53% as the new-age V-Next category scales up. Next slide, please.

The second business is cement fiber boards and panels, which are the primary growth engine. Visaka is number one in India, with approximately 33% market share, and has five plants. Revenue has grown at a CAGR of approximately 16%. The revenue contribution has grown from 20% to 30%. Capacity is approximately 3.6 lakh tonnes, with utilization of 86%. Some of the customers in this segment are Tata, Adani, L&T, JSW, and others. As a value-added product, this is where the margin expansion will come from.

The third business is the synthetic yarn business. Next slide, please. This business is a stable contributor. The Nagpur plant has been producing since 1992 and has approximately 80% share in twin-airjet yarns. Revenue has remained at approximately 250 crores, which is approximately 15% of the total group's revenue, and the business serves top customers such as Raymond, Arvind, Siyaram, and Grasim.

The next vertical is ATUM, which is the emerging engine. Instead of putting solar panels on a separate roof, the roof itself generates power for you. This is again different from the conventional roof-plus-solar system. It has wind resistance of approximately 250 kilometers per hour versus a typical 100 kilometers per hour, and has approximately 30% higher power output. It has BIS, IEC, and UL certifications. Some of the projects using this roof are Air India Ramps, UN Habitat, and Citibank Union. As of now, its share is fairly small, at approximately 2% of revenue, but this is emerging as an important segment.

Now I will talk about the FY29 picture. From FY22 to FY25, revenue grew at approximately 3%. EBITDA margins dipped somewhat, but FY26 proved to be a strong turning point, with revenue growing by 3% and margins now recovering to approximately 8.5%. The FY29 target is to grow revenue in the range of 10-15% CAGR and maintain EBITDA margins in the range of 10-12%, which, based on our calculations, translates to approximately 2,200-2,500 crores of revenue. The next phase of growth will come from a higher mix of value-added products, increased capacity in the businesses, and operating leverage that will take effect in the business.

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The roofing sheets have funded the journey, the boards will drive the growth, yarn adds stability, and ATUM is the upside vertical. In terms of the management who will lead this, we have Dr. Vrithika. She is from the promoter family. She joined in April 2025 as Chief Business Strategist and Advisor to the Chairman. She is a trained dermatologist and has completed her MBBS and MD. She is also a co-founder of Nava Skin Care Clinic in Hyderabad, and she adds a strategic and business development dimension to the senior management team.

We are also joined by Mr. Ramakrishna Pendyala. He has been the CFO since June 2026. He is a B.Com, CA, CMA, and US CPA, and has over 21 years of experience across finance, treasury, taxation, governance, IPO management, audit, and other areas. He has worked across several industries, ranging from kitchen appliances, aerospace, textiles, automotive, and power, and has held senior finance roles at Stovekraft, PwC, Gokuldas, and others.

We are also joined by Mr. S. Shafiulla. He is a B.Com and a CA and has been with Visaka since 1997. He served as President and CFO, combining financial oversight with a broad set of responsibilities. He continues as an advisor to Visaka.

Welcome to the management team. Thank you, and I will now hand it over to Rakesh for his opening remarks.

Rakesh: Thank you, Garima. Thank you, ma'am, Mr. Ramakrishna, and Mr. Shafi, for giving us your time and joining this call. Garima, can you stop sharing? Yes.

Ma'am, I wanted to start with you. It has been a 40-year illustrious journey for the company. Can you take us through some of the background—how it started—so that people have an idea?

Dr. Vrithika – Chief Business Strategist & Advisor to the Chairman: Yes, of course. Thank you, Mr. Rakesh, and thank you to everybody attending the call.

Visaka Industries was established in 1981 under our promoter, Dr. G. Vivek Venkatswamy, with the guidance of my grandfather, Venkatswamy. We initially started with the vision of being an innovative solutions provider for people.

Right now, we have diversified into multiple products and have a significant manufacturing edge. We are in roofing sheets, fiber cement boards, synthetic yarn, and ATUM solar roofs.

The roofing segment contributes 53% of our revenue. It is a building material that is very durable, with a life of approximately 40 years. We use chrysotile fiber, which is reinforced with cement, providing 40-50 years of roofing.

We have also ventured into fiber cement boards, which are fast, efficient, and very affordable construction materials that add significant scalability for us. These fiber cement boards have a very wide range of applications. We use them for false roofing, mezzanine flooring, doors, and external and internal partitions.

This business was established in 2008, and we are currently trying to scale it up because it has a significant market presence and is continuing to grow.

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We also have synthetic yarn, for which we use state-of-the-art twin-airjet spinning machines from Murata, Japan. This business was started in 1992 to diversify our revenue stream and add another segment instead of depending solely on fiber roofing sheets.

This synthetic yarn business includes polyester and viscose, and we are present in shirtings and suitings, dress material, and home furnishing.

Dr. Vrithika: Our ATUM product is essentially a roof integrated with a solar system, and this is an upcoming business. We have patents for it in India, America, Europe, and South Africa. It is also BIS certified.

We have our plant in Miryalaguda, Telangana, with a capacity of 30 {? megawatt ?} per annum. Right now, our focus is to concentrate more on our fiber cement division, make the mix 50% roofing and 50% fiber cement, and increase revenue in that area.

We are also focused on expansion, product mix, and increasing our volumes to become more sustainable and generate better profits.

Analyst1: Thank you, ma'am, for that introduction. Before I go to the various business segments, I wanted to ask about your journey from being a doctor to handling a business. How has this transition been, and are you enjoying this role? It is quite different from what you were trained to do.

Dr. Vrithika: Honestly, I had never been involved in any conversations about business at home or at work. However, when I started my clinic, Nava, I got to spend much more time with my father. I think I learned some business strategies from him and learned how to set up a smaller clinic compared with a larger company.

When I was given the opportunity to come here, I think it was more about being a bridge between the company and the promoter, helping to strategize, and helping scale the business.

Analyst1: Thank you, ma'am. Let us start with our largest segment, which is roofing sheets. Normally, when we think of roofing sheets, earlier it was asbestos and now it is cement. There are also many other materials competing with us, such as steel roofing sheets, and now people are even considering aluminum. What are the advantages of the roofing sheets that we manufacture in terms of cost, and who are the key users of these roofing sheets?

Dr. Vrithika: Roofing is very durable. The material itself is very durable. As I said, the roof has a lifespan of 40-50 years, and it is much cheaper than steel.

We use it extensively in industrial areas for creating sheds. We use it in poultry and in a significant part of the rural housing segment. I think the product itself is dependent on these segments.

Initially, when people think about roofing, they may feel that it takes a lot of time and that there is an easier and faster alternative, such as steel. However, steel has many disadvantages that roofing can overcome. It rusts very quickly, and its lifespan is so short that even if it takes only a couple of days to complete the installation, the overall product is not suitable for such applications.

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Analyst1: Are the users primarily in rural India, or is there also industrial usage? Industrial users also use a lot of sheets for warehousing.

Dr. Vrithika: Yes, definitely. We use it for warehousing. There is also an industrial segment. Poultry and the entire poultry segment use roofing sheets primarily.

Mr. Ramakrishna: It is largely used in agriculture, rural housing, agricultural infrastructure, and industrial sheds. It is also used in repetitive maintenance projects.

Analyst1: Do we have a breakdown of how much is sold through the dealer network? We do not know exactly where it is going.

Mr. Ramakrishna: Yes, we sell through the dealer network. It is largely used in the rural segment, and some portion is also sold for industrial sheds.

Analyst1: Ma'am mentioned that it is much cheaper than steel. Do you have a number indicating how much cheaper it is, or what is the rate per square foot or per sheet compared with steel?

Mr. Ramakrishna: We cannot provide the exact numbers because we do not have the exact difference. The difference between steel sheets and our roofing sheets is largely driven by the market price of steel.

Since the government introduced the BIS system approximately 2 years ago, imports from other countries, particularly China, have been curtailed. Prices have gone up, and even now, steel prices have increased. Therefore, the difference between steel prices and our cement prices has increased compared with the past.

People can now afford to buy our product more easily than steel roofing sheets. That is why demand for roofing sheets has been maintained.

Mr. Shafi: In steel, there are larger branded steel manufacturers as well as cheaper imports from China and elsewhere. Normally, the gap would be around {? 200 times ?}, meaning 50% cheaper. Our cement roofing sheets are almost 50% cheaper compared with a standard steel sheet. That is what we can say.

Analyst1: That is a significant number. A 50% price difference is substantial. The usage should therefore continue because many people think that cement sheets are old technology, but the pricing difference is meaningful.

Mr. Shafi: It is not like that. It is an affordable product for people with limited means. In terms of utility, compared with other alternatives, it is much better than the alternatives. That is why it is still being used, we are still serving that demand, and everyone is able to sell their capacities.

Analyst1: What would be the growth rate for the roofing sheet industry, particularly our category? Is the industry growing at approximately 8-9%, or has it slowed down?

Dr. Vrithika: Approximately 10%.

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Mr. Shafi: It is actually range-bound. The industry capacity is approximately 40-44 lakh tonnes. Depending on demand, it increases at times, and if demand is not present, it falls slightly. Otherwise, it is range-bound.

We are not expecting significant growth. It is range-bound and varies by at least 5-10%. If demand is present, we will grow by 5-10%; otherwise, we will remain stagnant.

The industry's capacity is constant. No one is expanding or adding new capacity. Whatever capacities are available are being utilized in India.

Analyst1: In terms of our capacity, what is our capacity? I see that our capacity utilization is also very high. What are our strategic thoughts about this segment? Are we adding new capacity, and what kind of growth rate should we assume for this segment?

Dr. Vrithika: This segment is stable. As Mr. Shafi mentioned, it is very range-bound and has been generating cash flow and revenue. It is absolutely stable at present.

We are not increasing our capacities, and we are not planning to expand this division. Our concentration and strategy are shifting more toward fiber cement boards, which have significant growth potential.

Analyst1: To understand the economics of this business, our key raw material would be cement. How do we price our product, and how do we maintain our margins in this segment?

Mr. Shafi: Cement is the main raw material. Along with cement, fly ash and chrysotile fiber are used, and the chrysotile fiber is entirely imported.

The major economic consideration is pricing. There is a limit to how much we can increase prices because the product has to reach rural consumers, and they cannot go beyond a certain price point. We will have some leverage because whenever steel prices increase, our prices can also increase.

It is a volume-and-price game because we have the highest volumes. We sell almost 840,000 tonnes and have an 18% share. Margins and profitability are therefore based on our volume and price.

It is a cash business because it has been established over a period of time. In 2000, we set up major units. In 2022, we expanded in Raebareli. Otherwise, this is a good business, and wherever demand comes from, we manage it and generate good revenue and profitability. That is how we view the roofing business.

Analyst1: Does the price hike or price announcement happen every month for your dealer network, or how does it work?

Mr. Shafi: It depends on the market and demand.

Analyst1: So it depends on the market and can happen whenever you consider it appropriate. Regarding your cement purchase contracts, are they monthly contracts or are they also on a spot basis? How does that work?

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Mr. Shafi: They are monthly and spot-based, and that is again based on demand and supply. You cannot have a fixed arrangement for cement, but for fiber and other materials, we have annual contracts.

Analyst1: Coming to your second segment, which is fiber boards, what is that product, and where is it used?

Dr. Vrithika: Fiber cement boards use Hasteck technology, in which we use a high-pressure steam-curing process. This technology makes the boards very durable and provides stability, allowing us to use them for internal and external applications.

We use them for mezzanine flooring, duct coverings, doors, and false ceilings. There is a very wide range of applications for this particular board. The market is responding very well, and we are increasing our capacities based on how well the market is responding.

The product itself is doing extremely well, and we foresee significant growth.

Mr. Ramakrishna: I will add to what Dr. Vrithika said. Our V-Board is a substitute for plywood and gypsum boards. It can be used as a substitute for all these other conventional building materials. As she said, it can be used for false ceilings, roofing tiles, wall panels, and similar applications.

Dr. Vrithika: We have a significant advantage over other alternatives. The product is fire-resistant and moisture-resistant. It is also termite-resistant. Therefore, it offers many benefits over plywood in particular.

Analyst1: What are the economics? It appears to be more of a B2C product compared with roofing sheets. Is that understanding correct, or are both products sold through the same channel?

Mr. Shafi: They are sold through the same channels. They are sold through dealers and supplied to projects.

Analyst1: What are the unit economics of a fiber board, and how are they different from the roofing sheets that we make? Is it a more sophisticated product? What are the differences in properties between these two products?

Dr. Vrithika: Fiber cement board is an urban product. It is used mostly for interiors and exteriors, in the applications I mentioned.

This product is completely different from roofing. The segment itself is completely different. FCB products have the advantages I mentioned: moisture resistance, flexibility, stability, and durability for fast construction.

They are suitable for prefabricated construction and can be installed easily and quickly. Instead of following traditional construction methods, this product adds significant value for the customer, the applicator, and the construction process.

Analyst1: Mr. Ramakrishna, can you take us through the unit economics of fiber boards? What are the key raw materials apart from cement?

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Mr. Ramakrishna: Fiber cement boards basically use cement, fly ash, and imported chrysotile fiber. However, that is for roofing sheets. In fiber cement boards—

Management: Instead of fiber, we use wood pulp. The other raw materials are more or less the same, such as cement and fly ash. We also use some adhesives.

The main difference between these two raw materials is that roofing sheets use chrysotile fiber, whereas V-Boards use wood pulp. Cement is used in both.

Analyst1: Understood. There are a few questions that have come in, so let us take them. Shubham has asked why the cement fiber boards have not taken off in the West. Is there any difference in regional demand for fiber boards?

Management: There is significant demand in the West, and there are also many players there. The reason we established that unit was for exports. It is close to the port, which is why we established the unit there.

There is also significant domestic consumption and demand. We export as well as sell in Maharashtra.

Analyst1: His question was whether contractors are facing any challenges. Is a special cutting tool required for this product?

Management: Earlier, there was not much awareness. Awareness is now increasing. The product can be installed easily.

You can see this from our volumes. The volumes speak for themselves. It is a good product and, compared with plywood, it has greater strength and is also less expensive. People are now choosing this product rather than other products. That is why demand is increasing.

Analyst1: There are a few more questions about the economics of fiber cement boards. Mr. Ramakrishna, what kind of capex are we planning for the new entity? How much capacity do we have at present, and what is the capex for the expansion we are considering?

Mr. Ramakrishna: In fiber cement boards, the current capacity is approximately 3.6 lakh tonnes. We are establishing a new facility, which was also announced recently as part of the expansion. It is in Tonk, Rajasthan, and will have a capacity of approximately 6,000 metric tonnes per month.

Analyst1: How much is that in lakhs per year?

Mr. Ramakrishna: Approximately 72,000 tonnes per annum. It will be added to the existing capacities.

Analyst1: What would be the capex for this capacity?

Mr. Ramakrishna: We estimate it at approximately 170 crores.

Analyst1: What kind of revenue can we generate from this capacity when it is fully operational—70,000-80,000 tonnes?

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Mr. Ramakrishna: It would generate approximately 170-200 crores of revenue.

Analyst1: The asset turnover would therefore be approximately 1x, or approximately one-time asset turnover. What would be the margins on this business? Our overall margins have expanded over the last 2-3 years, and our guidance is for a 10-12% EBITDA margin. Would we earn the same EBITDA margin on this business—10-12%?

Management: Yes.

Management: No, it will be higher than that. This business generates higher margins than the roofing sheets. It should be upwards of 15%.

Analyst1: Above 15%? What would be the working capital requirement for this type of business to generate 170 crores of revenue?

Management: Approximately 30-40 crores.

Analyst1: How much?

Management: 30-40 crores.

Analyst1: So total capital employed would be approximately 200 crores, and we are expecting—

Mr. Ramakrishna: No. When I say 170 crores, that includes the working capital requirement as well.

Analyst1: Understood. That would imply a healthy 15% return on capital employed at a reasonable margin. There are also some questions about the asbestos price compared with its peak in 2021. Does the asbestos price fluctuate significantly, and is it currently high or low?

Mr. Ramakrishna: In 2021, the raw material cost was lower, and pricing was also affordable for the market and the customer. That is why revenue was higher.

Over the last 2 years, raw material input costs have increased, and prices have also increased. In FY25-26, the cost of imported fiber declined compared with previous years. Consequently, prices have also become more reasonable, and customers can afford the product.

As we discussed earlier, steel prices have increased. Therefore, demand for our product has also increased. Due to the increase in steel prices, affordability in that segment has declined, and demand for our product has increased.

Analyst1: Understood.

Mr. Ramakrishna: We expect healthy demand growth this year compared with the previous 2-3 years.

Analyst1: Do you have any number that you can share? Keshav is not satisfied with a general answer, so can you provide a number indicating the percentage increase or decrease?

Mr. Ramakrishna: As we discussed a few minutes ago, it would be in the range of 8-10%, or perhaps 5-10%, growth compared with the previous year.

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Because capacities are fixed, there will not be any increase in capacity. Based on demand, we can utilize the full capacity, and sales can increase to the extent of that additional utilization. We can produce more and make more sales.

The growth we expect is not exponential growth; it is marginal growth.

Analyst1: When I look at March 2021, gross margin was approximately 54%. Last year, it declined to 45% in March 2025, and then increased slightly to 47%. People are wondering about this because you have maintained gross margins at approximately 48-49% over the last 2 quarters. Will this trajectory remain at around 48-49% based on current conditions?

Mr. Ramakrishna: We expect gross margin to be maintained at the same level throughout the year.

Analyst1: Apart from raw materials, what are the main other expenses that we incur? Employee cost is one of them, but I see that other expenses are a larger component. What are the other expenses that will affect us?

Management: Freight is a significant cost in this business.

Analyst1: Freight cost. Understood.

We have largely covered roofing. There is one question about the cyclicality of demand and the impact of the monsoon because there is significant rural consumption. What is the situation this year, given that rainfall has been 14-15% below the long-period average? Are you seeing any impact on demand at present because of the weaker monsoon?

Management: At present, I do not see any reduction in demand. The buying capacity of people is continuing, and sales are also continuing.

Mr. Ramakrishna: We also saw growth compared with the previous year. There is growth in the current year compared with the previous year, so at present we have not seen any issue.

Analyst1: At present, you seem to be comfortable. There was also a question about competition and the pricing of our product compared with competitors. What are your thoughts on that? How is our product priced compared with competitors?

Mr. Ramakrishna: Our prices are competitive. Of course, there are manufacturers of similar size in the industry, and there is price competition.

However, our product has differentiation, and we have a large distribution network. We have also built the brand. With all these factors, we will maintain our pricing strategy based on differentiation.

The difference may not be large, but we will maintain our prices effectively because of our distribution network and our long presence in the industry. We are therefore able to command pricing from customers.

Analyst1: Keshav asked this question specifically about two other brands, Charminar and Swastik. Do we sell at a discount to them, or are we on par with them?

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Management: It depends on the state. Prices differ from state to state. In some states, their prices will be higher, and in some states, our prices will be higher.

This is how the market works because we operate across India. We are also on par with the other brands. We are not lower than the other brands. The only point is that in some parts, their prices may be higher. That is what we can say about pricing.

Analyst1: Understood.

Management: There is one question about fungibility between roofing and—

Analyst1: One person has asked whether roofing sheets can also be used as fiber boards. I assume they cannot because they may have different properties.

Mr. Ramakrishna: They cannot be used interchangeably. Both applications are different.

Analyst1: Would roofing sheets therefore have greater load-bearing capacity compared with fiber boards?

Management: It is not like that. Roofing works on top. Fiber cement boards are normally not used as the roof itself. They are used underneath the roof for applications such as roof underlay and false ceilings.

Management: Fiber cement boards are used for false ceilings, not as the roof itself. We use them for roofing applications, but they are used as false roofing or as a roof underlayer, not as the roof itself.

Fiber cement roofing, on the other hand, is a complete roof. It works as the roof itself and cannot be used for other applications.

Analyst1: There is a related question from Akash. He says that carpenters mostly use plywood for modular kitchens. What applications can our fiber board actually replace, and can it be used in modular kitchens?

Management: I think awareness needs to increase. Fiber cement boards are excellent for kitchens and for any area where there is water or higher moisture content.

Awareness among contractors needs to increase. That is also where the product is headed, as awareness is increasing. Once contractors understand the specific benefits of our board, there will automatically be a significant shift from plywood to fiber cement boards.

Analyst1: That answers the question. There are now some questions about the outlook. People are asking whether we have taken any price hikes on roofing sheets recently, and Keshav is also asking whether there has been any rollback.

Mr. Ramakrishna: We took a price hike in the first quarter because the cost of substitute products had increased. We took some advantage of that, and the industry itself had increased prices. This will sustain, and we will maintain it throughout the year.

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Analyst1: I do not think there are any other questions on this topic. We will come to solar roofing, but before that, there is one question about synthetic yarn. It is a small niche business that is doing well. What are our thoughts on it? Are we planning to grow that business, or is it going to remain—

Management: Right now, we are concentrating on enhancing and optimizing the business, increasing production, and leveraging what we already have before expanding the synthetic yarn business.

However, we are going to work on it and plan to introduce a wider product mix.

Garima: This will allow us to see some additional growth. Based on our expansion, we can bring in 10-15% additional growth.

Analyst1: Coming to solar cells embedded in the sheet, it looks like a fantastic idea. It currently contributes approximately 2% of total revenue. What is the opportunity size, what is the market acceptance of this product, and when do you think it can really take off?

Garima: Since it is a new and new-age product, there is significant resistance to its acceptance. However, the product itself integrates solar into a roof. The concept is to reduce the carbon footprint and generate power. The roof itself generating power provides an additional advantage.

There are currently gaps in how the market is receiving the product, and we are working on them. Since it is a very different product, people need to understand its benefits, including the higher power generation along with the roof.

People usually ask why they need a roof when they can simply use solar panels. Therefore, there is significant resistance. We are working on it, and once there is acceptance, I think the growth curve for ATUM will be excellent.

Mr. Ramakrishna: To add to that, as she mentioned, this is an emerging product. Generally, any emerging product requires a longer gestation period because the customer has to experience and then accept the product.

Branding and marketing are more important at the initial stage, and awareness is also important. We are working on those areas. Once the product is accepted by customers, we can scale it up.

Analyst1: There was an important question regarding asbestos. First, how much dependence does our overall business still have on asbestos? Second, if asbestos is banned, what are our alternative plans, such as gypsum and other materials that we can use?

Garima: Asbestos fiber is our largest raw material component. We use approximately 7% of this fiber in the board or sheet itself.

There has been significant discussion about this. However, I think people are confused about how this fiber affects humans. There are two types of fibers: blue and white. We use the white one, which has very low to negligible effects on lung cancer or asbestosis.

The blue one is the deadly and dangerous type. I think the noise around how people perceive this fiber is louder than the actual facts.

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At present, I do not see any reason to be alarmed or to stop using the fiber or ban asbestos. We are a 41-year-old company and have had no complaints at all, from our older workers to our newer workers or from people who have worked in the same plant for 41 years. There have been no health-related problems, in particular.

Analyst1: There are still a few questions about solar because many people are excited about solar roofing. Are we making any targeted investments to increase awareness of this product? Second, what is the difference in cost compared with a conventional solar panel and roof versus our integrated model? Is it comparable?

Garima showed us that it can generate 30% more power, so it is efficient. What about the cost?

Garima: ATUM itself is a very aesthetic product. It may appear that we are spending more on the product itself. However, at the end of the day, we save on construction time and on the additional structural material required when constructing an ATUM roof.

There is also a significant benefit in terms of an immediate return on investment. The cost of the power generation itself will be negligible compared with the amount spent on a regular, traditional solar panel.

At first, it may feel as though we are spending much more on this product. However, when we explain to the client the benefits of ATUM and how the client receives a return on the investment, I think that itself will be a game changer.

Analyst1: Thank you, ma'am. There is one question about our adhesive business. Is it only for internal use, or are we also selling it externally?

Garima: Sorry, adhesive business?

Analyst1: Adhesive, adhesive.

Garima: We are currently venturing into it and are going to start by the end of this year. We have multiple products in line with it. We have tile adhesive, grouts, waterproofing material, and sealants, which we are going to enter and expand into.

Analyst1: There are now a few questions on capex that I want to take up. Mr. Ramakrishna, there is a question that we incurred approximately 300 crores of capex in FY21 and 360 crores in FY22-FY23. Mujib is asking whether this resulted in additional revenue and EBITDA.

What was this capex for? When I look at our revenue, it increased from 950 crores in March 2021 to 1,500 crores. Was this increase because of that capex? Can you take us through the historical capex?

Mr. Ramakrishna: The investment was mainly in V-Boards, or fiber cement boards. You can see the growth in that segment. We are growing at a CAGR of more than 15% year-on-year.

We are able to grow because of that investment, and it is yielding results. That product segment also generates the highest margin, with higher margins than the other products.

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Analyst1: What is the plan now? How much capex have we outlined?

Mr. Ramakrishna: As I said, by 2030 we may plan to invest approximately 400 crores. We have already announced one project in Tonk, Rajasthan, as I said. We are also evaluating some other opportunities to begin with.

The broad plan is that by 2030, we may invest approximately 400 crores.

Analyst1: Do you want to provide any outlook for FY27? Will there be revenue growth this year?

Mr. Ramakrishna: Yes, definitely. There will be growth compared with the previous year.

Analyst1: Our capacity utilization is running at a very high 85-86%. Is there scope to grow volumes at present?

Mr. Ramakrishna: Recently, we enhanced the capacities at the existing plants themselves. These are additional capacities that we had at the beginning of the year.

If we utilize 100% of the capacity, there will definitely be growth compared with the previous year.

Analyst1: What is the current debt on the books, and do we plan to take on further debt for this capex, or are we self-sufficient through internal accruals?

Mr. Ramakrishna: Currently, we have used our working capital limits only nominally. We have term loans that were taken for the capex incurred 3-4 years ago, as you just mentioned. Those term loans are repayable according to the required timelines.

Otherwise, our debt is low. Last year, our debt-equity ratio was 0.3x, and we have adequate cash flows for our new investments. However, we will also assess whether to take long-term debt to create financial leverage.

Analyst1: What would be the capex breakdown for FY27, FY28, and FY29?

Mr. Ramakrishna: FY27 and FY28?

Analyst1: The current year and next year. How much capex will we incur this year, and how much next year, so that people can calculate the cash flow?

Mr. Ramakrishna: Roughly 150 crores, with an average of approximately 120-150 crores.

Analyst1: Every year for the next 2 years?

Mr. Ramakrishna: Every year, yes. We would like to invest 400 crores over approximately 4 years. The average would therefore be 100-120 crores.

Analyst1: There was a question from Viraj about management bandwidth. Dr. Vrithika, this is for you. He is asking about the role of Mr. Vivekanand and Vamsi Gaddam in the business strategy. Are they involved?

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Dr. Vrithika: They are very much involved. Dr. Vivekanand is the promoter and Chairman of the company. He is still very actively involved in the business.

The same applies to Vamsi. He is the Joint Managing Director and participates in the day-to-day operations and major decision-making of the company.

Analyst1: We are almost running out of time, so let me conclude. We have strong leadership in these two products, and we also have more developments coming up in solar roofing, which could be a game changer.

Our guidance for the next 3 years has been 10-15% revenue growth and an EBITDA margin improving to the 10-12% range. Is that what we stand by?

Mr. Ramakrishna: At present, we aspire to reach those levels.

Analyst1: The debt number would largely remain at that level because we will be growing mainly through internal accruals. Is that also correct?

Mr. Ramakrishna: Yes, that is correct. However, as I mentioned, we will also assess whether financial leverage is required. We may take long-term debt for capex investments.

Analyst1: So minor debt can increase for working capital from time to time. Is that what you are saying?

Mr. Ramakrishna: Yes, to create financial leverage. Otherwise, we will be able to generate the cash flows. However, to create financial leverage, we may assess taking some long-term debt.

Analyst1: When I look at our current enterprise value, it is approximately 750-760 crores of market capitalization plus approximately 250 crores of debt, with perhaps a few additional crores here and there for capex that you may take. That gives an enterprise value of approximately 1,000 crores.

When I calculate the numbers using 11-12% revenue growth and a 10-11% EBITDA margin, we appear to be trading at only approximately 4x EV/EBITDA. That looks extremely cheap.

Can we reach 250 crores of EBITDA by 2029 based on the numbers you provided?

Mr. Ramakrishna: By 2029, the targeted revenue, at a CAGR of 10-15%, will be approximately 2,500 crores. We are targeting an EBITDA margin of 8-10%.

Even if you take the maximum of 10%, EBITDA would be approximately 250 crores. Therefore, EBITDA would be in the range of 225-250 crores over the next 2-3 years.

Analyst1: Mujib has one final question. Are there any plans to demerge the board business for value unlocking?

Mr. Ramakrishna: At present, we are not considering any such decision.

Analyst1: I think that is all for this session. Thank you very much. We have a very interesting story, leadership in some of these products, and innovation coming up. I am hopeful that the market

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capitalization will now catch up.

Thank you, Dr. Vrithika. Thank you, Mr. Ramakrishna. Thank you, Mr. Shafi, for your time. Thank you, everyone, for joining us.

Mr. Ramakrishna: Thank you. Thank you very much.

Dr. Vrithika: Thank you.

Management: Thank you, everyone. We will now close the session.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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