



CLASSIC ELECTRODES (INDIA) LTD.

AN ISO 9001, 14001 and 45001 Certified Company

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To,
The Manager,
Listing & Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra,
Mumbai - 400051.

Date: May 26, 2026

Dear Sir/Madam,

Sub: Transcript of the Investors' Earnings Call held on May 21, 2026 on the Audited Standalone Financial Results for half year and year ended March 31, 2026.

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

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on May 21, 2026, with respect to the Audited Standalone Financial Results for half year and year ended March 31, 2026.

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
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS No.: A58764

DATE: MAY 26, 2026
PLACE: KOLKATA



“Classic Electrodes (India) Limited
H2 FY26 Results Conference Call”

May 21, 2026



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

MODERATOR: MR. GAUTAM NAGAR – EQUIBRIDGEX ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the H2 FY26 Results Conference Call of Classic Electrodes (India) Limited, 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 star then 0 on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gautam Nagar from EquiBridgeX Advisors Private Limited. Thank you, and over to you, sir.

Gautam Nagar: Thank you, Gitesh, and a very good evening to everyone. Welcome to the H2 and FY26 earnings call of Classic Electrodes (India) Limited. From the management team, we have with us Mr. Nitesh Agarwal, Director, and Mr. Niraj Jindal, Independent Director. The call will begin with opening remarks from the management, after which we will open the floor for the Q&A.

With that, I would now like to hand over the call to management for opening remarks. Thank you, and over to you, sir.

Nitesh Agarwal: Good evening, everyone, and thank you all for joining us today. We sincerely appreciate your continued trust and support for Classic Electrodes (India) Limited. FY26 has been a steady and encouraging year for the company, supported by resilient demand across the welding consumables segment, operational improvements, and continued focus on strengthening our product portfolio and manufacturing capabilities.

During H2 Financial Year '26, the company delivered healthy growth across key financial parameters. Our total income stood at INR121 crores as compared to INR100 crores in H2 FY25, reflecting a strong growth of 20.68% year-on-year. EBITDA for the period stood at INR11.93 crores with EBITDA margins of 9.85%, while net profit stood at INR6.2 crores, translating into net profit margins of 5.12%.

For the full year FY26, total income stood at INR244.21 crores, registering a growth of 18.48% year-on-year. EBITDA came in at INR23.87 crores with EBITDA margins of 9.78%, while net profit stood at INR12.64 crores with net profit margins of 5.18%.

These results reflect the resilience of our core manufacturing operations, healthy demand from fabrication, infrastructure, industrial sectors, and the continued focus on operational efficiency and disciplined execution.

Over the past year, we have continued to strengthen our market position through stable demand across electrodes and MIG wires, while also expanding our product portfolio with the successful scale-up of flux-cored wire. This marks an important milestone for the company as it enhances our product mix and supports higher margin growth opportunities going forward.

During FY26, the company continued to strengthen its manufacturing capabilities across its facilities. Our installed production capacity currently stands at 10,600 metric tons for electrodes, 10,600 metric tons for MIG wire across West Bengal and Haryana facilities, and 2,500 metric tons for flux-cored wire.

We achieved healthy capacity utilization levels during the year, reflecting improved operational efficiency, stable market demand, and better throughput management across manufacturing operations.

We have also undertaken ongoing debottlenecking and automation initiatives across our manufacturing facilities, aimed at improving throughput, operational efficiency, and capacity utilization. In addition, our trading operations continued to contribute consistently towards overall revenue growth during the year.

Another important achievement during FY26 was the significant reduction in short-term borrowings, which has further strengthened our balance sheet and liquidity position, providing greater financial flexibility for future growth initiatives.

As industrial activity and infrastructure development continue to expand across India, we remain optimistic about the long-term opportunities for the welding consumables industry. With a diversified product portfolio, improving operational efficiency, and stronger customer relationships, we believe the company is well-positioned to capitalize on emerging growth opportunities.

Going forward, our focus will remain on enhancing manufacturing efficiency, expanding our product offerings, improving capacity utilization, and delivering sustainable value creation for all stakeholders.

Overall, we believe Classic Electrodes (India) Limited is well-positioned for sustainable growth supported by a strong operational foundation, improved product mix, and continued market demand.

With this, I would like to thank all shareholders, customers, employees, business partners, and stakeholders for their continued trust and support. Now, I would like to open the floor for questions and discussions. Thank you, everyone.

Moderator: Thank you very much. We'll now begin the question-and-answer session. The first question is from the line of Sanket Sadh from Aarth AIF. Please go ahead.

Sanket Sadh: Thank you for the opportunity. Sir, my first question is, what was the mix between the revenue contribution of manufacturing and trading this year in FY26? Hello, am I audible?

Nitesh Agarwal: Yes, you are. Thank you. The mix between manufacturing and trading this year is approximately 67% gross from manufacturing -- sorry 73% gross from manufacturing and 27% gross from trading, against 67% and 33% of last year. So, the manufacturing percentage has grown by 6% as compared to last year.

Sanket Sadh: Understood, sir. And regarding the plans for setting up a new facility in South India, near Nagpur or Chennai, which you mentioned in the last call, is that still on track and how will it be financed?

Nitesh Agarwal: See, we are still identifying the land. So, we have not been able to close on the land parcel. So, we in fact, like in the last quarter, sometime in February, we visited a couple of sites also, but

that has not been finalized yet. But yes, that is already there on the cards as we had mentioned earlier.

Sanket Sadh: Okay. Understood, sir. Sir, I believe in the last call, you had mentioned that our company primarily does better in the second half of the financial year, but we can see that the revenue in H2 was slightly less compared to H1. So, what led to this dip in sales?

Nitesh Agarwal: I'll just answer this question. See, if you look at FY 2025, the first half and the second half, the first half was relatively -- generally, like in our industry, what we say or what we have evidenced, that 40% to 45% is contributed in the first half of the year and 50 -- almost like 55% to 60% in the second half. But this had not been the trend in the last two years.

What we have seen is that the first half rather has contributed little higher as compared to the second half. And specific to the H2 of 2026, our third quarter was relatively better and fourth quarter, we started with a good sales, but in the month of March, because of the war, so in the last 15 days, we actually basically saw an impact in terms of turnover.

So, this year in FY26, we were anticipating that we'll be closing somewhere between 260 to 275, whereas we ended up at 244. So, there were two specific reasons; one, the last quarter, what we were anticipated at that point in time, did not contribute that much, so which has resulted in a slight dip as compared to the first half of the year. But overall, yes, we have grown by 18% as compared to FY 2025.

Sanket Sadh: Yes. Right, sir. And my last question is that in the last earnings call, it was mentioned that most of our orders include provisions, allowing us to pass-through raw material price fluctuations, which helps us safeguard our margins, right? However, I can see that our gross margins dipped from 14.6% to 12.8% in this financial year. So, I just want to understand if you could guide me, I thought our gross margins would be a lot less volatile.

Nitesh Agarwal: See, in terms of volatility, as compared to what we have seen in the last financial year, so comparatively, like we have been able to pass on major of it. So, that is the reason why we see that okay, from maybe there is a 2% drop in the overall margins.

Sanket Sadh: Okay. So, sir, in terms of understanding your revenue model, is it like a typically -- do we see like a cost-plus type of revenue model, or do you earn a certain amount per electrode or wire which you sell? Or is it like a fixed margin? For example, if you procure something for INR100, do you sell it for INR115 because of your 15% margin on that, or would you say that in your line of business, you make INR15 regardless whether the product becomes INR150 to procure or whether it's INR100? Can you kind of throw some light there?

Nitesh Agarwal: Yeah, I'll tell you. There is no thumb rule. It also -- there are various factors to it. One, obviously, the competition which is present in your local market. So, how your competitor is also reacting to the market in terms of whether, despite your profits being healthy, whether they are passing it on to the customers or not. So, that is the point where you have to at times take a call of reducing your margin to stay in the market.

So, that plays basically one -- that is one of the factors which obviously decides upon your margins. But definitely, we ensure that we are not selling anything at a minimum margin what we as a management decide that we'll not go beyond this. But at times, you have to also pass on the extra margin to the customers. So, that is there.

Sanket Sadh: Thank you, sir. I'll get back in the queue if I have further questions. All the best.

Nitesh Agarwal: Okay, thank you. Thank you so much for your questions.

Moderator: Thank you. A reminder to all the participants, you may press star and 1 to ask a question. The next question is from the line of Ashish Malani from Malani Family Office. Please go ahead.

Ashish Malani: Hello, am I audible?

Nitesh Agarwal: Yes, you are.

Ashish Malani: Yes, sir. First of all, congratulations on your set of numbers. And on the balance sheet part, things look pretty good. We've generated some solid cash flows from operations. But I would really like to understand, like, what is the reason that our gross margins are lowest in the industry? Because if you look at any other player, everyone probably in the electrodes business that we have, at least in the listed space, has gross margins anywhere between 25% to 40%.

And also, on the other side, our employee expenses are like hardly 1.5% of our sales. So, like, are we doing very minimal value addition? What are the kind of products that we are selling that we have such less gross margins and even the manufacturing cost and the employee cost is so low?

Nitesh Agarwal: I would like to, first of all, state that if I have to compare ourselves with the other giants in the industry like Ador Welding, ESAB India, or Diffusion Engineering, which are relatively like -- means Ador India is like almost I think 5 times the size of ours. And ESAB is also--

Ashish Malani: No, smaller companies like Royal Arc Electrodes, which are of the similar size or even smaller, even they have much better gross margins around 25%, 27%. Ours are like these kind of gross - - like we have hardly I think 12% of gross margins, and most of them translate to operating margins, which means like hardly we have any manufacturing or employee expenses. So, that is what I'm trying to understand.

Nitesh Agarwal: See, if you look at the trend of past years as well, if you look at the trend, our employee cost had been in line with what you see maybe in FY 2024 to FY 2025 to FY26. So, our employee cost has been relatively in -- because when we are improving our production efficiency, so our employee cost is not increasing in the -- in similar lines as your top line is increasing. And talking about like the others in the industry, whether they are hiring like professionals who are of maybe very high-cost employees, but that is not the scenario with us.

Ashish Malani: Got it. Got it. My second question is on the related party transactions. So, before the IPO, I think a lot of book was cleaned up and we could hardly see any related party transactions in the company. And also, given the fact that your associate listed company has not had a very great

track record in terms of creating wealth for public shareholders, there are some doubts and shareholders regarding these related party transactions.

And again, now after IPO, we've seen that the company has made investments into some related party companies. Is there any particular reason you're trying to do that? Because it is not seen as a very good management practice and rather seen as a way of siphoning off money from the company. So, just want to understand, like, what is your logic behind again investing into your related parties?

Nitesh Agarwal: See, first of all, as far as what you are claiming or stating that the company is siphoning off funds, I think that's a wrong statement.

Ashish Malani: No, no, I'm telling the company is doing, I'm telling you are doing related party transactions, which is not seen as a clean management practice. So, -- and that had stopped before the IPO, and now again we have seen this year the company has again made investments into related party companies. So, what is the logic behind is what I'm trying to understand?

Nitesh Agarwal: I'll tell you. So, if you look at what is the quantum of that related party transaction in terms of because there's a investment which has been made in another company by the name HM Power, which is our associate company. So, the investment is I think less than INR1 crore. I think INR1.8 crores or INR1.9 crores is only the amount which has been invested in that company.

Ashish Malani: Got it. No, I'm trying to ask you what is the logic behind -- why have you invested in that company?

Nitesh Agarwal: So, see, that company, they are basically coming up with a -- into manufacturing of your aluminum conductors, cables and conductors, okay. So, where we have invested almost -- right now till now we have invested INR60 odd crores. So, there was a stipulation from the bank's end that you need to increase your share capital. So, we saw an opportunity there. So, that is the reason why Classic Electrodes invested close to INR2 crores in that company.

Ashish Malani: Okay. And so, like, what is right now the shareholding of Classic Electrodes in that company and at a consolidated level, like, what is the kind of revenue we can expect coming from that company in the coming years?

Nitesh Agarwal: See, that company, it has commenced commercial production on 1st of April of this year. And now the company is basically trying to like -- because since they are into manufacturing of cables and conductors, as you would be aware, so largely your customers are either your PSUs like Power Grid or they are Railways, as well as -- and/or EPC contractors who are in turn supplying to the transmission industry. So, here it requires lot of approvals and all.

So, right now we are -- we have applied or you can say we have applied for various approvals. So, that is currently going on. And post-war, the market scenario has changed a lot. You have seen the metal prices that has increased dramatically in last two to two and a half months. So, there is lot of resistance from customers as well as from large PSUs in revising their quotations and all that.

- Ashish Malani:** No, I got it. My first question is, Classic Electrodes, for the amount that you have invested in that company, how much does Classic own in that company? What is your ownership in that company for the amount you've invested?
- Nitesh Agarwal:** Classic owns I think 14% to 15% in that company.
- Ashish Malani:** Got it. And my next question was, what is your expected revenue out of that company?
- Nitesh Agarwal:** Out of that company, in this current financial year, we are expecting a revenue of INR200 crores.
- Ashish Malani:** Okay. So, probably a 15% of that would reflect in Classic. Okay, at a consolidated level. Am I right?
- Nitesh Agarwal:** Yes. Right.
- Ashish Malani:** Right. Just because you mentioned, like you said, the metal prices and everything has gone up and we are seeing this happening across industry, how does that affect our current business and like, are you seeing demand softening or any pressure on the margins in the near-term for the H1 of FY27?
- Nitesh Agarwal:** We are basically seeing some pressure here, but as far as like your -- when it comes through dealer distribution network, so that business is not impacted so much. But when it comes to direct supplies to wagon builders, wagon manufacturers, there we are seeing a bit of resistance.
- Ashish Malani:** Got it. And just can you give us a quick update on your flux-cored line? Like, what capacity are you running right now? Has it ramped up? Because last con-call when we talked, you were just starting up, I think it was at 20% to 25% utilization. Where have we reached by now?
- Nitesh Agarwal:** See, flux-cored wire, if you see the split, like last year flux wire has contributed nearly INR4 crores plus to the top line. So, when we see in terms of capacity utilization, it was at almost I think say 15%. Okay, and this year, obviously, whatever initial challenges were there, so that we have been able to overcome.
- And now we see this year should be, as I had mentioned in my earlier call, that on an optimum level at a 100% capacity, we can touch a turnover between INR25 crores to INR30 crores. So, this year we are expecting somewhere if the industry improves and we see the demand again rising, so somewhere between INR20 odd crores is what we are expecting the flux-cored wire should contribute in this financial year.
- Ashish Malani:** Got it. And can you give us a mix of -- what is the mix of revenues that the company gets from government versus direct sales? Non-government and government sales, if you could give us a split?
- Nitesh Agarwal:** See, we are as government, non-government, largely our sales is to either wagon manufacturers who are in turn supplying to Railways, but direct Railways, like the contribution is low. It may be 5% to 10%.

Ashish Malani: Okay. So, the majority of the sales right now coming is through the dealer distribution channel, is it? Or like--

Nitesh Agarwal: See, it's a mix of like as I said B2B and B2C. The mix is somewhere between 50% -- 55% is from dealer distribution or it's other way to -- from direct to direct end consumers. So, you can say 45/55, somewhere -- sometime it is 50/50. This is how the mix is.

Ashish Malani: Got it. Thank you. And is there anything that the company or -- as a whole is looking to do to improve our gross margins on overall basis and what kind of gross margins you are expecting for the upcoming year?

Nitesh Agarwal: See, I'll tell you, if -- it all depends -- sequential everything depends upon how the global economy as well as the Indian economy performs. Now, as you see the sentiments are not that great. So, there is lot of pressure like in terms of the war, whether this will subside or this will not subside. So, there's lot of dependency here.

So, the margins definitely whatever we have seen in the past, when this kind of a situation arises and when you see that it actually zeroes down or subsides to almost negligible, then there is a rapid demand. And that is where you catch-up and you see an improvement in your margins there.

So, this year, sitting right now in the month of May, it is very difficult for us to assess whether there'll be an improvement in the margins, but definitely we are trying our best that the margin, at least the gross margins what you see is at 12%, we are anticipating that that should improve to 15% at a minimum.

Ashish Malani: Okay. From 12% to 15% is what you're looking at. Also, you mentioned earlier that your trading versus manufacturing, the mix has changed meaningfully, like probably the 6% increase from manufacturing is what we are seeing right now, if I'm right. It was 66% and now it is 73%, right?

Nitesh Agarwal: Right.

Ashish Malani: So, in spite of your -- and even in the H1, I think our manufacturing was 70/30 -- manufacturing versus trading. So, that has gone up meaningfully, the contribution from manufacturing, but in spite of that, we have seen the margins go down in the second half. Is there any particular reason, like your trading contribution has gone down, manufacturing has gone up, but still the margins have been impacted?

Nitesh Agarwal: See, in last two quarters, if you would have seen, the metal prices has increased. And accordingly, when the prices increase, so you have to also increase the selling price, correct? So, at times, basically the customers this year, what we have seen that they were holding it, they were not buying it. So, the buying had gone down.

So, that was one of the triggers for a marginal drop in the margins in the second half of the year. But otherwise, if you look at from H1 to H2, the overall revenue growth we do not see, but in terms of at least the margin, so in absolute number, that basically improved a bit.

- Ashish Malani:** Okay. Just one last question. So, because you mentioned this, I wanted to just understand overall on a year-to-year basis, like we've grown our top line significantly by 20%, but that has not reflected so far into our profits. So, going ahead, like what do you -- what is your guidance for FY27? And what kind of top line as well as bottom-line growth are we looking at for this year? **[Inaudible 29:08]** will also ramp up?
- Nitesh Agarwal:** Yes, so, see if you would have -- basically gone through our announcements which we had made, so we have added one more product line, that is your ERC, which is your Elastic Railway Clips. So, that business we are anticipating that that should start somewhere in the month of July. So, with -- that business will give us a revenue of on an annual basis almost like INR50 crores.
- So, even if we start somewhere in the month of July, so we expect at least between INR30 crores to INR35 crores coming from ERC business. And as we had said, we spoke about your flux-cored wire, so that should contribute at least INR20 crores to our top line in the current financial year. So, overall, we are anticipating we should be closing somewhere between INR330 crores to INR335 crores to INR350 crores.
- Ashish Malani:** This is on a standalone basis. Also, because you've invested into your other company, probably if that does a INR200 crores turnover, a 15% of that, probably another INR25 crores, INR30 crores additional revenue should also come from there?
- Nitesh Agarwal:** But see, but again, on a consolidated basis, so Classic is not a holding company there. So, they are a 15% shareholder. So, in terms of for the other company, this is the first year of operations. So, we are -- as on today, we are not very sure how much profits that business is going to generate in the first financial year itself because that's relatively a totally a new -- though it's related line of business, so we are catering to the same set of customers what our other listed entity caters to, but the contribution to the bottom-line, so that is yet to be evidenced.
- Ashish Malani:** Got it. And you had said business updates for Q3 where you had said your revenue grew by 30%, but then there was no business update for Q4 because I understand probably Q4 would have not been that great. But there is this kind of inconsistency. Can we expect from the management that either you share business updates every quarter on what sales you have done or probably not share at all? Because if in a quarter, you have done extremely well and you just share for that quarter and not for the other quarters, you know, that is--
- Nitesh Agarwal:** I'll tell you why basically we have not shared for the fourth quarter because anyways our financials were getting audited. So, we thought that anyways we are going to announce the results for the second half of the year, which will cover the quarter as well. So, that is the reason why otherwise there was no specific intent behind it.
- It was more that anyways the results we are going to publish the results for our H2. So, that is the reason why we were holding it. Otherwise, definitely we'll share at least quarter-on-quarter what is our revenue growth, what we had shared in Q3, we will continue doing that.
- Ashish Malani:** Okay, that will be very helpful. Thank you very much and wish you all the very best. And the best part so far for this year has been your balance sheet, the cash flow that you have generated from operations, that is quite impressive and I wish you all the very best.

- Nitesh Agarwal:** Thank you so much. Thank you so much, Malani ji.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Yeah, am I audible, sir?
- Nitesh Agarwal:** Yeah, you are audible.
- Deepak Poddar:** Yeah, first, few questions from my side. Now, you mentioned INR330 crores to INR350 crores revenue we are looking this year, right? So, what's the margins we are targeting?
- Nitesh Agarwal:** I think I answered that question because Malani ji also had the same. We are targeting that at least gross margin to improve to 15% in the current financial year. And obviously, that will reflect in the EBITDA as well as in the bottom-line. So, this is how we are targeting.
- But again, you know how the global situation is right now. So, there's lot of pressure all around the globe. So, let's hope for the best that the war subsides and everything again comes back to normalcy and we see the growth what we are projecting as well as we are working upon it.
- Deepak Poddar:** Okay. So, ideally a 15% gross margin can translate to roundabout -- I mean close to 11% to 12% kind of a EBITDA margin. So, that's what I understand. But it's a very steep jump, right? I mean, you are saying the market scenario is challenging, right? So, but still we are talking about better margins.
- Nitesh Agarwal:** No, that is what I said that we are trying our best for that. Again, it'll all depend how the global situation, how the global war -- the war between U.S. and Iran subsides or where it leads to, because every day we see something new coming up. So, I think everything has a positive or a negative impact because of the global situation.
- So, if the situation improves, definitely this is what we are eyeing for it. But again, if this continues, then possibly we'll see the pressure on the margins as well. I'm sure every industry would be facing the same challenges.
- Deepak Poddar:** Correct. Yeah, absolutely. I mean, this is contingent that the war situation normalizes. Otherwise, this -- it's more of an aspiration, right? I mean, this is what we try to do if the things normalize.
- Nitesh Agarwal:** Right.
- Deepak Poddar:** Okay. And what would be our drivers? I mean, this 12% to 15% journey is a big journey. So, what would be the key drivers that we are expecting -- that will contribute to this improvement?
- Nitesh Agarwal:** Key drivers, one obviously the flux-cored wire which we have started the commercial production for. So, this year we'll see this business growing. What -- because we did lot of trial runs and the market acceptability because whenever you are pushing any new product, so obviously market takes some time to accept it.

So, that acceptance we are seeing the acceptance in the market. So, flux-cored wire definitely is going to be one of the key drivers. And the ERC business which we are about to commence the commercial production starting mid of July, so that will also give us at least an incremental edge.

Deepak Poddar: What is the gross margin in ERC?

Nitesh Agarwal: ERC, the gross margins are relatively healthy, somewhere between 25% to 28% odd is the gross margin there.

Deepak Poddar: Okay. And what is our gross margin differential between manufacturing and trading?

Nitesh Agarwal: Trading, I think we had addressed this question in various forums and even in the last call also. Trading is something which we are doing it whenever -- because we try and take benefit of bulk procurement and we trade at relatively very low margins.

So, in trading, the margins are not that healthy. And that is the reason why even we focus -- because if you look at our trading sales, that has almost remained stable at what it was in FY 2025 and what it is in FY26. But our manufacturing -- your percentage-wise -- the manufacturing percentage has grown.

Deepak Poddar: Okay. So, what is the mix we are targeting? I think it was 73/27, right, FY26. So, FY27, what is the mix we are targeting, manufacturing versus trading?

Nitesh Agarwal: In FY27, we are seeing -- because our -- the growth will come from the manufacturing segment, what we are projecting for this financial year. So, there's a -- it will drop down to less than 20%, the trading sales.

Deepak Poddar: Okay. Growth will come from manufacturing, flux-cored wire and the -- your new product is fine. But your electrodes and MIG already we are at about 75% to 85% kind of a capacity utilization, right? So, you can milk more revenue from there?

Nitesh Agarwal: Definitely, see, there you will see we'll see a BAU growth from there as well. There'll be a growth in the electrode as well as MIG wire business as well. Because if you see the comparison also, so in FY26 -- from 2025 to 2026 also we see that there is a growth from that segment as well.

Deepak Poddar: Correct. Sir, even I was asking because your capacity utilization already reaching the optimum level, right, towards 85%.

Nitesh Agarwal: So, 85%, we had in fact mentioned that we have invested in capex for improving the operational efficiency. So, with the improvement in the operational efficiency, we can even cross your -- the capacity for electrodes. Plus in the MIG wire, last year in FY 2025, it was 5,000 metric tons, which has increased to now 7,000 metric tons.

Deepak Poddar: Correct. Okay. And because of this capex on operational efficiency, your utilization level can go beyond 100% also. That's what you're trying to say?

Nitesh Agarwal: Yes, yes. It can.

- Deepak Poddar:** Understood. And just one last thing on FY28. Now, this FY27 growth drivers is pretty clear, but how should one look at FY28 growth? So, any drivers on that front? So, what are we planning or any expansion plan we are planning to do?
- Nitesh Agarwal:** The expansion in terms of we were -- we are basically identifying a land in West as well as in South. So, if we are able to finalize on that front, so definitely not in 2028 because 2028 is too near for us to like see that plant becoming operational and start contributing to our growth. But as far as your ERC business, so one in FY28, we'll see the full scale of operations in FY28.
- And the flux-cored wire business which we are anticipating this year a revenue of say INR20 odd crores, which has a capacity to contribute INR25 crores, INR30 crores. So, in FY28, we may either increase the capacity there, depending how the market is responding, and we can increase our capacity there as well as on the electrode front also we can increase our capacity.
- Deepak Poddar:** Okay. So, FY28 growth drivers will be electrode, flux-cored? I'm just trying to understand what...
- Nitesh Agarwal:** ERC also, ERC because ERC, obviously, would not be running at a full capacity. So, FY28 is going to be the full scale of -- full year of operation for that.
- Deepak Poddar:** But both this flux-cored and ERC will have minimal contribution, right? Because already you'll do INR30 crores, INR35 crores in FY27, so flux-cored can give you -- ERC can give you additional INR15 crores. And flux-cored already will do INR20 crores in FY27, so that incrementally can give you only INR4 crores, INR5 crores. So, total these two segments can give you additional only INR20 crores, right?
- Nitesh Agarwal:** Right. INR20 crores to INR25 crores incremental would come from flux-cored and ERC, and rest electrode and MIG wire definitely are going to contribute.
- Deepak Poddar:** Okay. Understood. That would be from my side. Wish you all the very best. Thank you so much.
- Nitesh Agarwal:** Thank you so much.
- Moderator:** Thank you. A reminder to all the participants, please restrict yourself to two questions per participant. The next question is from the line of Arvind Singh Choudhary from RMO House Investment LLP. Please go ahead.
- Arvind Singh Choudhary:** Hello, Jai Jinendra. Am I audible?
- Nitesh Agarwal:** Jai Jinendra. Yes, we can hear you.
- Arvind Singh Choudhary:** Yes, yes. Look, your Classic Electrode is listed on the SME platform. Second, my investment in it is more than 1% in Classic Electrode. Third, your stock is very low traded. Well, fourth, your PE ratio is only 7. Your performance has improved after the issue. Till here it is fine, otherwise, whatever you have on the SME platform, as per SEBI guidelines, you should give results in six months and you do give. Apart from this, I would like to say that your turnover is already more than INR60 crores every quarter, so whatever is mandatory is fine, it has to be done in six

months, otherwise it would be better if you see its results in three months. I would like to say this at least.

Nitesh Agarwal: No sir. This question was originally posed by Malani ji, who asked that you post at least your quarterly revenue numbers and all of these. So, sir, we will definitely do this quarter-on-quarter.

Arvind Singh Choudhary: Yes, it will be good if they do it because otherwise what happens is that when many people see your fundamentals, they do this, then they think of buying but otherwise they are not able to buy and those who want to exit are not able to do so because it has been traded very low.

Nitesh Agarwal: Got it. No, it's okay sir, we will publish the latest information quarterly sir.

Arvind Singh Choudhary: Yes, yes, that is what we want and let's see what happens, it would be good if we do it quarterly and if there is any development in the company, any big order comes, anything comes, then it would be good if you give that also in the announcement.

Nitesh Agarwal: Of course, sir, of course. Sir, we will do this, we do. If there's any new development, we will definitely publish it.

Arvind Singh Choudhary: Yes, yes. Well, you are running it in typical Marwari style, you are making the factory profitable, you are doing everything, the only thing is that if there is a good movement in the market and the trading volume increases, it will be good so that if there is no PE then a situation will arise as per the current situation, it has come to light that by 2027-2028 you are making a lot of profit, your EPS is coming to INR10, INR15 EPS and your stock is being traded at 2 to 3 PE. We would not want that situation.

Nitesh Agarwal: No, no sir, look into it, we also discussed this with our merchant bankers, and they said that look, you also know how the market is behaving now, so the market scenario is not as good as we all are witnessing. So they said that look, you do your work, the rest the market will do its work, you don't worry about that.

Arvind Singh Choudhary: Yes, yes, that is true because if there is liquidity in the market and there are buyers and sellers then there will be trade, you cannot do anything about that but if you keep giving announcements regularly from time to time about any development that takes place in the company, then that too will have some effect in which trading volume et cetera will increase.

Nitesh Agarwal: Sure Sir, sure. Now, we will make one more announcement, so you guys wait, we will make an announcement, let's see if we have to make an announcement, then we will make it, the management has not decided internally yet, but the discussion is going on. So, we will make the announcement if something positive should come out of it.

Arvind Singh Choudhary: Yes, yes, it will definitely happen because I actually have 1% equity and the rest is with my followers and they are also quite worried that despite everything being good, there is no movement in the company, liquidity is not being created. So let's see, if good announcements come then there will be movement. So all the best, you make announcements etc. and also think about the quarterly results. The mandatory period is for six months but if you give it then SEBI will not stop you.

- Nitesh Agarwal:** No, no, that's fine, sir. This is a matter of corporate governance. The more you improve yourself, the better. So, sir, we will definitely try our best to implement it.
- Arvind Singh Choudhary:** Okay, thank you.
- Nitesh Agarwal:** Okay, thank you sir.
- Moderator:** Thank you. A reminder to all the participants, please restrict yourself to two questions per participant. The next question is from the line of Mahesh from Smest Capital Services. Please go ahead.
- Mahesh:** Yeah, thank you so much for the opportunity and good evening all. Am I audible?
- Nitesh Agarwal:** Yes, sir, you are audible. Hi, good evening.
- Mahesh:** Yeah, good evening. Yeah, so sir, there are several questions from my side. First one is, see, your H2 FY26 revenue, so that grew by over 20% year-on-year basis, and while EBITDA grew only at around 3%. So, what were the key factors that limited margin expansion despite the strong revenue growth? Any reason sir, specific?
- Nitesh Agarwal:** See, I think I had already answered this question. As per as the EBITDA margin, because of the volatility and the raw material prices increasing in the second half of the year, so that had -- that basically had led to like not in line with the growth in terms of the EBITDA margin.
- Mahesh:** Okay, so these were the reasons, major reasons. Okay. And sir, how much of the revenue growth in FY26 was driven by the volume growth versus the price increases, if we compare?
- Nitesh Agarwal:** Price increase, first half of the year, there was I think it was stable. Second half of the year, there was a price increase. So, in terms of volume growth, as you would have seen, so there is a -- in the MIG wire segment, the capacity utilization basically improved from 68% to 74%. And when you see the production, we had produced 3,240 metric tons, whereas in FY26, we produced 5,270 metric tons. So, there was a sharp increase in the production capacity as well as it translated into sales as well.
- Similarly, on the electrode segment also, there was a growth of 1,300 metric tons, where my capacity utilization was at 74%, it improved to 86%. So, there was a volume growth which has translated into an overall growth of 18% because there was obviously there was -- when you compare the price increase on the year-on-year basis, so that was not very significant when we average it.
- Mahesh:** Okay, okay. And sir, apart from this, what will be the management's revenue growth guidance for this current year and FY27-2028 as well across the welding consumables business?
- Nitesh Agarwal:** See, we are not into -- see welding consumables, like it comprise of one is your the electrode and MIG wire, and there is like even machineries also. So, we are not into machinery -- welding machines and all. So, we are large -- we are largely like a electrode and MIG wire manufacturer.

- Moderator:** Sorry for interrupting. Mahesh, please join the queue for more questions. The next question is from the line of Vedant Poojary from NVS Brokerage. Please go ahead.
- Vedant Poojary:** Hello, am I audible?
- Nitesh Agarwal:** Yes, you are.
- Vedant Poojary:** Hello, sir. Congratulations on the great set of numbers. So, actually I wanted to ask, what will be the peak revenue that will be generating from flux-cored wire segment?
- Nitesh Agarwal:** So, the peak revenue what we can generate from flux-cored wire is INR30 odd crores.
- Vedant Poojary:** INR30 odd crores, okay. And as you mentioned before that you invested in a company which is into manufacturing of cables and conductors, so like are you planning to acquire that company as the business grows? Do you have any plans?
- Nitesh Agarwal:** No, no, that is our associate -- that is our associate company.
- Vedant Poojary:** Okay, okay. Yeah, thank you.
- Moderator:** Thank you.
- Nitesh Agarwal:** How many more questions? How many more questions are there? Or how many more participants who are--
- Moderator:** Sir, there are no participants.
- Nitesh Agarwal:** Okay, yeah.
- Moderator:** Should I close it?
- Nitesh Agarwal:** Yes, we can.
- Moderator:** Okay. As there are no further questions from the participants, I now hand the conference over to Mr. Gautam Nagar from -- please go ahead.
- Gautam Nagar:** Thank you, Gitesh. On behalf of Classic Electrodes (India) Limited and EquiBridgeX Advisors, I would like to thank everyone for taking time to join today's conference. Should you have any further queries, please feel free to connect with us at info@equibridgex.com. Thank you, everyone, once again. Thank you for the joining.
- Moderator:** On behalf of Classic Electrodes (India) Limited, hosted by EquiBridgeX Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.