CLASSIC ELECTRODES (INDIA) LTD.
AN ISO 9001, 14001 and 45001 Certified Company
Regd Office : 1A, Bonfield Lane, Kolkata 700 001 CIN : L70100WB1997PLC085600
Corporate Office : Unit No. 201 2nd Floor, Bus Terminus & Commercial Complex
Plot-BG-12, AA-1B, New Town Pride Hotel Bld., Kolkata - 700 156 : +91 33 2986 2140 / 2142
: sales@classicelectrodes.com : www.classicelectrodes.com

To,

Date: November 22, 2025

The Manager,
Listing Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra,
Mumbai – 400051.

Sub: Transcript of the Investors' Earnings Call held on 20th November, 2025 on the Unaudited Financial Results for half year ended September 30, 2025

REF: CLASSIC ELECTRODES (INDIA) LIMITED (Scrip Code: CLASSICEIL)

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on November 20, 2025, with respect to the Unaudited Financial Results for half year ended September 30, 2025

The transcript of the aforesaid earnings call with Investors/Analysts is available on the Company's website and can be accessed on the following link: https://classicelectrodes.com/information-pursuant-to-sebi-lodr/

We request you to take note of the same.

Thanking You,

For, CLASSIC ELECTRODES (INDIA) LIMITED

BHAGYASHREE AGARWAL

Digitally signed by BHAGYASHREE AGARWAL
Date: 2025.11.22 14:27:05 +05'30'

BHAGYASHREE AGARWAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS No: A58764

DATE: NOVEMBER 22, 2025
PLACE: KOLKATA

"Classic Electrodes (India) Limited Q2 FY '26 Earnings Conference Call"

November 20, 2025

MANAGEMENT: **MR. NITESH AGARWAL – DIRECTOR, CLASSIC ELECTRODES (INDIA) LIMITED**
MR. NIRAJ JINDAL – INDEPENDENT DIRECTOR, CLASSIC ELECTRODES (INDIA) LIMITED

MODERATOR: **MS. RUCHIKA SHAH – EQUIBRIDGEX ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Classic Electrodes (India) Limited H1 FY '26 Earnings Conference Call hosted by EquibridgeX Advisors Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*', then '0' on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Ruchika Shah from EquibridgeX Advisors Private Limited. Thank you and over to you, ma'am.

Ruchika Shah: Thank you and good afternoon to everyone. Welcome to the H1 FY '26 Earnings Call of Classic Electrodes Limited.

From the management team, we have with us, Mr. Nitesh Agarwal - Director and Mr. Niraj Jindal - Independent Director.

Before we begin, I would like to mention a brief disclaimer. This conference call may include certain forward-looking statements which are based on the current views and expectations of the company. A detailed disclaimer is available in the investor's presentation that has been uploaded to the stock exchange.

With that, I now hand over the call to Mr. Nitesh Agarwal for his opening remarks. Over to you, sir.

Nitesh Agarwal: Thank you. Good afternoon, ladies and gentlemen. It is my pleasure to welcome all of you to Classic Electrodes (India) Limited Earnings Conference Call for the first half of FY '26. This call is particularly meaningful for us as it comes after a successful IPO and listing on the NSE Emerge platform on 1st September 2025, a milestone that marks the beginning of a new phase of growth for our company.

Before discussing the financial performance, I would like to take a moment to introduce Classic Electrodes. Founded in 1997, Classic Electrodes is a prominent Indian manufacturer of welding consumables, including a comprehensive portfolio of electrodes and MIG wires. Over the years, we have established ourselves as a trusted supplier within India's fabrication, engineering and infrastructure ecosystem. Our company is ISO 9001 certified, holds multiple BIS licenses and has approvals from prestigious organizations such as RDSO, IBR, IRS, LLOYDS, etc., reinforcing our commitment to quality and compliance. Our product range is one of the broadest in the domestic welding industry and includes general-purpose electrodes, low-alloy and low-hydrogen electrodes, stainless-steel electrodes, hard-facing electrodes, fast-charging and low-heat-input electrodes, cutting and gauging electrodes, mild-steel and stainless-steel MIG wires.

We operate two manufacturing units. Unit 1 is in Howrah, West Bengal, producing both electrodes and MIG wires with installed capacities of 10,600 MT and 5,000 MT respectively.

Unit 2 is in Jhajjar, Haryana, dedicated exclusively for MIG wire production with an installed capacity of 3,600 MT. In addition to manufacturing, we also operate a strategic trading division, primarily dealing in wire rods, which are also our key risk raw material, along with some opportunistic trading in other materials. We cater to a diverse mix of large and SME clients, with more sales done directly and supported by selected distributors. We operate without long-term contracts. Most orders include provisions allowing us to pass through raw material price fluctuations, which helps safeguard margins. The first half of the year delivered stable and encouraging results for classic electrodes in comparison to the corresponding period of FY '25.

Total revenue grew 16.4% to Rs. 123.03 crores. Profit before tax increased 11.7% to Rs. 8.46 crores. Profit after tax grew 5.9% to Rs. 6.48 crores and EPS stood at Rs. 3.61. Growth was supported by resilient demand for electrodes and MIG wires, along with steady performance from our trading business. Operationally, we achieved a major milestone with the successful commercial launch of Flux-Cored wire, a strategic product addition expected to strengthen our portfolio mix, improve margins, and deepen our presence in the welding consumables market. During the period, we also outlined a growth plan focused on de-bottlenecking and automation initiatives at Unit 1, supported by Rs. 1.5 crores from the IPO proceeds. These updates are designed to enhance overall efficiency, improve output, and enable higher capacity utilization across key product lines.

As we look to the second half of FY '26 and beyond, our strategic priorities include enhancing capacity utilization through operational improvements and automation, strengthening our presence in MIG wires and expanding the recently launched Flux-Cored wire line, driving efficiency in manufacturing and optimizing working capital, deepening customer engagement while diversifying the revenue base, leveraging our strengthened balance sheet post-IPO to support long-term growth initiatives. With a wide product portfolio, strong manufacturing capability, established quality certification, and clear expansion plans, Classic Electrodes is well-positioned to continue on a stable and sustainable growth trajectory.

Before I conclude, I want to express my sincere appreciation to our employees, customers, suppliers, and partners for their continued support. I also extend heartfelt thanks to our shareholders for the confidence they have placed in our vision. The successful listing and our steady H1 performance mark the beginning of an exciting new chapter for Classic Electrodes. Thank you once again for joining us today. We will now be happy to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Archit Agrawal from Steptrade Capital. Please go ahead.

Archit Agrawal: Hello.

Moderator: Yes, you are audible. Please proceed with your question.

Archit Agrawal: Good afternoon. My question is with regards to the growth in the result. As I can see, the year-on-year growth at the topline is almost 15% and the EBITDA growth is 6% and net profit growth is 6%. So can you give the reason for this sustained growth?

Niraj Jindal: Hello. Am I audible? This is Niraj here.

Moderator: Yes, sir. You are audible.

Niraj Jindal: Your question is regarding the first half year performance and how it has improved from last year. Am I right?

Archit Agrawal: Yes, sir. I just wanted to understand what will be the growth in the future like your guidance?

Niraj Jindal: In the future, as Nitesh just spoke about, we have recently started with the commercial production of Flux-Cored wire. So that is going to improve in terms of revenue as well as in terms of margin. So that will be one important element which will contribute to the growth apart from the BAU, as far as your electrodes, MIG wire and our trading business goes.

Archit Agrawal: And can you give the segment by bifurcation like how much is from the trading and how much revenue is coming from the manufacturing for this half year?

Niraj Jindal: If I talk about last year, the manufacturing contribution was approximately 66%-67% and trading was 32%-33% odd percent. However, in the first half of the year, the trading has dropped close to 30%. So the manufacturing business is improving vis-a-vis the trading.

Archit Agrawal: In the first half, you just said 30% from trading?

Niraj Jindal: Right.

Archit Agrawal: So it is almost similar like last year?

Niraj Jindal: Similar in the sense that there is an improvement and we presume that the manufacturing turnover will grow from here. And this is what our expectations are. Given the Flux-Cored wire, also the manufacturing of Flux-Cored wire being introduced. So the trading turnover will definitely in terms of percentage, it will drop.

Archit Agrawal: And can we expect an increase in the margin in the coming year?

Niraj Jindal: That is, looking at the first half year results, yes. So we are expecting the margins to improve in the coming years.

Archit Agrawal: So it is because of Flux-Cored wire?

Niraj Jindal: Flux-Cored wire definitely is going to contribute. But our MIG wire segment also will improve. That will also contribute to the growth.

Archit Agrawal: And how much revenue we can expect from this Flux-Cored wire?

Niraj Jindal: In 100% capacity, it should contribute between Rs. 25-Rs. 30 crores with the current capacity.

Archit Agrawal: And what is the current capacity? And what is the utilization rate?

Niraj Jindal: It is 150 tons per month.

Archit Agrawal: And utilization rate?

Niraj Jindal: Utilization will improve because we have recently started. So with time, this is going to improve. Currently, it should be at 15%-20% odd. But with time, that is going to improve.

Archit Agrawal: What are your expectations for the guidance for FY '26-27?

Niraj Jindal: Growth wise, FY '27, we are expecting to close maybe at 20% growth over and above FY '26, minimum. So it should be more also.

Archit Agrawal: And how much we are closing in FY '26?

Niraj Jindal: See, FY '26, we are projecting somewhere between 260 and 275. Let us see how because generally, in the first half and the second half, we always see it has been 40-60, 45-55 kind. In the similar lines, because of Flux-Cored wire as well as your manufacturing is also growing, business is growing. So we are expecting somewhere to close between Rs. 260-Rs. 275 Cr. That is our expectation.

Archit Agrawal: Thank you, sir.

Niraj Jindal: Thank you.

Moderator: Thank you. The next question is from the line of Noel Shah from Sasol Holdings. Please go ahead.

Noel Shah: So my first question is regarding the current capacity utilization because electrodes and the new Flux-Cored wire and also your MIG wires?

Niraj Jindal: Our current capacity utilization is 70%-75%.

Noel Shah: 70%-75%?

Niraj Jindal: Yes.

Noel Shah: So you have reached 75%. So is there any plan for any capacity expansion beyond your current facility like setting up a new manufacturing facility in the coming financial year like Financial Year ‘26-27?

Niraj Jindal: No, we have recently upgraded our, see, when we talk about like the capacity, so we have upgraded our drawing line. So we can draw more in terms of suppose earlier we could draw, say, 100 tons of wire. So now we can draw say, 120 tons of wires. So our capacity has improved. So I am talking about the existing capacity. So in the existing capacity, we are at 70-75. But with the recent improvement, so obviously the capacity has improved.

Noel Shah: So now another question which I want to know is that, are you exploring, means the export markets is being explored specially for the Flux-Cored wire and the MIG wire? And also, what is the current order book as on this October 31st?

Niraj Jindal: See, currently our order book, we have running orders. Because we have a distribution, we sell through B2B as well as B2C. So as far as order goes we always have running orders. And apart from that when we talk about, say, B2C, so there we have orders, currently we are having orders of close to Rs. 15 odd crores.

Noel Shah: Rs. 15 odd crores.

Niraj Jindal: Yes, apart from, like our running orders, which ranges from almost, say, Rs. 15-Rs. 20 crores.

Noel Shah: Understood. So how much time does it take to execute this type of order, Rs. 15 crores order? Does it take one month or?

Niraj Jindal: See, depending upon what size and your complexity of the product, so it ranges from 15 days to 1 month, at times in 1-1/2 months also.

Noel Shah: Understood. There was another question in that. So export market is being exposed right now to UAE or to Africa?

Niraj Jindal: Export market, till now, we have not concentrated too much means in the export market. But yes, we have that in the pipeline and we are attending some exhibitions also. So we intend to export, like to these markets, the neighboring countries.

Noel Shah: Neighboring countries?

Niraj Jindal: Yes.

Noel Shah: And the last question what I have is that, how much of the IPO funds have been utilized till date?

Niraj Jindal: Till date, we have utilized close to approximately 60%-65%.

Noel Shah: Understood. That is all from my end. Thank you, sir.

Niraj Jindal: Thank you.

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

Rahil Shah: Hi, sir. Good afternoon.

Niraj Jindal: Good afternoon.

Rahil Shah: Sir, firstly, can you give your product-wise or segment-wise margins, EBITDA margins? What do you make on each kind of category you work in?

Niraj Jindal: Segment-wise?

Rahil Shah: Product category-wise, the kind of products you sell, make and sell. So margins you make on each, for example, Flux-Cored and then your MIG wires and then electrodes?

Niraj Jindal: See, I think, Nitesh, you take this question as far as the margins goes.

Nitesh Agarwal: Sure. I will take this question. Hi, good afternoon. Regarding the different products we have, electrodes, MIG wires, Flux-Cored, and then we have stainless steel MIG wires also. So the margins for electrodes range between 8%-10%. And for MIG wires, we had special grades, which very few companies are doing in India. So the general MIG wires gives around 10% and the specialized gives around 18%-22% EBITDA margin. And for Flux-Cored wire, we are expecting around 20%-25%.

Rahil Shah: So what portion of your revenue ahead you think will become Flux wire, which is a high margin product? Will it scale up immediately to a considerable value or it will take some time?

Nitesh Agarwal: I am sorry, I can't hear your question properly, sir.

Rahil Shah: So the Flux wire, which you said is 20%-25% of EBITDA margins, correct?

Nitesh Agarwal: Correct, sir.

Rahil Shah: So will this immediately scale up and be a considerable portion of your total revenue because it is high margin and that is where your focus lies to increase the overall company margins?

Nitesh Agarwal: Yes, sir. We are focusing on that. The commercial production started in the end of September and we are slowly and gradually putting up to efficiency. So we are expecting that a good portion of that should come at the end of FY '26 and we expect a good growth in the FY '27 for Flux-Cored wires.

Rahil Shah: So when you mentioned the order book, you said you sell to B2B, B2C. You said running orders of Rs. 15-Rs. 20 crores and apart from that, you mentioned some other Rs. 15 crore order. Is that for Flux wire?

Nitesh Agarwal: No. Those all are for our existing products, MIG wires and electrodes. Flux-Cored wire, the orders are yet to be started because some approvals, etc., has to be done. So in a couple of months, that will be in line too.

Rahil Shah: And what led to drop in EBITDA margins in H1? So I think in H2 of last year, you did 11% EBITDA and now it is 9%?

Nitesh Agarwal: So the thing is in H1, H2, if you compare, we do better in H2. The market tends to grow better in H2 because in H1, due to monsoon, those 2-3 months, we don't do effective market that time, like the market doesn't support in the monsoon season. But from November to March, that is the full period where there are less festivals and there is no monsoon. So that time, we tend to pick up the market. So if you compare every year H1-H2, H2 is better than H1. So you are comparing our H1 results from the previous H2. So that is where you are seeing the difference. But if you compare our H1 with previous H1 results, you will see an improvement.

Rahil Shah: So with this sort of, like you said, Rs. 260-Rs. 275 crores of topline, right?

Nitesh Agarwal: Yes, that is right.

Rahil Shah: Do you think you can end it this year?

Nitesh Agarwal: We are expecting because for the H1, we are close to 123 and this is generally our 40%. We expect that H1 is 40 and H2 is 60. That is what the trend is going on for the past few years. So seeing that, it looks like we are on the right track and more revenue is supposed to come from Flux-Cored. So we haven't added that in the H1. So we are expecting a growth there also.

Rahil Shah: But your margins will be double digit, right? To end the year with?

Nitesh Agarwal: Sorry?

Rahil Shah: So your margins for FY '26 will be in double digit, right?

Nitesh Agarwal: It won't be double, sir. It will increase, of course, because the portion of.

Rahil Shah: Double digit, I am saying, double digit margins, you can end?

Nitesh Agarwal: For EBITDA, yes.

Rahil Shah: And so, you said you are also taking part in, I think, for export, you are taking part in what, seminars and other?

Nitesh Agarwal: Exhibitions. So there are exhibitions in different parts of the world. So we are looking for.

Rahil Shah: So what kind of a market exists for this export market? And are the margins better there?

Nitesh Agarwal: Sir, we do hope. Earlier, it was. But currently, the international markets are not performing well as compared to Indian markets. So right now, our full focus is for Indian markets. But yes, eventually, the international markets will go up. So it is better to start our focus on that area as well. So we are planning to attend another exhibition in the month of January. That is in Dubai. So we will keep up the contact, etc. So that when the market is good, we have contact and we can easily enter into the same.

Rahil Shah: So let us say, for you to grow at 20% growth rate or 15%-20% year-on-year, the domestic market is more than enough?

Nitesh Agarwal: Currently, it is enough. Because right now, if you see the Indian market, so we are approximately manufacturing about crude steel of around 140-150 million tons. And projected growth for Indian market is around 300 million tons, which is just double in the coming years by end of 2030-2032. That is what the Indian government has said and that is what the IMARC report has published. So it is just double. So if you see, that is almost a CAGR of 16%-17%. So in line of that, domestic market will support and if we start to be flexible and more, we are adding more products. And we also have plans for future expansions in South market. So currently, we have two manufacturing units. One is in East part of India, Howrah and one we have in North part of India that is Jhajjar, Haryana. So we do somehow miss the South Indian market. So in FY '27, we are focusing on establishing a new manufacturing facility. The thought is in pipeline. We are planning right now. So we are planning to set up a new business in South India, somewhere near Nagpur or Chennai.

Rahil Shah: Lastly, FY '27, can you reach mid-team EBITDA margins with the major revenue coming from, or more revenue coming from Flux-Cored wire in the next year? And the business as usual also sees operating efficiency and better margins. So do you think you can reach mid-teens?

Nitesh Agarwal: That will be difficult to comment right now.

Niraj Jindal: We are very much hopeful.

Rahil Shah: It is a very good possibility, right?

Nitesh Agarwal: Yes.

Rahil Shah: And please, if you could just a suggestion, if you could share a presentation in the future with all your product segments and opportunity and expansions and all, it will be greatly helpful. Thank you so much.

Nitesh Agarwal: Sure.

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

Aashish Malani: Hello. Yes. Sir, I would like to know what is your installed capacity for Flux-Cored right now?

Nitesh Agarwal: It is approximately 1800 megatons per annum.

Aashish Malani: And at 70%-80% utilization, let us say you reach there by the end of this year, 70%, then how much revenue can it do at 70% full utilization, 80% utilization?

Nitesh Agarwal: If we run around 70%-80%, we expect Rs. 30 crores extra revenue from that.

Aashish Malani: And what are the EBITDA margins around 20%-25%, you said, right?

Nitesh Agarwal: Yes, sir. That is correct.

Aashish Malani: And can you please tell a little bit about like in trading, what are your margins and what it is that you generally trade in? Like the majority of trading revenue comes from products?

Nitesh Agarwal: So generally, we have MoUs from Steel Authority of India. So we trade wire rods. So it is not our main focus. It is just that sometimes we have a supply or we have an extra supply of wire rods. And if the market supports it, if there is any inquiry, we trade the wire rods to customers for a minimum margin. So the margin there is approximately 2%-3%. So it is just that we look for an additional revenue, additional margins. It is not our primary focus, sir.

Aashish Malani: And for your trading, how much working capital is required just for these trading activities right now? How much is dedicated for trading?

Nitesh Agarwal: As I said, we do not focus on that. We mainly procure it for our own consumption. But when we see the market is going up and down or if we see any opportunity that is how we like sell off some of our raw material to save our costs and to earn extra profits on the same.

Aashish Malani: Got it. And can you please tell a little bit about the automation you have done and how does it affect your existing production timelines?

Nitesh Agarwal: So earlier we used to run a traditional type of OTO wire drawing machines. So the thing was it used to start from single drums. We have to manually operate all the single drums. And that would cost more time, more energy cost and less efficiency and less drawing power. But with the automation, new wire drawing machines, with that, with a single click, you can run a whole machine and the production is faster, saving and giving us approximately 20%-25% higher. So that is our first primary stage of our production stage. So with increased output of 20%-25%, it will help us to cater and have stock for our second and third stage of production.

Aashish Malani: Got it. So now I just wanted to understand, how does the production timeline generally goes up? Does it increase your overall production capacity or time to market? Can you give some numbers on that?

Nitesh Agarwal: The output increase is 25%. So in a day, the output is 25%. So it increases the production capacity and also reduces the production timeline. So it helps us to cater to different sizes because in electrodes and MIG wires, we have different sizes. So some of the sizes take lower time to produce and some take higher time. So when we go for a thinner gauge of wire, the production generally takes a huge time. We were having a bottleneck on that particular grade. Now, with this machine coming up and installed in the month of October, we expect to have better production and increasing efficiency. Our efficiency right now, our utilization of machinery is around 65%-70%. We expect by the end of the year that it should go up to 75%-77%.

Aashish Malani: Got it. And sir, if you can tell a little bit about your IPO related expense. So was that already incurred in H1 of this year, if I am right? And how much was it?

Nitesh Agarwal: Mr. Niraj, you will be able to answer this. Hello.

Niraj Jindal: Yes. Can you please come again with the question?

Aashish Malani: Your IPO related expenses which are one-time expenses, were they already incurred in H1 and if yes, how much was it?

Niraj Jindal: IPO expenses, it was Rs. 4.15 crores. Okay. And that was incurred in H1 itself.

Aashish Malani: Got it. Thank you. And sir, if you could just one last question. For next 3 years, what is the kind of mix that you are looking between trading and revenue and where do you see your revenues growing from 3-4 years perspective?

Niraj Jindal: See from here, in next 3 years' time, we expect our revenues to cross or touch close to say 450-500 in between. And the product mix, the manufacturing definitely is scaling up. So maybe right now, we see a marginal improvement, but definitely that mix will further increase. The manufacturing mix will increase vis-a-vis the trading. And we plan that by next 3-4 years, I think the trading turnover should be less than 15% of our total topline.

Aashish Malani: Got it. Thank you.

Niraj Jindal: Thank you.

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

Shanker Vishwas: Sir, I won't ask any technical questions. I have everything that I wanted to ask. The only question that I have is pretty generic. So what are the biggest constraints that you think are stopping you from doubling your revenue in next 2-3 years?

Niraj Jindal: See, I think we just answered this. Where do you see yourself say, 3-4 years down the line? So we see ourselves doubling our revenue in next 3-4 years' time.

Shanker Vishwas: And what about the challenges that you are foreseeing in upcoming years?

Niraj Jindal: See, challenges could be the government policies. Because everything depends on how the government policies are, the infrastructure development, because we are directly related to the development of infrastructure. So we are catering more to the fabrication industry, railways. So it is all on the government spending. There is, you can say, not 100% dependency, but definitely there is a bit of dependency on the government spending as well. And I believe all the industries, in a way, they are directly or indirectly connected with the government spending.

Shanker Vishwas: Understood. Thank you.

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

Rajesh Verma: How has raw material prices trended this year? And what is your outlook for H2?

Nitesh Agarwal: Hello. Yes, the raw material prices for this year, compared to last year, it has gone down. And the market has slowed down in the segment of raw materials. And for the H2 also, we do not see an increase of any prices. So we expect the same stable prices for the H2 itself.

Rajesh Verma: And what is the demand outlook from infrastructure and industrial customers for the next 2-3 quarters?

Nitesh Agarwal: So we expect a good demand for at least the next 2 quarters, which is the H2 of this year. As in general trends, we have seen that the government projects have to be completed by the year-end. So we expect a huge demand as compared to the coming 2 quarters. And it should continue for the 3rd quarter that is April to May. But we foresee a good demand in the coming months.

Rajesh Verma: And the last question. Will the company see an increase in debtor days and inventory days due to demand fluctuations in the next quarter?

Nitesh Agarwal: Sorry, sir. Can you please repeat your question?

Rajesh Verma: Yes, I am asking. Will the company see an increase in debtor days and inventory days due to demand fluctuations?

Nitesh Agarwal: So the demand will increase. So of course, our debtors will increase. As we generally tend to distribute our products on credit terms. So with higher demand and higher sales, our debtors will increase.

Niraj Jindal: Our working capital cycle generally ranges between 90 to say 105-110 days. So that is what the trend had been and this is how it is going to continue. So somewhere between 3-4 months is the complete working capital cycle.

Rajesh Verma: 3-4 months. Great.

Nitesh Agarwal: Yes.

Rajesh Verma: Thanks.

Nitesh Agarwal: Yes. Thanks.

Moderator: Thank you. The next question is from the line of Neelam from HNI. Please go ahead.

Neelam: Good evening, sir. My first question is, could you share any early operational or financial benefits already visible from the IPO funded initiative?

Nitesh Agarwal: Financial benefit in terms of, we did not get it. So financial benefits, we are repaying our debt. So since we are repaying our debt, so obviously there will be a benefit in terms of the interest, what we were foregoing. So that benefit will be there plus, for additional working capital, which has also come in. So that is supporting the demand as well as the growth, what we are projecting, which will help in improving our margins.

Neelam: Thank you, sir. My second question is, how do you see the product mix evolving over the next 2-3 years with Flux-Cored Wire and what share of revenues or volumes would it potentially contribute?

Nitesh Agarwal: So, in terms of, I just mentioned a couple of minutes back. When we talk about between manufacturing and trading, first let us take it holistically. So manufacturing and trading, we see the manufacturing percentage improving and the trading percentage going down. So that will also improve in terms of your margins also. That will help in improvement of margins because in the trading business, the margins are relatively thin. And with our manufacturing business going up or growing, it will contribute to the EBITDA level, which will have a positive impact on the PAT margins. And between the product mix, electrodes, MIG wires and Flux-Cored wires, the contribution will be somewhere, I would say, 3-4 years down the line, 35%-40% will be your electrodes. Maybe 35%-40% your MIG wires, both MS and SS put together and balance would be your Flux-Cored.

Neelam: Thank you, sir. And among your core end user industries, fabrication, infrastructure, engineering, where are you seeing the strongest demand momentum going into H2?

Nitesh Agarwal: See, in H2, as far as fabrication goes, that is a continuous thing. Generally, it slows down during monsoons. And now again, it has picked up. So this will continue till maybe end of May or till mid-June. So that should continue. And we are also supplying to the wagon industry, which caters to the railways. So there we see again a continuous demand.

Neelam: And Classic Electrodes has posted steady growth. What structural factors within your manufacturing or sales process gave you confidence in sustaining this performance?

Nitesh Agarwal: I did not get your question here.

Neelam: Sir, Classic Electrodes has posted steady growth. What structural factors within your manufacturing or sales process gave you confidence in sustaining this performance?

Nitesh Agarwal: So there is a steady growth.

Neelam: And I am asking, what structural factors within your manufacturing or sales process gave you confidence in sustaining this performance?

Nitesh Agarwal: See, as we highlighted that, on the manufacturing piece, we are seeing an improvement there. And with this introduction of Flux-cored wire, we now have the entire basket of products. So obviously, when you are going to any customer, where you have only 7 out of 10 products and where you have 10 out of 10 products. So that is where you at least bring a difference.

Neelam: Thank you, sir. Are you considering further portfolio upgrades or specialty products after Flux-Cored wire?

Nitesh Agarwal: See, this is a continuous or you can say, this is an ongoing R&D, which you keep doing it. So where you keep upgrading yourself as well as you try to make more complex electrodes. So that R&D is something which is an ongoing thing, which will continue where you try to introduce better product with a lower cost.

Neelam: Thank you very much and all the best, sir.

Nitesh Agarwal: Thank you. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Ms. Ruchika Shah for closing comments. Thank you and over to you, ma'am.

Ruchika Shah: Thank you and on behalf of Classic Electrodes Limited, I extend our sincere gratitude to all our investors and analysts who joined today's earnings call. Your trust, engagement and continued support truly strengthen our journey. We remain committed to transparency, performance and creating a long-term value for all our stakeholders. Thank you once again for being an integral part of our growth journey.

Niraj Jindal: Thank you. Thank you so much. Thank you everyone for attending the call.

Nitesh Agarwal: Thank you everyone for attending the call. Have a good day.

Moderator: Thank you, ma'am. On behalf of Classic and EquibridgeX Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.