MMP Industries

Operator: Good afternoon, everyone. Welcome to Bharat Connect Conference 2026 September edition. I welcome you all to the call of MMP Industries Limited. Today, from the management, we have Mayank Bhandari, Director of the company. Please note that we will take the last questions five minutes before the end of the session. Without any further delay, I would like to hand over the call to the management. If participants have important questions, they can raise their hands because we will take questions from the chat box at the end. The first question is from Chaitanya.

Mayank Bhandari – Director: Thank you. Good afternoon, everyone, and thank you for taking the time to join us on this call today.

As some of you may be aware, MMP Industries Limited is a company based out of Nagpur. We have been listed on the NSE main board since 2020, and we debuted on the SME board in 2018. MMP currently operates through MMP Industries Limited and two wholly owned subsidiaries that we recently started: MMP Electricals Private Limited and MMP Cables Private Limited.

MMP Industries operates in three main product ranges. Number one is aluminium powder and related products. Number two is aluminium cables and conductors, and now LT cables. Number three is aluminium foil.

MMP Electricals is engaged in manufacturing composite silicon insulators. MMP Cables Private Limited is our wholly owned subsidiary where we will initially manufacture wire rod, which is the raw material. The larger cable capacity will be set up in MMP Cables Private Limited sometime around the second half of next year. That is primarily the outlook and overall profile of the company.

To give you a brief history, MMP Industries was started in 1981 by my father, Mr. Arun Bhandari, who is a chemical engineer. Production started in April 1983. Since then, we have grown to become a player with various product ranges apart from aluminium powder.

Initially, the aluminium powder facility was set up to cater to the fireworks segment, but fortunately, that did not materialize. We then slowly diversified, mostly into explosives powder and later into what is now our fastest-growing segment, AAC powders, which are used in the construction industry.

Apart from that, we also manufacture aluminium flake powder, which is supplied to the pesticide industry for making aluminium phosphide pellets.

In aluminium powder, I will give you a basic overview. The process flow is that we receive the ingots, atomize them, and make round particles. These atomized powders are either sold directly in the market or used in our captive pyro and flake milling processes.

Direct sales account for approximately 15–18%. The applications are in defence, refractories, and thermit welding, but the majority is used for our pyro and flake milling processes.

Pyro and flakes have three main applications. Number one is explosives, number two is AAC, and number three is aluminium phosphide. We also have a small presence in the fireworks segment.

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Apart from that, we manufacture dry aluminium paste. It is called leafing paste, and it is used in the masterbatch and block-printing industries. That is the aluminium powder business in brief.

Moving on to our second segment, which we started in 2010, we manufacture aluminium conductors. For 10 years, we were making normal conductors and selling them to local contractors. In 2020, we entered aerial bunched cables, where the top layer is coated with PVC. More recently, we started manufacturing LT cables within MMP Industries. That is a small capacity of 100 metric tons per month.

That business has been operating since 2010. We operate on a very different philosophy compared with the rest of the manufacturers, but we foresee our major growth now coming from the electrical segments in general.

Moving on to the foil division, it was started in 2021. We have an integrated foil facility where we buy thick foil stock and roll it into bare foil. The bare foil is primarily sold in the market, but we also have our own conversion section where we convert and print it and supply it directly to pharmaceutical companies. We are an empanelled vendor with all the leading pharmaceutical companies in India.

That is the foil division in brief, where we have an integrated facility.

Moving on to our wholly owned subsidiaries, MMP Electricals was established in 2025 to manufacture composite polysilicon insulators, which are now seeing increasing use globally. It is a very niche and difficult product to manufacture, and we are at an advanced stage of obtaining various approvals so that we can proceed with full-scale sales.

Obtaining approvals and getting the facility audited takes a significant amount of time in this business. That process has been ongoing primarily for the last year.

I have already spoken about MMP Cables. We are going to start manufacturing aluminium wire rod initially. We have set up a capacity of 18,000 tons per year, the majority of which will be used in-house to manufacture aluminium conductors. The balance will be sold in the open market.

MMP Cables will also house the larger LT cable capacity of 500 metric tons per month. That, in brief, is the MMP group.

Apart from that, MMP has a 26% shareholding in Toyal MMP Private Limited, which manufactures leafing and non-leafing paste. It is 74% owned by the Toyo group of Japan and 26% owned by MMP.

MMP also holds 26% in Star Circlips and Engineering, which is another family-owned company. Historically, MMP has held 26% in Star Circlips and Engineering.

That, in brief, is the overall profile of the MMP group.

Chaitanya: Hi, Mayank. I wanted to understand whether the ingots that you receive are primary aluminium or recycled aluminium.

Mayank Bhandari – Director: They are primary aluminium. Primary aluminium.

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Chaitanya: So recycled aluminium would not work in our applications?

Mayank Bhandari – Director: Not in the powders. In some powders, recycled aluminium works to an extent, but the majority of recycled aluminium does not work because of purity issues. However, recycled ingots will work in a significant way in aluminium wire rod.

Chaitanya: Okay, understood.

Mayank Bhandari – Director: Yes. That is an industry where recycled aluminium is used extensively. However, for powders, most of it, and the majority of it, is currently normal virgin aluminium.

Chaitanya: I was looking at the presentation, and I think you have written that the CAGR growth of Indian aluminium will be approximately 6–7% going forward.

Mayank Bhandari – Director: Are you referring to Indian aluminium as such, or the Indian market?

Chaitanya: The industry.

Mayank Bhandari – Director: Approximately that much. However, we have to be very specific about what we are discussing because aluminium has a variety of applications. It is a metal whose use will grow, particularly with renewable energy, EVs, and other applications. The use of aluminium will increase tremendously, in my view.

Chaitanya: As a last question, what is the capacity utilization across the businesses if we take an average?

Mayank Bhandari – Director: The powder division is currently operating at approximately 80–85% on a blended basis. The conductor division is at around 45–50%, and foil utilization is close to 75%.

Chaitanya: My last question is regarding margins. Which is the most attractive product that we are making, and is any capital expansion planned in that area?

Mayank Bhandari – Director: Among the current products, powder is the segment where we earn the highest margins. On a group basis, I think insulators will be the most attractive. Insulators will be the highest-margin product that we will be making going forward.

Chaitanya: Thank you.

Mayank Bhandari – Director: Thank you.

Operator: Thank you, Chaitanya. The next person in the queue is Puneet Kapoor.

Puneet Kapoor: Hi, Mayank. I have a couple of questions. I wanted to understand the stage of approvals for insulators.

Mayank: I am not sure whether I can disclose this, but we have been audited by some major entities and are in the process of closing those audits. We are hopeful that we are at the final stage of obtaining most of the approvals we need from the main players so that we can enter the high-transmission-line insulator segment.

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We are already supplying 11 kV and 33 kV insulators, but our objective is ultimately to enter the 400 kV and 765 kV segments, apart from 220 kV, 132 kV, and other such segments.

Puneet Kapoor: Can we expect the approvals by December?

Mayank: I would like to say yes. I would definitely like to say yes.

Puneet Kapoor: Given the high demand for insulators, one of our peers, {? Olectra ?}, wants to grow 5x in that domain. Given that our capacity is only 150 crores, are we planning capex for the next phase?

Mayank: Yes, it is already under consideration. However, it is a very quality-sensitive product. It is not a matter of simply adding capacity and flooding the market, because one rejection can cause significant damage to the company's reputation.

Capex is definitely in the pipeline, but as soon as we start receiving the approvals, I think you will see the next round of capex being undertaken.

Puneet Kapoor: What is the update on the wire rod and the solar park?

Mayank: The wire rod project is on track. Production should start from January 2027.

Regarding the solar park, we are ready, but the file is stuck in a government department. We are already delayed by 1.5 months, and I think it will be delayed by another 1.5 months as of now because the solar policy in Maharashtra is changing very rapidly.

Going forward, we are ready with our execution, but we need approvals from approximately two different agencies.

Puneet Kapoor: Regarding LT cables, have we added 500 tons as of now?

Mayank: No. We have started with 100 tons in MMP Electricals. We are in the process of adding 500 tons.

Puneet Kapoor: When are we planning the 500 tons?

Mayank: The building work and everything else is underway. As I said, production should start sometime in the second half of next year.

Puneet Kapoor: In the second half of next year.

Mayank: Yes, in the second half of next year. By then, we will have a better understanding of the market, and our brand will be fairly recognizable because we are targeting a radius of approximately 300 kilometers.

Puneet Kapoor: As a follow-up, what would be the revenue from LT cables this year and next year? What are you anticipating approximately?

Mayank: This year's revenue will be somewhere between—at present, we are selling to customers without approvals because this business also requires a significant number of approvals from

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various agencies. You can expect LT cable revenue of 15-18 crores this year. Next year, it will be considerably higher.

Puneet Kapoor: Can we anticipate approximately 50 crores?

Mayank: Yes, definitely.

Puneet Kapoor: Thank you. That is all from my side. All the best.

Mayank: Thank you.

Operator: Thank you, Puneet. The next person in the queue is Dilip Sahu.

Dilip Sahu: Hi, Mayank.

Mayank: Hi, Dilip. How are you?

Dilip Sahu: Good. It is good to see you. First of all, regarding Star Circlips, you have done a fantastic job.

Mayank: Thank you.

Dilip Sahu: Not much is generally discussed about Star Circlips. Could you provide some details, because that is where a lot of value creation is happening right now?

Mayank: Yes. I will divide the discussion on Star Circlips into three different parts.

Number one, we are seeing very good growth in the automotive industry. Star Circlips will grow very rapidly this year. We are also seeing margin expansion. Margins are improving steadily, even though there is significant cost pressure.

The reason is that many new projects are coming online. These are projects that we quoted three years ago, and they are now coming on stream.

We are also entering the more precision-oriented fine-blanking segment, where the requirements of OEMs are very high, especially for high-speed motors and motor cases for EVs and hybrid vehicles.

We have won some very prestigious projects from OEMs such as Jaguar Land Rover, including projects for its new vehicle platform, and these have started to materialize significantly.

That said, we are facing certain challenges in exports. Demand from Germany has definitely tapered off. The USA is holding up very well. However, in the long run, we see a lot of manufacturing moving from the USA and Germany to us.

Going forward, we are very bullish on exports as well as the domestic market, including the hybrid and EV markets. We foresee a significant push toward hybrids. Hybrids benefit us as a company because the requirement for our components increases.

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Many customers are also now requiring ultrasonically cleaned products, which are extremely critical and difficult to manufacture. In that segment, customers do not focus on pricing to the same extent.

That is where Star Circlips stands today. We expect growth of approximately 20% this year, and going forward, we hope to maintain growth of 20%.

Star Circlips is also investing in a hot-forging facility. We have ordered the machines and everything else, and the facility will be set up by April next year.

Initially, it will cater to MMP Electricals for insulator end fittings. Going forward, we are setting up the plant according to automotive requirements.

Overall, I agree with you that a lot of value creation will happen in Star Circlips.

Mayank: Am I audible?

Operator: Dilip, do you have any further questions?

Dilip Sahu: Yes. Thank you for the detailed response. Would it make sense for us to list Star Circlips as a separate business, both from a capital-raising perspective and a valuation perspective? It is a sector with strong prospects, and you have significant experience in it.

Mayank: That is a very good question. Star Circlips is a completely debt-free company, and we do not even have working capital debt at present.

Raising money in that sense does not make sense. We can acquire a company or undertake something similar very easily on our own. Therefore, we do not need to raise capital simply to obtain funds.

Of course, if there is a good acquisition in this space, we are open to raising money. For example, if we have to undertake an acquisition of 200, 250, or 300 crores, we are definitely open to it.

As of now, however, we do not need the money. We are also holding a significant amount of cash, so it does not really make sense to list the company.

Over the last 1.5 years, we also had extensive discussions with various people. Many people suggested that we merge the two companies and take other such steps. We had several discussions and finally decided to leave the structure as it is. MMP remains as it is, and Star remains as it is.

Going forward, we are open to it, provided something meaningful comes to us, and not merely from a valuation perspective. Right now, we know that people are paying a premium and that one can obtain almost any valuation.

Dilip Sahu: Thank you, Mayank. Thanks a lot.

Operator: Thank you, Dilip. The next person in the queue is Pritesh Vora.

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Pritesh Vora: Thank you very much for the opportunity. I want to understand the insulator business. What capex are you spending on insulators, what asset turnover do you expect at peak capacity, and what is the margin profile?

Mayank: We have already incurred capex of 35–38 crores in insulators. The plant is completely ready and is a state-of-the-art plant.

The expected asset turnover is 3.5x on 38 crores. I will be conservative regarding the expected margin. I am looking at EBITDA margins of 18–20%.

Pritesh Vora: Many companies have done well in insulators, particularly with transformer and transmission-related industries operating at peak levels. Have we already received qualifications from Indian majors such as BHEL, or from transmission, distribution, and transformer companies?

Mayank: Our focus is on transmission, specifically the 400 kV and 765 kV segments. We are in the process of obtaining approvals from various Indian majors.

BHEL is not one of them. The main approval required is from Power Grid Corporation of India Limited. Once that approval is received, it automatically qualifies us to bid for many other opportunities.

Pritesh Vora: Do you think that after establishing the first phase with 38 crores, you will proceed with the next round of investment?

Mayank: Absolutely. As soon as we start receiving approvals from various companies, which I think will happen soon, we will invest quite aggressively in insulators.

Pritesh Vora: Has any criterion been finalized for the next round of investment, such as how large it will be compared with the first phase?

Mayank: No. First, we need to get our product approved and gain the confidence of our customers. I would not like to provide a number right now because nothing has been finalized yet.

Pritesh Vora: You are a significant player in aluminium and have been in the industry for many years. The aluminium industry is now going through a J-curve-type phase. Apart from LT conductors, what other products could you enter to benefit from this industry tailwind?

Mayank: Aluminium is growing and is a metal for the future. Going forward, there are plenty of options on our table, but as I said, nothing has been disclosed.

To put it very simply, aluminium forgings are a huge sector with significant growth potential. With EVs and hybrids coming in, forgings are rapidly shifting toward aluminium forgings. There are not too many players in that segment, and these are very critical items.

Aluminium forging is one opportunity. HT cables are another, and that would be a natural progression for us.

However, we prefer to take one step at a time. We prefer to take one step at a time. There are certainly opportunities in the market, and it is not that we are not considering them, but we have to

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be prudent with our capital management and proceed in a slightly conservative manner.

Pritesh Vora: What is the typical economic return profile in aluminium forging and HT cables? What would the asset turnover and margins typically be?

Mayank: In aluminium forging, margins can range from a normal EBITDA margin of 15% to an EBITDA margin of 50%.

Pritesh Vora: Okay.

Mayank: Aluminium forging is not an easy business.

Pritesh Vora: What about asset turnover?

Mayank: It depends on the size of the forging, but you can easily consider an asset turnover of 4-5x.

Pritesh Vora: What sort of forge-press capacity do you see, and what minimum investment would be required? I am sure aluminium downstream does not require much investment, but forging presses and related equipment would.

Mayank: Forging presses are fairly generic in nature, but you need the right machining technology and the right heat-treatment facility for aluminium forging.

The plant we are setting up at Star Circlips has presses capable of manufacturing aluminium forgings, but we need to set up the heat-treatment line as well as the machining line.

Pritesh Vora: Star Circlips is owned only 26% by MMP, correct?

Mayank: Yes.

Pritesh Vora: Do you think the aluminium-forging business would come under Star Circlips or MMP?

Mayank: Nothing has been discussed yet. You asked what other projects we could undertake, so I gave you aluminium forging and HT cables as examples.

It is too early to answer that. It is too early.

Pritesh Vora: Regarding the LT cable plant, you said that capacity would increase from 100 tons to 500 tons, correct?

Mayank: It will increase by 500 tons in addition to the existing 100 tons, so the total will be 600 tons.

Pritesh Vora: An additional 500 tons, for a total of 600 tons.

Mayank: Yes.

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Pritesh Vora: What would be the revenue and EBITDA from this business, and what capex has been incurred for LT cables?

Mayank: The current LT cable capex was nominal because we undertook it within the existing facility. We did not need a new building or anything of that nature.

For the next phase, we will undertake capex of approximately 35 crores for LT cables.

Management: Peak LT cable capacity can generate revenue of anywhere between {? 180 to 210 crores ?}.

Pritesh Vora: What would be the margin?

Management: As a rule of thumb, you can assume an EBITDA margin of approximately 10–11%.

Pritesh Vora: Understood, 10–11%. When do you expect this peak revenue to be achieved?

Management: Peak revenue should be achieved in the year {? 28–29 ?}.

Pritesh Vora: Understood. What expansion are you undertaking at Star Circlips? What is Star Circlips' current revenue, what revenue profile do you expect 2–3 years from now, and what investment will you make in Star Circlips?

Management: Last year, Star Circlips generated revenue of close to 200 crores, and our aim is to achieve a CAGR of 20% over the next 5 years.

Pritesh Vora: Which industry does it primarily serve?

Management: Automotive. We are completely linked to the automotive industry.

Pritesh Vora: How much investment are you planning to make there?

Management: We currently have a capital investment of 30 crores lined up in Star Circlips.

Pritesh Vora: Thirty crores. That is at the total company level, not MMP's share, correct?

Management: It is at the company level.

Pritesh Vora: Understood. What is the margin in Star Circlips?

Management: Star Circlips is a niche, high-margin business, with EBITDA margins ranging between 25% and 27%.

Pritesh Vora: Who holds the remaining 75% of Star Circlips?

Management: It is owned by our family. The family owns the remaining 75%.

Pritesh Vora: If you could discuss the base business, including powder and the other products, what is the growth rate? What is the status of the aluminium powder business?

Management: Aluminium powder will continue to grow.

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Pritesh Vora: What was the tonnage last year, and what was the growth rate in volume and value terms?

Management: Last year's tonnage growth was 8%. We achieved 8% growth because of the incident at our facility.

Going forward, our objective is to increase our share of the AAC business because it is more margin-accretive. We are seeing good growth in AAC as well as exports.

We are currently sitting on a record export order book. Exports are taking place across geographies that we had never touched earlier, from Latin America to Africa, North America, ASEAN, CIS, and Russia. The list goes on.

Our objective is to increase exports in powders and grow the AAC business to a considerable scale. AAC is already our fastest-growing and largest business within powders, and it will continue to grow more rapidly because the other sections have become relatively more commoditized.

Pritesh Vora: What was the total aluminium powder tonnage last year?

Management: I do not have that figure in front of me right now. I will send it to you separately. If you route the request through Stellar, I think they will be able to send it to you.

Pritesh Vora: What kind of growth do you see in the base business? What was the revenue from the base business last year?

Management: We generated revenue of approximately 450 crores from the base business.

Pritesh Vora: At what rate will it grow?

Management: You can expect a minimum annual growth rate of 8%.

Pritesh Vora: What is the margin there?

Management: The margin is between 11% and 12%.

Pritesh Vora: I wish you all the best.

Management: Thank you very much.

Operator: Thank you, Pritesh. The next question is from Punit Mittal.

Punit Mittal: Good morning, Mayank.

Mayank: Good morning, Punit.

Punit Mittal: You mentioned that last year you evaluated various options for Star Circlips, including a merger with MMP.

Mayank: We evaluated everything. We considered many options.

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Punit Mittal: Can you share the reason you decided not to merge Star Circlips with MMP? From the investor community's perspective, the question is that 75% is owned by the family while MMP owns only 26%. Even if a complete merger is not undertaken, why not have MMP acquire a majority stake so that it can be consolidated, at least in terms of—

Mayank: As I said, we conducted a detailed study and finally concluded that we should leave the structure as it is.

These are completely unrelated businesses. MMP has held 26% in Star since 1985 or thereabouts. If MMP tries to buy out the promoter stake, there would be a question as to why the payout is going to the promoter and why the company is paying out the promoter.

It is not a very simple matter. We therefore decided to leave the structure as it is. Star will continue to grow, and that growth will also be reflected in MMP's numbers, at least in the bottom line.

Punit Mittal: Are you actively seeking inorganic opportunities in Star Circlips, or are you simply open to them?

Mayank: We are actively seeking them.

Punit Mittal: In that case, would it not be wise to raise funds and retain them so that you have the funds available when an opportunity arises?

Mayank: We already have funds in Star. We already have a good war chest, if you want to call it that.

Punit Mittal: Can I know the cash balance at Star Circlips?

Mayank: It is not held as cash, but we have invested it. We have invested it actively.

Punit Mittal: We had discussed the insulator approval earlier. We were hoping to receive it soon. Is there any further progress?

Mayank: Yes, there is progress. There is progress on a daily basis. As I said, I cannot disclose the specifics, but the approval should come soon. I am referring to the main approval from the principal authority.

Punit Mittal: Once that approval comes, will we be able to start the insulator business in full swing?

Mayank: Absolutely. We can approach many transmission players, including private players. They require approval from that particular company, and once you have it, you are eligible for everything except 765 kV.

For 765 kV, we have not yet completed the type test, and we also need to demonstrate 2 years of performance. Therefore, the approval I am discussing is for ratings up to 400 kV.

Punit Mittal: Are all these businesses located within the same facility in Nagpur, or are they in different locations?

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Mayank: We have various facilities. MMP itself has two large plants in Bhandara and Umred. Both plants are close to 40 acres in size.

MMP Cables is located on another 15-acre parcel, and MMP Electricals is located on a slightly smaller parcel. They are all separate units.

Punit Mittal: Do you have enough space in these parcels to expand as needed?

Mayank: Yes, and we also have an additional land bank.

Punit Mittal: Thank you, Mayank. All the very best. I will speak to you soon.

Mayank: Thank you. Goodbye.

Operator: Thank you, Punit. Chaitanya, would you like to ask another question, since you have raised your hand?

Chaitanya: If you look at the next 3 years on a conservative basis, given that we have several business lines and some minority interest also goes directly to the bottom line, what conservative revenue are we looking to achieve at the top line, and what kind of PAT margin should we expect?

Mayank: On a conservative basis, as a company, we should at least double our revenue over the next 3 years.

Chaitanya: What would be an indicative PAT margin?

Mayank: On a blended basis, I would say a PAT margin of approximately 10-11%.

Chaitanya: Which listed companies would you consider close peers for us?

Mayank: In which segment?

Chaitanya: It is a difficult question because if I need to benchmark MMP against another company as an investor, who would you suggest?

Mayank: It is difficult because I do not think there is a company that has all these products in its portfolio. However, there are listed players in all the segments apart from powder.

Chaitanya: Could you name two or three of them?

Mayank: In insulators, I would not call Olectra a competitor because it is a very large company. It is the leader in composite insulators in India and provides a separate segmental breakdown for that business.

Chaitanya: Olectra, the electric-bus company?

Mayank: Yes. Its legacy business is insulators, and it provides a separate breakdown for that business.

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Regarding cables, I am not going to call anyone a competitor because everyone is much larger than us, as you are aware.

In aluminium foil, you have PG Foils and some other listed players.

Chaitanya: Is Hindustan Insulators also a similar company doing the same thing?

Mayank: No. I think it is primarily in ceramic insulators. I believe it is a ceramic-insulator company.

Chaitanya: Copper prices have been rising significantly. Could aluminium substitute copper in wires, power applications, and similar products? What is your view on how much copper can be substituted by aluminium?

Mayank: It is very difficult to answer because a significant amount of substitution has already taken place. For example, even in transformers, motor windings have shifted in many cases, and many transformers are offering aluminium windings instead of copper windings.

However, copper is still used very widely in cables. It is difficult to provide a number on that, to be very frank.

Chaitanya: In theory, why cannot copper be replaced with aluminium in power cables and similar applications? What are the disadvantages of aluminium compared with copper?

Mayank: Copper is an excellent conductor. There is no comparison between copper and aluminium in terms of conductivity.

For example, all house wires will continue to use copper. I do not see that changing.

Chaitanya: Understood. Thank you.

Operator: Thank you, Chaitanya. Runeet would like to ask another question.

Runeet: Thank you for the follow-up opportunity. How are margins in the foil segment progressing as we move up the value chain? Last quarter, we had margins of more than 6%.

Mayank: On average, foil has been a very difficult business for us, and I will be candid about that. The positive aspect is that it is now showing early signs of turning positive.

As guidance, on a yearly basis, foil should deliver an EBITDA margin of 4-5% this year. It had reported losses for the last 2-3 years. Going forward, we expect to achieve EBITDA margins of 4-5% in foils.

Runeet: Aluminium prices are elevated. How do you see the margin pressure? Are we able to pass on the increase?

Mayank: Passing on the increase is not a problem in powders, conductors, and similar businesses. Foil works somewhat differently because its pricing is based on the previous month's prices.

For example, for October 1, the price will be decided based on the previous month's LME price, and that price will hold for the entire month.

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Runeet: You mentioned that you have a significant investment balance in Star Circlips. Could you quantify it?

Mayank: Am I permitted to disclose that?

Runeet: It is an associate entity, correct?

Mayank: I do not think so, but I will provide it to you separately. I would not like to disclose it on a public platform.

Runeet: Thank you. That is all.

Operator: Thank you, Runeet. Yash Mehta would like to ask a question.

Yash Mehta: Thank you for the opportunity. It is nice to interact with you for the first time.

Today, approximately 60% of our business is the powder business, around 25% is the foil business, and conductors account for the balance.

Mayank: Conductors, not cables.

Yash Mehta: Understood, sorry. Conductors account for the balance. As we move forward 3-5 years, how should this mix evolve?

Mayank: We are very clear that the next major component of growth will come through electricals. By electricals, I mean cables, conductors, wire rod, LT cables, and insulators.

Ideally, if you look 5 years from now, I think electricals should account for 50-60% of the business.

Yash Mehta: Understood.

Mayank: Electricals should account for 50-60% of the business, comprising the conductor, insulator, and cable segments.

Yash Mehta: Conductors, cables, insulators, and wire rod.

Yash Mehta: Understood. So the mix will completely change.

Mayank: Yes. As a company, our growth will predominantly come through these segments, and not from any other segment.

Yash Mehta: Do you have any targets for margins in these new segments as they stabilize and scale up?

Mayank: Conductors will maintain EBITDA margins of approximately 7-8%. Insulator margins will increase from the current 11-12% to 16-17%. LT cable margins will be 10-11%.

Wire rod will have limited margin because it is primarily a conversion-based business. Therefore, on an overall basis, the electrical segment should have EBITDA margins of approximately 11-12%.

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Yash Mehta: Regarding the powder business, as exports are picking up and you are looking at different segments, where do you see EBITDA margins in that segment?

Mayank: The powder business will also grow with EBITDA margins of 11-12%.

Yash Mehta: We discussed Star Circlips earlier. Does that segment have any debt?

Mayank: Star Circlips has zero debt. It is a zero-debt company, with a significant cash balance.

Yash Mehta: Do we have any plans to raise further capital for the overall MMP expansion?

Mayank: Not right now. We have sufficient funds. As we speak, we are a zero-net-debt company.

Our total debt on the books is currently approximately 35-40 crores, but we have sufficient cash to bring it to zero. Therefore, we have zero net debt.

Yash Mehta: Thank you very much for the opportunity.

Mayank: Thank you.

Operator: Thank you, everyone, for joining us today for this earnings call. This concludes today's conference call. Thank you.

Management: That is what we want: to move more and more toward higher-value electrical products.

Yash Mehta: Your current PAT margin is significantly lower than the 10% guidance that you mentioned.

Management: I mentioned 10% EBITDA, not PAT. I mentioned EBITDA of 10-11% going forward.

Although, in our business, it is very difficult because we are aluminium-plus. If metal prices increase further, our margin as a percentage will shrink.

Yash Mehta: Understood. Regarding our base business of foil and powder—

Management: The base business is powder.

Yash Mehta: Regarding the base business of powder, would it shrink or remain stable?

Management: It will continue to grow and remain stable. It will have its own niche growth, but as a company, we are now targeting more exports and value addition there rather than pursuing volumes. We are also focusing on AAC powders.

Yash Mehta: Would you consider raising primary capital for some of the expansions?

Management: I would not like to answer that right now, but we do discuss it from time to time. There may absolutely be a time when we need to raise capital.

Yash Mehta: Thank you. It was great interacting with you, and I look forward to future interactions.

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Management: Thank you.

Operator: There are some questions in the Q&A section. The first is from Khushi Shah. She is asking who the customers are to whom we supply explosive powders.

Management: Explosive powders are supplied to customers such as Solar Industries, GOCL, {? Bizason Explotech ?}, and similar companies that manufacture explosives in cartridges and slurry explosives. These are our main customers.

Operator: The next question is from Arpit. He is asking whether there are any plans to merge Star Circlips with MMP.

Management: I answered that during the call. There is no plan at all. We explored everything, and the answer is no.

Operator: The next question is from Sameera. Is aluminium sourced domestically or imported? If imported, from which countries?

Management: It is all sourced domestically. We do not import any aluminium.

Operator: Another question is from Khushi. Do we plan to enter the defence sector?

Management: We already supply small quantities of powder to ordnance factories and similar customers, but that remains a very small part of the business. We have no active plans to enter the defence sector.

Operator: If anyone else would like to ask a question, they can raise their hand. Dilip would like to ask another question.

Management: Please go ahead.

Dilip Sahu: I want to clarify something. You said that the company would double in 3 years.

Management: Yes.

Dilip Sahu: We currently generated approximately 850 crores, of which 500 crores came from powder, which you said would grow at approximately 8-9%.

Management: Yes.

Dilip Sahu: Therefore, the other 350 crores would have to grow at approximately 35-40% for the next 3 years for us to double. My concern is that I do not know how the foil business can grow at 30%.

Management: Foil will not grow at that rate. We are already operating at a very high capacity utilization in foil.

The real growth will come from insulators, cables, wire rod, and conductors.

Dilip Sahu: So will all the new businesses reach 500-600 crores in the next 3 years?

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Management: I would not say 500–600 crores. They could reach a significant 300–400 crores or thereabouts, but I would not like to provide a specific number.

Dilip Sahu: I am simply taking 850 crores and doubling it to approximately 1,700–1,800 crores. Powder revenue of 500 crores would become approximately 700 crores at 8% growth. The balance would have to reach 1,000 crores, and if foil does not grow, the other businesses would need to reach 450–500 crores.

Management: Foil will have incremental growth because we are adding lidding foil and making some smaller additions. However, there is no major investment planned in foil.

Dilip Sahu: Understood. Thank you. It is very interesting to hear that number.

Management: Thank you.

Operator: Thank you, Dilip. As there are no further questions—

Management: There is one more question. How are the opportunities developing in insulators and cables? What is the order book on that side, and how will capacity ramp up?

For insulators, we do not currently have a significant order book because we are waiting for our approvals. As soon as the approvals come, we expect the order book to increase significantly.

In cables, we are still assessing the market, and some small sales have started. It will take time because we need approvals from various boards. Therefore, I think meaningful sales of LT cables will come in Q4.

There is also the margin profile, which I have already addressed. At the company level on a blended basis, we are targeting EBITDA margins of 10–11% over the next 3 years.

Operator: Due to time constraints, we will have to close this call. Would you like to give any closing remarks?

Management: Thank you once again for your time and interest, everyone. If you have any questions, please get in touch with Stellar, our IR agency, and we will try to answer them as best as we can.

Thank you once again, and hopefully, things will work out well. Thank you.

Operator: Thank you, sir, and thank you to your entire team and to all the participants who joined this meeting. On behalf of Arihant Capital, I thank you all for taking the time to join and share your insights.

If participants have any further doubts or questions, they can get in touch with the team. Thank you very much, everyone. Goodbye.

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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