



Date: 26/11/2025

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

NSE Symbol: **AERON**

Sub: Transcript- Earnings Conference Call to discuss Company's Financial Performance for the half year ended on September 30, 2025

Dear Sir/Ma'am,

Pursuant to Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letter dated November 18, 2025, please find enclosed herewith Transcript of Earnings Conference Call on Company's Financial Performance for the half year ended on September 30, 2025.

This is for your information and record.

Thanking You,

FOR, AERON COMPOSITE LIMITED
(Formerly known as Aeron Composite Private Limited)

PANKAJ SHANTILAL DADHANIYA
WHOLE TIME DIRECTOR
DIN: 02100802



AERON COMPOSITE LIMITED

CIN NO : L25209GJ2011PLC065419

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“Aeron Composite Limited
H1 FY26 Earnings Conference Call”
November 21, 2025



**MANAGEMENT: MR. RAVI PATEL – WHOLE-TIME DIRECTOR –
AERON COMPOSITE LIMITED
MR. SANJAY OZA – CHIEF FINANCIAL OFFICER –
AERON COMPOSITE LIMITED**

**MODERATOR: MS. JANHAVI KANKARIYA – GO INDIA ADVISORS
LTD**

Moderator: Ladies and gentlemen, good evening and welcome to the H1-FY26 Earnings Conference Call of Aeron Composite Limited hosted by Go India Advisors. As a reminder, all participant clients will be in the listen-only mode.

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 star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Janhavi Kankariya from Go India Advisors Ltd.

Janhavi Kankariya: Thank you and over to you. Thank you, Swapnali. Good evening everybody and welcome to Aeron Composites Limited's maiden earnings call to discuss the H1-FY26 results. We have on call with us Mr. Ravi Patel, Whole-Time Director and Mr. Sanjay Oza, Chief Financial Officer. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces.

May I now request Mr. Ravi Patel to take us through the company's business outlook and performance, subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Ravi Patel: Good evening, everyone. Thank you for joining us today. The first half of financial year 26 has been a period of steady execution for us, marked by meaningful progress in strengthening our capabilities and enhancing our ability to manufacture industry-ready, customer-specific, fiber-reinforced polymer solutions.

Over the last few years, FRP industry has been undergoing a structural shift, driven by the need for materials that are corrosion-free, lightweight, high-strength and sustainable. Globally, FRP composites are projected to almost double by 2032 and India remains one of the fastest-growing markets for composite consumption. Supported by strong traction across infrastructure, utilities, renewable, telecom and industrial applications, the demand environment continues to work in Aeron's favor.

Given our position as an integrated 360-degree FRP solution provider, offering pultruded profiles, molded grating, UV-cured FRP rods and now CFRP rebars, Aeron has built capabilities across the FRP value chain, from pultrusion, molding, UV-cured FRP rods, rebars, testing of FRP products and installation.

This integrated model, supported by strong quality systems, DSIR recognition for R&D and global certifications, continue to strengthen our competitive

positioning. Our products today serve diverse applications across chemical, oil and gas, marine, renewable, telecom, utilities and public infrastructure.

As you know, FY25 marked our entry into the FRP rebar segment, a strategic diversification beyond our traditional FRP offering. With commercial sales beginning in March 25, we now have dedicated FRP rebar lines operational and are on track to scale to five lines by FY26. Our rebar products are certified, placing us among few qualified domestic suppliers in fast-growing category.

This expansion allows us to tap into sectors such as roads, bridges, tunnels, coastal infrastructure, chemical plants and water treatment facilities, areas where corrosion-proof reinforcement has become essential. The shift from traditional steel reinforcement to CFRP is accelerating due to the materials rust-free, rust-proof, lightweight, non-conductive and high-strength characteristics compared to steel.

This is further supported by growing regulatory momentum, most notably the Ministry of Road Transport and Highways under Mr. Nitin Gadkari and NHAI, which has actively promoted the adoption of FRP rebar and issued guidelines encouraging its use. We are also preparing for our next strategic milestone, our plant foray into carbon fiber reinforced polymer products.

These high-performance, high-margin composites aimed at sectors such as wind energy, railways and automotive represent the next step in broadening our advanced material portfolio. With higher strength, enhanced performance and premium margins, this category aligns strongly with our long-term diversification strategy and strengthens our position as a 360-degree FRP solution provider.

Another key development during the first half was the commissioning of our new manufacturing facility spread across 51,671 square meters in Mehsana. The unit has become operational at the end of September 25 and is currently in the scale-up phase with full 22,000 metrics and capacity expected to be achieved over the next few quarters. This facility significantly enhances our ability to scale production, improve efficiencies and support the next stage of growth across our varied FRP products and upcoming CFRP line.

On the operational front, our focus remains on strengthening process efficiency and productivity. We are targeting over 70% utilization by FY27 as we implement automation, upgrade manufacturing system and drive-scale benefits across pultrusion molding and UV-cured FRP rods and rebar operations. In parallel, we continue to build our sustainability edge through the use of our 1.2-megawatt solar plant and by promoting FRP, CFRP and CFRP as low-carbon, corrosion-free alternatives that reduces life-cycle costs for customers.

Let me now quickly walk you through our financial performance for H1 FY26. Revenue from operations stood at INR116.7 crores, showcasing steady growth. EBITDA for the period was INR8.7 crores with a margin of 7.5%, while PAT comes in at INR7.2 crores. Export revenue contributed 55% of the total revenue during the first half, underscoring the strength of our international presence and brand acceptance.

Our balance sheet remains healthy, supported by robust liquidity and strong capital structure, enabling us to invest confidently in the future expansion and innovation. Overall, H1 has been a period of disciplined execution, capability expansion and capacity enhancement, with industry tailwinds strengthening, our new facility becoming operational, our strategic entry into new product lines and rising adoption of FRP materials in India and globally.

We believe Aeron is well-placed to participate meaningfully in the decade-long up-cycle ahead and deliver sustainable growth in the coming quarters. Thank you.

Moderator: Thank you. We will now begin the question and answer session. The first question is from the line of Jeet Gala from Centra Insights LLP. Please go ahead.

Jeet Gala: Yes, thank you. Sir, my first question is around understanding FRP rebar segment. So, like you said, we have already we have reached a level where we have installed two machines, two lines and probably we will reach, we will get to five lines by the end of this year FY26 in the next remaining four to five months. So, I just wanted to understand what is the kind of sales run rate each of the machines give? I mean, what kind of top line can we achieve when these five machines are fully operative?

Ravi Patel: So, each machine has a capacity of approximately 300 metric tons a year and that would generate approximately anywhere between, depends on the diameter, but it will generate probably around INR5 to INR6 crores. Between INR5 to INR7 crores, I would say, depends on the diameter per machine.

Jeet Gala: Okay, understood. And sir what assumptions are you taking for a per kg NSR or per ton NSR for this product?

Ravi Patel: Right now, we are taking INR140 a kg.

Jeet Gala: INR140 a kg, okay. And can we see a very aggressive investment going into rebar? I mean, so what is your feedback like? I mean, so when you are already migrating from a two machine to a five machine kind of an investment, I mean, when will those times come probably when we will migrate to say 20 machines, 30 machines? I mean, how is the market responding, whether there is an

acceptance of FRP rebar in the market? So, if you can just explain how this product is being accepted by the market?

Ravi Patel:

So, market has been receptive with respect to FRP rebar. It's been almost just two years since the government has started promoting this product and started accepting this product. And the feedback from the market is also very positive. One is the price is lesser than TMT rebars. There are other benefits as well like it is one-fourth the weight of TMT rebar.

So, installation becomes faster. The freights are lower. So, there is a labor efficiency and all that. Government has been promoting as well. So, the acceptance is growing at a fast scale. It's just people are taking time to, you know, may use in some part of their project, observe and then in the next project scale up the use of FRP rebar.

Jeet Gala:

Okay. All right. And sir my second question is around carbon fiber. So, I think you all are going to start doing carbon fiber, right? So, if you can just explain the process of carbon fiber. So, what I understand is the process starts, it's very similar to glass fiber, you will start importing carbon fibers from outside and then start making products out of it and so what kind of investments will go into carbon fiber project in the next 12 months?

Ravi Patel:

So, in carbon fiber, of course, as you said we will be processing carbon fiber and we will be making carbon. Now, we will be majorly two parts. One is pultrusion process, out of which we will make carbon fiber planks for the windmill blades. The another product from carbon fiber pultrusion would be carbon fiber core rod for the transmission line, HTLS, they call it.

And then, the other process in carbon fiber is autoclave process, wherein we can make different kinds of custom molded products for automobiles, railways or defense sector. The machines are already ordered for carbon fiber. We are hoping that by end FY26, we have the installed capacity for carbon fiber product. And going forward, all these carbon fiber is more technical product and the approval is also there. So, we will start approval process and as we go forward with approvals, we can add on capacities in carbon fiber as well.

Jeet Gala:

And sir what is the minimum investments over there? I mean, so, this will be very similar to rebar kind of a thing, right? We'll start with one line, then keep on adding more lines as the product gets accepted?

Ravi Patel:

Yes, that's correct. So, on the carbon fiber side, probably our investment is going to be between INR8 crores to INR10 crores This is only machineries and then there are other ancillaries and all that.

Jeet Gala:

All right. Sir, I have more questions. I'll come back in the queue.

Ravi Patel: Sure.

Moderator: Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand that our main business of FRP, sir, it's a very -- correct me if I'm wrong, sir, it's a very customized and very service oriented business. So, how do we plan to scale this segment over the next two, three years? Because you mentioned that the industry is going to double over the next five years. So, we are targeting only 15% growth.

So, if you could just help us understand what kind of, can we grow faster than the industry and how is our, the sales and development team for the customized FRP products. We have mentioned the rods as well as the molded gratings. So, if you could just help us understand on that front?

Ravi Patel: So, not everything is customized that we do. So, FRP rods for optic fiber cables is not very customized. It's much standardized with respect to different diameters. The major customization is for structural parts that we do, the pultruded sections and all. That we will keep on doing and that segment is also growing year-on-year. And so the growth will come on, of course, expansion of current product as well as adding new applications for pultruded products.

So, that's how we will keep on adding the products as well as keep on having a sustainable growth. So, some of the examples are like FRP poles for FTTH internet cables. So, this kind of applications can grow and then FRP paper profile for treatment projects. So, this kind of applications will grow, which will drive further sustainable growth in the current existing processes which was suggesting us to grow with the capacity and that's why we needed to shift to the more capacitive premises, wherein we can have strength to explore more capacity. So, that's why we have planned with the expansion.

Madhur Rathi: Got it. Sir, what is our current order book on the customized product and then what percentage of our revenue came from the customized pultruded products in H1 of FY26 and FY25?

Ravi Patel: So, there is no bifurcation right now with respect to customized or not, but our current order book is INR45 crores.

Moderator: Sorry to interrupt you, sir your voice was breaking.

Ravi Patel: Okay bifurcation which we can't provide currently, we can surely discuss that in person, but the current order book that we have is INR45 crores.

Madhur Rathi: And sir, is it fair to assume that this will be executed in FY26 itself?

- Ravi Patel:** Yes. These are all the orders on hand and it is ongoing.
- Madhur Rathi:** Got it. Sir my next question was sir if you could just help us what I understood was FRP rebar they can't be bent and that's why their adoption has been lower in India as well as globally. So what gives us the confidence that this segment can grow much – this segment can become a good revenue driver for our company rather than just focusing on the customized structural product where we might actually we will be able to get a edge in this category?
- Ravi Patel:** So, first of all it is not compulsory to use FRP rebar bands. You can use metal bends along with FRP rebars. We do have capabilities to supply FRP rebar bends as well. And we are also scaling up that particular bend production capabilities along with our straight rebar lines.
- So, our customers majorly, now we are also delivering project orders. We have been able to deliver straight rebars as well as bent rebars. And in case of site contingencies, there is no problem. You can use metal bent elements along with FRP rebar.
- Of course, the bent capabilities in India, FRP rebar bent manufacturing capacities in India are still not, you know, enough to suffice the demands that currently have in the project. So, that is getting scaled up.
- Madhur Rathi:** Got it. And just a final question from mine. So, the 10% EBITDA margin guidance that we have, sir, can we expect to achieve this in H2 of this year?
- Ravi Patel:** Yes, yes. We would be able to. This was just lowered down due to we have been shifting our pultrusion process from rented to the new premises. So, it affected our operational efficiency somewhat and the revenue also. Also, the US part somewhat was affected. So, ultimately, H2 would be much more better than the H1.
- Madhur Rathi:** Sir, so in FY '27, can we expect it to further improve with like our utilization across the 22,000 capacity as well as the FRP rebar increasing? Can we expect it to see a further improvement in FY '27?
- Ravi Patel:** Yes, yes. Year-on-year always it will be keep increasing, because that's why only we have shifted to our own plant wherein we can increase the capacity as and when required and as and when we are growing. So, of course, you can expect better utilization rates in '25 -- '27.
- Madhur Rathi:** And, sir, can we expect a 12% EBITDA margin with the better utilization rates in FY '27 or that is higher or lower?
- Ravi Patel:** We cannot comment, but yes, we will be improving much more according to the operational efficiency and the margin.

- Madhur Rathi:** Got it. Sir, thank you so much and all the best. I'll get back in the queue.
- Ravi Patel:** Thanks a lot. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Pranav Jain from Ageless Capital and Finance. Please go ahead.
- Pranav Jain:** Hi, sir. Thank you for taking my question. Am I audible?
- Ravi Patel:** Yes, completely audible.
- Pranav Jain:** Yes. Sir, since I just wanted -- I had a couple of questions, first one being on the FRP rebars. We position ourselves uniquely in the sense that FRP rebars are corrosion resistant, but now you can see there are corrosion resistant steel bars also as well as epoxy coated steel bars that also provide the same qualities. So, does that affect us?
- Ravi Patel:** So, Pranav ji, FRP rebars with respect to normal TMT bars are cost competitive already. When we add the epoxy coating on TMT rebars, the FRP rebars are getting more cost competitive. So, of course, in a market like India, the cost is a major part, right? So, we become more competitive with respect to the alternatives.
- Pranav Jain:** Sir, but -- what's the difference? TMT rebars, how much do they sell for?
- Ravi Patel:** So, TMT rebars to FRP rebar, the difference would be approximately between 10% to 20%, depends on the metal pricing at a given point.
- Pranav Jain:** Got it. Sir, but then with steel, you get high ductability also, you get more bents, like we were mentioning. And we are more brittle. So, there are -- I'm not saying it breaks, but there are higher chances of breaking. So, and both provide corrosion free applications. So, that doesn't affect us at all?
- Ravi Patel:** Right. So, with respect to FRP rebar, it has twice the tensile strength and FRP rebar are right now I mean, as per codes, it is advised to be used on ground level applications. That means highways, parking area, manufacturing floor or warehouses, bridges and all these applications.
- FRP rebars are not yet included in columns and stacks. One of the reason is elongation. So, wherever the FRP application is approved, it is still a big market and it is cost competitive with respect to technical as well as commercial.
- Pranav Jain:** So, you're saying FRP and TMT both can exist simultaneously?
- Ravi Patel:** Yes, definitely.

- Pranav Jain:** Got it. Got it, sir. And sir, I'm sorry, I'm new to your company. So, forgive me for my ignorance. Sir, in the past, you said you all used to do something different and as of late only we started FRP rebars. Sir, can you tell me what was our earlier business and why we ventured into FRP rebars?
- Ravi Patel:** Pranav ji, we have been...
- Pranav Jain:** Sir, actually, your voice is cracking.
- Management:** Just to answer your question, we are into FRP business only. It's the only...
- Moderator:** Sorry to interrupt in between, sir. Your voice is breaking and we are unable to hear. Sir, can you hear me?
- Ravi Patel:** Yes.
- Moderator:** Sir, I'm unable to hear you. Yes, still the voice is breaking, sir.
- Management:** I don't understand. Now, you are able to hear. Can I speak a bit more louder?
- Moderator:** Yes, sir. This is -- thank you.
- Management:** Yes. So, am I audible to you, sir?
- Pranav Jain:** Yes, yes, yes.
- Management:** Yes. So, what my concern is, we are into FRP business only. The rebar is the only product line which is being added to the product enhancement. We were using FRP-pultruded products. We were producing FRP-moulded products, producing FRP rebar, I mean rods.
- And now, it is to rebar. And then, we will be going further to the carbon fiber. That would be carbon fiber, would be the new fiber. This is glass fiber and that would be the carbon fiber. I hope I have addressed to your questions, right?
- Pranav Jain:** Yes, yes. And, sir, so now that we started FRP rebars, can you just name a few clients who have accepted our products?
- Management:** Yes, sure. I don't know, Mr. Ravi, few clients you can name.
- Ravi Patel:** In Ahmedabad, there are a few developers. One of the big names is Shaligram. And then, on highways, IRB, we are already supplying in IRB. I think that is a good, big enough name to address the highway developers. We are also supplying to L&T.
- Pranav Jain:** Hello? Yes, sir, your voice went away in the middle.
- Ravi Patel:** I am sorry.

- Pranav Jain:** But I largely heard what you said. I heard what you said.
- Ravi Patel:** So we are supplying to -- Yes, okay. Go ahead.
- Pranav Jain:** I heard what you said. yes, thank you. Last question, sir. What kind of revenues can we expect going forward with this new segment adding on to our existing top line? So, currently, we are at approximately INR200 crores of revenue. And so, for the next year, FY '27, what kind of revenues are you looking at?
- Ravi Patel:** So, I understand that you are asking particular to FRP rebar. I think we addressed this question...
- Pranav Jain:** No, no, no. All in all, I said on top of that. So, cumulatively, what kind of revenues are we looking at?
- Ravi Patel:** So, FY '27, probably, we have -- as we have already given some targets, like 15% year-on-year growth minimum. And CAGR, it was. So, we will be probably around 300 or around that line.
- Pranav Jain:** Got it, sir. Got it, sir. Thank you so much for taking my questions.
- Moderator:** Thank you. The next question is from the line of Rahil S. from Sapphire Capital. Please go ahead.
- Rahil S:** Yes, hi, sir. Actually, my question was also on the guidance part, which you have given as 15%. So, is this conservative, considering the new FRP line will be starting soon?
- Ravi Patel:** Yes, it is more or less much conservative, but we will be performing more better way in that.
- Rahil S:** Okay. And this, you are saying 10% you will achieve overall for FY '26 or just in the second half, you are expecting EBITDA margins?
- Ravi Patel:** Total FY '26.
- Rahil S:** And FY '27? Any...
- Ravi Patel:** It will be more better than that.
- Rahil S:** Okay. So, this is sustainable, once we have double-digit?
- Ravi Patel:** Yes.
- Rahil S:** Okay. Got it, sir. Thank you so much. All the best.
- Ravi Patel:** Thank you.

Moderator: Thank you. The next question is from the line of Sunil Tinani, an Individual Investor. Please go ahead.

Sunil Tinani: Yes. Good evening, sir. You have cash in books and you have a debt. I think you have a debt of around INR46 crores and you have cash in the book like around INR40 crores. Will you be scoring up these or will you be holding on to the debt for expansion?

Management: See, short term and long term, including which is the working capital and the long term. Long term, which is our debt for the term loans we have taken from the bank, which is for current buildings, which we have achieved right now for pultrusion and molded. And short terms will be around INR25 crores, which is plus minus according to the utilization of the working capital.

And the cash which we talk about, that is for IPO proceeding, which is getting utilized according to its implementation of the particular IPO subjects.

Sunil Tinani: So will you be using it to pay off the long term loan, the cash?

Management: No, no, no, not at all. That is not the purpose of IPO.

Sunil Tinani: Okay. Well, then this five lines of rebar and the 22,000 tons capacity addition to the Mehsana plant. Can we assume that in the next one year, they'll be starting to contribute meaningfully to EBITDA and profits?

Management: Yes, Yes, perfectly.

Sunil Tinani: And so what would be the capex on the five lines of rebar?

Management: Five lines of rebar capex would be around -- in total it would be around -- that would be approximately INR7.5 crores.

Sunil Tinani: Sorry, I didn't get that.

Management: That would be approximately INR7.5 crores. That includes the five line of rebar and then there are band machines as well for the rebar.

Sunil Tinani: Okay. Go ahead sir. So one more quick question. We have an exports of total revenue -- 55% of revenues are exports. Well, with the dollar rising every day and rupee at 89, do you plan to increase that or will we supply more domestically?

Management: Every year we are increasing on that only. Last year it was 61%. Just due to this shifting process, it is decreased due to that purpose only. Otherwise, every year if you will see the figures, we are increasing exports and also we are increasing our domestic too. So both are increasing upon our own percentages.

- Sunil Tinani:** So the demand is coming from countries like European countries, right? If I'm not wrong?
- Ravi Patel:** It's a mix. We are not only country heavy, but we are supplying to 39 countries. So of course, the Western countries have a better demand.
- Sunil Tinani:** Okay. So last question for me. This is about your carbon fiber unit. I mean, you would be supplying for making of drones and other aerospace parts as well, sir. And for that, you would be requiring some special DRDO permissions or licenses?
- Ravi Patel:** So there is an AS approval that's similar to ISO approval. And then there is a qualification process with respect to different organizations. So for supplying to DRDO, there is a different qualification process. And for supplying to drones, it depends on the company which is making the drones, from where to, how to qualify their vendor, basically. It is compulsory.
- Sunil Tinani:** Are you planning to enter those areas, sir? Like supplying drone parts, supplying aerospace parts sometime in the future?
- Ravi Patel:** Yes, eventually. Yes.
- Sunil Tinani:** Okay. Thank you, sir. That's all I wanted to know. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Rahil Dasani from MAPL. Please go ahead.
- Rahil Dasani:** Yes. Hi. Am I audible? Yes. Thank you for the opportunity. I believe the capex plan and the IPO that we had was for INR37 crores. As of September 2025, we have already added assets worth INR20 crores. And I still see a CWIP worth INR28 crores. So it seems the capex has now crossed approximately INR50 crores. So where are we spending this additional INR10 to INR15 crores?
- Management:** First of all, our capex includes term loan also, not only the IPO proceedings. So whichever WIP is there, it is also from the debt too. So it is mix and match of debt and IPO proceedings. So till now, if we see September, we have INR56 crores, which is INR35 crores, March 2025. So CWIP getting done and it is gross block would be keep increasing according to total utilization of the IPO and debt. Okay.
- Rahil Dasani:** Fair enough. Got it. Sir, are we seeing any other players in the FRB Rebar product competing along with us or someone who is already established in this business even before us or are we the first one here?
- Ravi Patel:** No, we are not the first one. There are other players also. Some of the few early adopters are and probably they have parted a lot of knowledge in the market as well. One is Jindal Advanced Material, which is a JSW group company. And

then there is Rathi Steel, they are based in Delhi. I think these two have good enough capabilities right now at this point. There are other manufacturers as well with one machines or two machines, but these two are having good capabilities. And probably with our five lines, we will be among the few large manufacturers.

Rahil Dasani: Got it. And according to you, based on your assumption, what would be their individual scale, just to understand how big of a market that we clearly have as of date? What would be the scale of these two players you named?

Ravi Patel: Everybody is expanding based on the increase in demand and the clients they are able to convert. But right now, I think Jindal and Rathi would be probably more than 10 machines combined with bend and straight. This is just random, it's not final, but yes, approximately.

Rahil Dasani: And sir, any large projects that we have gotten approved for to serve in these rebars?

Ravi Patel: So as I was saying that one of the projects that we are executing right now on rebar is with IRB for their highway in Gujarat. So this kind of project companies are our customers. Going forward, we will try to align our supplies with this kind of project companies with a long project timelines and good order value.

Rahil Dasani: So, why I was asking this is because we are expanding our lines from two to five lines. And like you said, per line we make close to INR5 to INR7 crores. So that's an additional INR35 to INR40 crores of demand. So have we all already gotten that sort of a visibility from our customers and hence we are expanding it or how is it?

Ravi Patel: Yes, as we are expanding and as our sales team is getting the customer on board, our pipeline is getting slowly bigger and the visibility is more clear that this is how we are going to execute these numbers we are going to achieve.

Rahil Dasani: Got it. So point being that if and when the machines come by end of March 2026, that is in this year itself, in FY'27, we will be able to 100% utilize all the five, not 100% 80% to 90% whatever the optimum number is, we will be able to utilize in FY'27.

Ravi Patel: Correct.

Rahil Dasani: Perfect. Got it. Then next on the carbon fiber products, I wanted to understand for the applications that we are targeting, how long will the approval process take?

- Ravi Patel:** So initially, it is not like we have to wait for all the orders. We can cater to non-approval products. Of course, they will be more competitive, but then the process is like anywhere between eight to 12 months.
- Rahil Dasani:** This you are saying is for the higher value carbon fiber products and not the commoditized ones, right?
- Ravi Patel:** Correct. Correct.
- Rahil Dasani:** And which are these higher value applications? If you could just repeat them for me, I guess I missed the application that you were naming earlier, which takes eight to 12 months.
- Ravi Patel:** So carbon fiber planks for windmill blades, carbon fiber core road for HTLS conductor.
- Rahil Dasani:** Okay.
- Ravi Patel:** These are the main cables, electricity grids, and then carbon fiber autoclave parts for specialized applications.
- Rahil Dasani:** Fair enough. Okay. And just to pick up one of these applications, if I were to get a 3.3 megawatt turbine, which is the usual turbine that we set up, what would be our value of component in that whole turbine?
- Ravi Patel:** It depends on the size of the windmill blade, basically. So the blades with a length higher than probably 75 meters would go for planks. It may be carbon fiber, it may be glass fiber, but the blades higher than 85 meters, they would definitely go with carbon fiber planks as well because they need a lighter material with high strength.
- Rahil Dasani:** Of course. Okay. Got it. And just last few questions. For both carbon fiber and FRB rebars, we have said that the margins are higher. How high are the margins compared to our current business, if you could just individually list it out for both FRB as well as for the carbon fiber?
- Ravi Patel:** I think the margins are higher, at least by -- this is what our projected are, by 4% than our existing line of business, at least by 4%.
- Rahil Dasani:** Okay. But then I believe carbon fiber would be even higher than FRB, right?
- Ravi Patel:** Yes, it will be higher than FRB. But then you are waiting there for the qualification and then you have a bigger, much higher margin, I would say.
- Rahil Dasani:** Fair enough. And sir, how many customers are we in talks with to get these approvals done and any expectations? Because we don't know exactly when you started these approval processes.

- Ravi Patel:** Yes. So basically, first we have to go with the basic base approval, like facility approval, getting facility qualified and all. And then with each of the customer, it takes their own -- they take their own time to qualify. They have their own process.
- Rahil Dasani:** Got it. But are we already, if I were to again take that application...
- Moderator:** Sorry to interrupt in between, Mr. Rail...
- Rahil Dasani:** It's just a continuation of that question.
- Moderator:** Sir, I'm so sorry to interrupt. I would request you to kindly follow the queue as we have other participants. Thank you. The next question is from the line of Moksh Ranka from Aurum Capital. Please go ahead.
- Moksh Ranka:** Hello, sir. I wanted to ask how much savings in the rent will be there since we are shifting to our own plant.
- Ravi Patel:** So we'll be saving a rent per month of approximately INR32 lakhs. With GST, it becomes INR36 lakhs. So that is per month basis. And then we are projecting that our efficiencies in terms of material handling and reducing the wastage will also improve. So that would add further margins.
- Moksh Ranka:** Okay. So on a yearly basis, it's quite substantial, around INR4 crores to INR5 crores. And that will directly move to the bottom line?
- Ravi Patel:** Yes. But there will be a depreciation added to that because then we are constructing building and all. Plus that interest also will be there. And we would be also saving the cost for the per plant installation. That will be also one of the benefits which we'll be able to, which could be around INR10 lakhs per month.
- Moksh Ranka:** Okay. And what is like the optimum capacity utilization for us? I heard management, you mentioned 70%. Why is it much lower than -- why is it like 70%? Is there any operational difficulty?
- Ravi Patel:** Yes, it is basically the peak time and slower times in the year. So during the peak time, we are utilizing higher efficiencies. And in the slower cycle, like monsoon or somewhere, the efficiencies are lower. So this is an average annual efficiency utilization.
- Management:** It includes different dimensions and diameters of the product and all that also affects.
- Moksh Ranka:** Okay. And just a last question, if I may, a quick question. Are receivables greater than 6 months? If I compare from FY '24 to FY '25, there has been a little deterioration in our aging of trade receivables. So could you mention why?

- Ravi Patel:** Sorry, can you repeat your question again?
- Moksh Ranka:** Yes. So our trade receivables, which are due more than 6 months, if I compare FY '24 and FY '25, FY '24 was around INR1.9 crores and FY '25 was around INR4 crores or something. So why has there been a deterioration in that?
- Ravi Patel:** Mainly in this year, we are improving that. And in this H2 also, it would be improving. So we are surely on the improvisation stage right now.
- Moksh Ranka:** Okay. Okay. That's it from me. Thank you.
- Moderator:** Thank you. The next question is from the line of Athar Syed from Smart Sync. Please go ahead.
- Athar Syed:** Good afternoon. Thank you for the opportunity. Sir, I have a question related to this like, what is our revenue mix from export and from domestic.
- Ravi Patel:** You are not completely -- I mean, you are not audible completely. There are disturbances in between. Can you repeat your question?
- Athar Syed:** Now, am I audible?
- Ravi Patel:** Yes. Please repeat your question.
- Athar Syed:** Okay. So I just wanted to know how much revenue we get from export and from domestic.
- Ravi Patel:** As it is mentioned over our presentation, in this H2, it was -- H1, it was 55% from the exports and accordingly, the balance is from the domestic.
- Athar Syed:** Okay. And sir, like, how much money it takes to, for our own land, like how much money we invested for our new plant?
- Ravi Patel:** So overall, if we talk about our gross block in total with whole implementation, let's say total term loan plus our internal accruals would be INR33 crores, our gross block till '25, it was INR35 crores and INR53 crores of total of IPO proceedings. So overall, it would go around INR110 crores or INR20 crores total gross block after complete implementation. That is what we understand.
- Athar Syed:** Okay. And just one last question on this, like a clarification on carbon fiber. So it will be operational in FY '27, right?
- Ravi Patel:** Yes. That would be pilot plant.
- Athar Syed:** Sorry? Pilot.
- Ravi Patel:** Yes.

- Athar Syed:** Okay. So after all this approval, it will be fully operational in FY '28. Is that right?
- Ravi Patel:** Yes, we guess so.
- Athar Syed:** And sir, what would be the...?
- Ravi Patel:** After approval, we can scale it up, basically.
- Athar Syed:** Sorry?
- Ravi Patel:** After approval of the pilot plant and every product, we can scale it up by one by one machines, increasing the capacity.
- Athar Syed:** Like we are doing in FRP?
- Ravi Patel:** Yes, correct.
- Athar Syed:** Yes. And just last question on this, like how much -- like on an average, what is our receivable date?
- Ravi Patel:** Generally, it is between 60 to 90 days in general.
- Athar Syed:** In general. Okay. Okay. Thank you so much, sir.
- Ravi Patel:** Yes, welcome.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sir, thank you for the opportunity. Sir, I am trying to visualize how will the demand for our products move over the next five years? So what is the industry mix currently that we, who would be our major end customers if you could give a mix of other percentage of our revenue?
- Ravi Patel:** Madhurji, so for each line of products, we have a different set of customers. But let's -- on pultruded and molded products, in pultrusion, we have FRP, pultruded profiles, cable trays, pultrusion grating, fencing, and in molded grating, we have molded grating for the flooring. These are used by chemical plants, water treatment plants, infrastructure industries, railways, oil and gas industry, clients that we are serving.
- On FRP Rod, optic fiber cables, our FRP core rods to the optic fiber cable manufacturers, such as Apar Industries or KEC. On FRP Rebar, we are supplying our products to different highway developers and real estate developers, private real estate developers. So these are the set of customers that we are dealing with right now.

Madhur Rathi: Got it. Sir, so how should we look at a new customer addition and order booking pipeline over the next 2 to 3 years, if you could help us understand? Sir, do we go to our customers or our customers come to us, if you could just help us understand the value chain for this product?

Ravi Patel: So, Madhur ji, again on that, of course, we go to our customers to get the maximum business that we want to achieve. And then there are, of course, channels which are in place through which our customer can come to us with respect to online promotions and exhibitions and all. So it's both way. And the order that we currently have is around INR45 crores, as I stated earlier.

Madhur Rathi: Right. So this INR45 crores, sir, I understand that whenever IRB will get an order, they will give us the order for rebars and all. So, but for the pultruded and the molded products, sir, are we supplying these to some EPC contractors who are making these either chemical or water treatment plants or this is how does it go? Are we supplying to a distributor and that distributor in turn sells because these are customized products? So how does that go?

Ravi Patel: Madhur ji, can you repeat? I think, of course, we work with different EPC contractors with various and they work in various sectors. So we work, the big names would be L&T in construction. Water treatment would be Wabag. In highways, it will be IRB. So, of course, we work with different EPC contractors.

And of course, we work with end users as well in oil and gas, in chemical plants. So oil and gas, we work with ONGC and then in thermal plants, we work with NTPC. So it's a mix of EPC contractors and users both.

Madhur Rathi: Got it. Sir, on the optic fiber segment, are you currently supplying to any of the optic fiber manufacturers in India and how is the order book there? How should it scale up over the next few years?

Ravi Patel: So, Madhur ji, as I informed, we are supplying to optic fiber cable manufacturers. In India, we are supplying few names are Apar Industries or KEC Industries. Then, of course, we are also exporting this product to different countries. One of the big names internationally is OFS, Furukawa Group. They are based in different countries.

Madhur Rathi: Got it. Sir, thank you so much. Sir, just a final question from my end. Sir, on the gross margin front, where should we see this stabilizing over the long term? And, sir, what was the volume that we showed in H1 of FY '26?

Management: We were gone down somewhat in this H1 due to shifting process and all that. So in H2, we would be improving that and gross margin also will improve, I think.

Madhur Rathi: Got it. And, sir, what was the volume that we did in H1?

- Management:** Capacity utilization, if we talk about, then it was around 58 or 59 percentage.
- Madhur Rathi:** Got it. Sir, that was from my end. Sir, thank you so much and all the best.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Rishit Jhaveri from CBA Asset Managers LLP. Please go ahead.
- Rishit Jhaveri:** Hi, Ravi sir and hi, Sanjay sir. Congratulations on a stable half given the shifting. First question, sir, we had a good 20% domestic growth. Exports were flat. Major reason, what I understand is some order delays and the tariff negotiation.
- And if that is right, how do we plan to, A, negotiate and transfer the US business to other countries? Second, is the tariff reverse around, which is on the discussion table right now? Will it be a back to business situation for us with the US clients?
- Ravi Patel:** So, of course, if the tariff is, deal is finalized, of course, that would help India as a country. And of course, we as a part of India, it would help us as well. We are still delivering orders in USA. So, it's not 100% zero for us.
- The customers are still with us. Meanwhile, if the tariff, the deal does not get through, then we are, of course, we have already started to talk to outside US customers to improve their offtake from us, basically. And we are -- we will be adding new customers to offset that loss of revenue in that case, in the tariff deal...
- Management:** There are other mitigation ways also, which would be able to implement. But first we are looking forward for the deal and then we can take forward for the mitigation and obviously exploration of the other countries would be the part of the progress.
- Hrishit Jhaveri:** Okay, great. So, hence the export revenue was flat given the domestic 20% growth.
- Management:** But the thing is that one we have mentioned as shifting process plus the US part was also the playing role in that case of the exports.
- Hrishit Jhaveri:** Correct. So, both the clouds will be cleared by H2 hopefully. Okay. So, on the view of the Saudi market, how big is the Saudi and GCC market for us and how do we plan to penetrate there? Because infrastructure and new product utilization at a lower cost would be something that we can easily penetrate in GCC countries.

Ravi Patel: Of course, we have been dealing with GCC countries since a long time now. I think we started our exports with GCC countries. So, that is still on our list and we have been improving our relation with the customers there and the projects that are coming up there. So, of course, we are already aggressive in that market.

Hrishit Jhaveri: Okay, great. So, now a question related to the pricing scenario. How has been the pricing scenario in the first half? Is there any improvement or has it been flattish and how do we see the pricing going ahead post-September so far in the 2 months and for the H2? Is there any volatility or it is stable or improving from a run?

Ravi Patel: So, the pricing is more of a flattish right now. There are certain raw materials which are specialty chemicals has been little bit volatile. But overall, the international global scenario has been flattish with respect to price of FRP products and with respect to the raw material of the major raw materials.

Besides this, in India, there is a CBDT hearing going on with respect to anti-dumping duties on glass fiber products. In that scenario, the price will go up for FRP products as well because the price of raw material will increase for the domestic market only.

Hrishit Jhaveri: Okay, great. And then in the books, there was another income of around INR3.65 crores for this half which was a bit higher. Any specific explanation here?

Management: Sure, sure. So, one of the part is the IPO proceeding which is under FD. So, in interest part is one of the component and other component is gain of the forex which is being booked according to audit terms. So, that is the one part. So, this board part or the other income part.

Hrishit Jhaveri: Okay, and do we see this to be sustainable for the forex? I know you cannot estimate...

Management: FD interest would be neutralizing after process, I mean utilization of the IPO proceeding wherein forex gain loss is the standardized process part which can depend upon the forex rates. Yes, never seen in loss over the period of years.

Hrishit Jhaveri: Okay. And my last question towards the guidance part. So, you have maintained the guidance even though this first half was a bit flattish, the guidance has been maintained. So, the recovery in the margins in the second half has to be higher than what you have estimated to bring down the annual estimate to 10%. Are you confident of achieving the second half margin above 10% to bring down the total to 10?

Management: There are certain parts which we are confident with achievement of that as operational efficiency plus solar plus rent decrease plus we would surely increasing the revenue part. So, all these proportionately help us to increase the margins and everything.

Hrishit Jhaveri: Thank you and all the best, sir. We will be waiting for visiting your new factory. I will get back in the queue.

Management: Surely. Thank you very much.

Moderator: Ladies and gentlemen, due to time constraint, that was the last question for today. I now hand the conference over to the management for closing comments.

Management: Thank you everyone for joining us today and thanks for giving us the opportunity to answer your question and I hope we have answered all your questions satisfactorily. Thanks a lot.

Moderator: Thank you very much, sir. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us today, and you may now disconnect your lines.