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To,
The Listing Manager
Department of Corporate Services
Bombay Stock Exchange
P. J. Towers, Dalal Street,
Mumbai – 400001

To,
The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"-C1, Block G
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Scrip Code:532841

SYMBOL: SAHYADRI

Sub: Transcript of Analysts / Investors conference call

Ref: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Enclosed herewith transcript of the Analysts / Investors conference call held on Wednesday, 28th May, 2025. The same is also available on the Company's website i.e. www.silworld.in

You are requested to kindly take note of the same.

Thanking You.

Yours faithfully,
For SAHYADRI INDUSTRIES LIMITED

Rajib Kumar Gope
Company Secretary & Compliance Officer
Membership No. F8417

Encl: As above



**“Sahyadri Industries Limited
Q4 FY '25 Earnings Conference Call”
May 28, 2025**



**MANAGEMENT: MR. TULJARAM MAHESHWARI – CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND WHOLE TIME DIRECTOR – SAHYADRI INDUSTRIES LIMITED
MR. RAHANU BOOBNA – SENIOR MANAGER ACCOUNTS – SAHYADRI INDUSTRIES LIMITED
SGA -- INVESTOR RELATIONS ADVISOR – SAHYADRI INDUSTRIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Sahyadri Industries Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant line will be in listen only mode and there will be an opportunity for you to ask question 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 Mr. Tuljaram Maheshwari, CEO, CFO and Whole-Time Director of Sahyadri Industries Limited. Thank you, and over to you, sir.

Tuljaram Maheshwari: Good afternoon, everyone, and thank you for joining us on the Sahyadri Industries Limited Q4 and FY '25 Earnings Conference Call. I'm accompanied by Mr. Rahanu Boobna, our Senior Manager Accounts and SGA, our Investor Relations Advisor, on this call today. I hope everyone had a chance to view our financial results and investor presentation, which was uploaded on the company's website and stock exchanges. The operating environment in FY '25 was marked by subdued demand across key end user segments, which pose challenges to growth. As a result, our total income for the year declined by 4.6% to INR 608.8 crores.

However, I'm pleased to report that despite these external headwinds, we have deepened our focus on non-asbestos product. The share of our non-asbestos product portfolio grew from 22% in FY '24 to 26% in FY '25 of overall sales. EBDITA for the year stood at INR58 crores, while margins were under pressure due to the pricing dynamics in the domestic market. We were able to partially offset these challenges through prudent inventory management and an improved product mix.

In addition, the relative stability in input cost over the year supported our ability to manage expenses effectively. We have also made significant improvement to our balance sheet as the debt equity reduced from debt to equity ratio reduced from 0.32 to 0.21. This was achieved through the repayment, a portion of our outstanding borrowings and underscores our ongoing commitment to maintaining a conservative and resilient capital structure.

During the year, our overall capacity utilization stood at 68%. In April, we experienced normal seasonal demand. However, from May onwards, demand was impacted due to heavy rains across several states starting May 20th caused by cyclonic activity in the Arabian Sea and the onset of early monsoon at Kerala from May 23rd. However, we remain optimistic about recovery in the coming weeks.

Now moving on the financial performance. Q4 FY '25 highlights, total income stood at INR152.6 crores, a decline of 1.4% Y-o-Y and a growth of 15.9% quarter-to-quarter. EBDITA was INR13.9 crores, down 6.3% Y-o-Y and up 54.3% quarter-over-quarter. EBITDA margin stood at 9.1% compared to 9.6% Y-o-Y and 6.8% quarter-to-quarter. Profit after tax was INR4.3 crores. PAT margin stood at 2.8% compared to 2.8% Y-o-Y and 0.6% quarter-to-quarter.

FY '25 highlights. Total income was INR608.8 crores, a decline of 4.6% Y-o-Y. EBITDA stood at INR58 crores, a decline of 17.8% Y-o-Y. EBITDA margin stood at 9.5% compared to 11.1%

in FY '24. Profit after tax was INR19.5 crores, a decline of 26.2% Y-o-Y. PAT margin stood at 3.2% compared to 4.1% in FY '24.

Looking ahead, we remain optimistic about the future. Our focus will continue to be on strengthening our core product lines, expanding our presence across domestic and international markets and driving efficiency across our operations. Lastly, I'm happy to inform you that, the Board of Directors has recommended a final dividend of INR1 per share of face value INR10 for FY '25, subject to shareholder approval.

With that, I conclude my remarks and would now be happy to take your questions.

- Moderator:** The first question is from the line of Niteen from Aurum Capital.
- Niteen:** A couple of questions. So what is the capacity utilization currently?
- Tuljaram Maheshwari:** 68%.
- Niteen:** Okay. And consolidated debt on the book, what is the total debt we have?
- Tuljaram Maheshwari:** Our total debt is around INR 9.2 crore.
- Niteen:** INR 9.2 crores, okay.
- Tuljaram Maheshwari:** Plus vehicle, the total is INR10.3 crore.
- Niteen:** Total is INR10.3 crore. This includes working capital as well or that is separate?
- Tuljaram Maheshwari:** Long term.
- Niteen:** Long term, no, what is the working capital debt that we have?
- Tuljaram Maheshwari:** Working capital was INR 45 crores as on 31st March. That is there in the balance sheet, if you can see it.
- Niteen:** Sure. And how do you see the demand shifting up now, sir?
- Tuljaram Maheshwari:** As I mentioned, April was good, May because of this first was the cyclonic impact and second is the early set of the monsoon. So, we have to see how it is going forward.
- Niteen:** And the capex status and by when we will have a steady state in this capex that we have put up?
- Tuljaram Maheshwari:** Capex is the same. As we have said earlier, whatever the two expansion is still, it is going on because land acquisition is not yet completed. So that's going on, Palghar and as well as Odisha, both.
- Niteen:** So, is there a delay in the capex we are seeing?
- Tuljaram Maheshwari:** Yes, there is a delay because land acquisition is getting delayed.

- Niteen:** So, when do you see, sir, this is getting completed?
- Tuljaram Maheshwari:** This would be Q4 FY '27 and Q4 FY '28. Q4 '27 would be Palghar and Q4 FY '28 would be Odisha.
- Niteen:** Okay. Just final one, which is a suggestion, as in a suggestion. Slide number five where we highlighted our business performance. And our business is more seasonal where Q4, which is March quarter is the strongest and Q2 which is September is the weakest, while Q3, which is December quarter is in between. So, it will be more opt to compare Q4 with Q4. We compared it with Q3, then it will be good to give Q4 also in that slide. That will give a better picture. Just a small suggestion, maybe you would like to include next time.
- Tuljaram Maheshwari:** No, if you see our results, the results are -- we have made a comparison with the Q4 versus Q4, if you see our results.
- Niteen:** That is mandatory sir. I'm not talking about that. I'm talking about the presentation.
- Moderator:** The next question is from the line of Gunit Singh from Counter Cyclical PMS.
- Gunit Singh:** Sir, I just want to understand the current demand scenario. You mentioned May wasn't good because of rains. So as compared to last year, April, May, how does the demand side look like? And have we taken any price hikes in Q1?
- Tuljaram Maheshwari:** Q1 so far, there is hardly any price increase because, as I said, demand is subdued. And now again, this cyclonic and this impact of the early monsoon, so it's early to say whether any increase would come or not. But what we are trying to work is how we have to reach to the last year numbers.
- Gunit Singh:** What kind of utilization are our Southern units running at currently for the first 2 months of...
- Tuljaram Maheshwari:** Southern unit is around between 45% to 60%.
- Gunit Singh:** So, sir, I want to understand about the value-added product. So, what percentage of revenues in FY '25 are value-added product?
- Tuljaram Maheshwari:** Value-added is 14% at present.
- Gunit Singh:** And what kind of margins do we see for value-added products versus conventional?
- Tuljaram Maheshwari:** See, generally, it is 10% to 15% extra than the normal one.
- Gunit Singh:** And, sir, I mean, what kind of growth are we seeing in the value-added segment? And what are our targets for FY '25 as a percentage of total revenues and beyond for the coming years?
- Tuljaram Maheshwari:** See the next year, we are looking around 20% the value-added product.
- Gunit Singh:** In FY '26?
- Tuljaram Maheshwari:** Yes.

- Gunit Singh:** So, Sir, from your commentary, I mean, it looks like demand has been subdued this year as compared to the same time period last year, the first 2 months. So, if the monsoon continues to be heavy, I mean, do we not, I mean, foresee reaching the last year numbers as well? And given that Q1 is the strongest quarter, so, I mean, I would like to understand your thoughts about -- I mean, how you're planning the current year, given the current monsoon scenario?
- Tuljaram Maheshwari:** See, that's why I mentioned in my opening remarks also, hopefully, because generally, cyclonic monsoon has a less impact. And once the market opens up, post the cyclonic gets slowed down, I think things will be better. But we are hopeful to manage last year number and something plus.
- Gunit Singh:** So, Sir, last year, the Southern units were running at about 30% capacity utilization, if I'm not wrong.
- Tuljaram Maheshwari:** Yes, now it is 45% to 60%.
- Gunit Singh:** So, I mean we are seeing some green shoots.
- Tuljaram Maheshwari:** Yes.
- Moderator:** The next question is from the line of Rohan Mehta from Nexus Capital.
- Rohan Mehta:** Firstly, sir, we had earlier mentioned expanding our presence in Maharashtra to support the export markets. Can you share any update around the progress made so far on that side?
- Tuljaram Maheshwari:** As I mentioned in my -- one of the questions that one gentleman has asked because that is getting delayed on account of the land acquisition. So now it is slated to be commissioned in FY '27 Q4. But we are compensating the requirement of exports by supplying from our Peru plant, that means Southern plant.
- Rohan Mehta:** Understood, sir. Fair enough. Sir, secondly, with exports now forming a large part of our revenue mix now, how do we see this supporting the company's growth strategy going ahead? I mean, will we continue to remain focused on exports?
- Tuljaram Maheshwari:** Yes, yes, export would be our focus.
- Rohan Mehta:** So, exports would continue to become a clear growth driver for the company's growth, is it?
- Tuljaram Maheshwari:** It will be focused.
- Rohan Mehta:** Sure. Sir, for your net sales, first of all, so how are you managing the risk of this recent depreciation in rupee against the dollar especially considering we are importing areas like fiber from Kazakhstan. So just wanted to get a sense of how we are managing the rupee depreciation?
- Tuljaram Maheshwari:** See, if you see from the peak of INR88, INR89, now it is back to INR85, INR86, so accordingly, we have the export also. So there also we get the better this thing, realization. So it gets partly compensated from the export and rest with the optimization of other operational activity. We are not getting impacted if it is within that INR85. It goes above INR85, and that's again, INR90, then definitely would be impacted.

- Rohan Mehta:** Sure. So, there is no outside hedging that we are doing currently, right?
- Tuljaram Maheshwari:** See, we are not doing any hedging because it's an automatic hedging, natural hedging because export is there, so it's an automatic hedging naturally.
- Moderator:** The next question is from the line of Samarth Singh from TPF Capital.
- Samarth Singh:** Just one clarification on the price hike. You mentioned there was no price hike that we took in this quarter 1. Have we taken a price hike in Q4 by any chance?
- Tuljaram Maheshwari:** Q4, it's minimal. I would say this time, hardly any price increase, I would say. The reason is, there may be Rs 1 or Rs 2 increases that may be, in the percentage terms, not more than 1% because the reason is the demand itself is very subdued. And we thought that it's better to push the volume and going for the price increase across the industry. It's not only we, everybody has done into the line. So there's no any price increase, material price increase, minimum figure may be there, but not material.
- Samarth Singh:** So in Maharashtra area, our channel checks had suggested there was about a 6% to 8% price hike across the industry. So was that rolled back or did that not happen?
- Tuljaram Maheshwari:** Actually, I have not seen 5% to 6%. Who told you?
- Samarth Singh:** We have done some channel checks. So maybe it was from the distributor side.
- Tuljaram Maheshwari:** No, no. There's no price increase as such.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, firstly, if we look at the year-on-year comparison, the revenue has gone down by 5%. So, the RM pressure, I think, also looks a bit relieved. So, firstly, if you give an outlook on raw materials for the next year, what price trend has been set? And how much pass-on will we be able to give in the next 2 to 3 years? How much will we be able to give in the market? How will the margins be sustained? If you could just elaborate?
- Tuljaram Maheshwari:** As I said, there's no any cost increase on the fiber side. So there is in between price increase happens in the cement. You know that's, again, a different type of industry. But, in June, it will be back. So, there is no any cost increase as such. As regards the price increase, similarly, as I mentioned earlier, price increase has not happened substantially this time, 1% or 2% would have been there, but not much. And also, Q1 because of demand and as well as early set of the monsoon, so far, there's no any price increase. Going forward, something may happen in June if the demand increases substantially.
- Saket Kapoor:** Okay. So Sir, if we take the RM mix, what percentage would be towards cement, and fiber would be the major consequence. So can you provide the split between the same?
- Tuljaram Maheshwari:** More or less, it is the same as before. Because different products have different percentages. Some have 50%, some have 20%, some have 30%. Different products have different percentages.

- Saket Kapoor:** But, Sir, if we take it overall, the cost of material consumption INR341 crores is what the P&L show. So out of that, what would be attributed to fiber and the other major part...
- Tuljaram Maheshwari:** I don't have the exact figure. But generally, it is because you can take fibre at 30%-35% average considering both the products.
- Saket Kapoor:** And secondly, as you were mentioning that because of earlier onset of monsoon, that may postpone the buying because I think so good monsoons are a good indicator of the spending from the rural side. And that should have a multiplier effect on the product and thereby still increasing the demand.
- Tuljaram Maheshwari:** So, the point is one side what you say is correct. But generally, what I've seen is that whatever the construction in the rural area happened before the monsoon, that is the final. And thereafter, everybody is busy into that harvesting. So practically something happens in the third quarter. But, if the monsoon cools down a bit, like if it comes early and stops in 5-7 days, in that case, definitely, I think demand may come up.
- Saket Kapoor:** Okay. Because, sir, I think so, your distributors through whom you are selling, their stock levels and the enquiry from their side...
- Tuljaram Maheshwari:** They don't have a lot of stock. Now, because they are cautious because of the early monsoon, if two vehicles are being sold, two vehicles are being ordered. Like that.
- Saket Kapoor:** Okay, sir. And, other than that, sir, what is the trend in the market share, year-on-year?
- Tuljaram Maheshwari:** More or less the same. There is no any because if the sales would have increased, then the share would have increased. So, the sales have not increased. And, if we look at the rest of the people, then everyone is more or less on the same line. So, I think we are on the same line as we were before.
- Saket Kapoor:** Correct, sir. And, sir, you told us that the Southern Unit is trending at 45%-50% utilization. So, even in the current year, are we taking the same percentage or is there any further addition from the Southern Unit?
- Tuljaram Maheshwari:** I think there will be 10%-10% extra in both.
- Saket Kapoor:** But, sir, what is the utilization level in the western part for the last year?
- Tuljaram Maheshwari:** In the western part, more or less 90%.
- Saket Kapoor:** Okay. And, sir, in the eastern part, our presence will come later in Odisha. Other than that, sir, what is the percentage there?
- Tuljaram Maheshwari:** I told you that our utilization is between 35%-45%-50%. Similarly, you have the same because we are not a leader. We are the last one there.
- Saket Kapoor:** Correct, sir. And, sir, for this year, what will be our current maturity? What is repayable for the current year? And, when is our...

Tuljaram Maheshwari: We have a total outstanding of 10 crores. will be there for 3 years, but we may pay back early.

Saket Kapoor: Okay. And, sir, what is the outline we have kept for this year in the capex?

Tuljaram Maheshwari: No, there is nothing like an outline yet. Because, generally, we don't give a statement on that. But, hopefully, it would be better than the last year.

Saket Kapoor: Last year, we spent INR20 crores on purchase of fixed assets.

Tuljaram Maheshwari: Yes.

Saket Kapoor: So, this year also it will be in the same...

Tuljaram Maheshwari: 15 crores is the normal capex is always in the plants.

Saket Kapoor: And last point is, our CWIP closing balance was INR31 crores. So...

Tuljaram Maheshwari: Yes, Palghar is INR28 crore.

Saket Kapoor: Yes sir?

Tuljaram Maheshwari: Palghar plant is INR28 crore.

Saket Kapoor: INR28 crore. So we are at least more than 1 year down the line to get capitalized on the same.

Tuljaram Maheshwari: Correct.

Saket Kapoor: So setting of the assets and then the contribution is still far away. So this money is also still lying...

Tuljaram Maheshwari: So, we have to do it. We have to invest in the acquisition of land.

Saket Kapoor: My question is taking into account the current setup; can we assume that the current financial year in terms of business probability -- revenue and profitability looks better than what '24-'25 was? Do we think that a bottom has been made for the industry and from here, we can see more green shoots than falling down on the base, which we have ended the year? What is our...

Tuljaram Maheshwari: I think it would be better than '24-'25. I cannot quantify today, but it will be better than '24-'25 in terms of the revenue as well as the profitability.

Moderator: The next follow-up question is from the line of Gunit Singh from Counter Cyclical PMS.

Gunit Singh: Sir, I would just like to understand what kind of debt would we be raising for the new capacities that are coming in as you mentioned that we'll be raising debt for that?

Tuljaram Maheshwari: We are not raising this year any debt on those expansions because already I spent good amount, and land acquisition is going on. So somewhere in '26 only we will see how my cash flow is. And based on that, we'll raise the debt. But overall, the debt is already sanctioned for the Palghar plant.

- Gunit Singh:** Sir, the exchange rate, USD was about INR83 the same period last year. And currently, it is about INR85, INR86. So, I mean, in Q1, do we see any fall in EBITDA margins on account of this?
- Tuljaram Maheshwari:** No.
- Gunit Singh:** All right. And sir, my last question would just be a follow-up from the previous participant. So, I mean, you mentioned that FY '26, you expect to be better than FY '25 in terms of both top line and bottom line. So, I mean, can you give me the, I mean, top reasons why you believe so despite demand being subdued in the current quarter because this is the heaviest quarter in the year?
- Tuljaram Maheshwari:** One of the reasons is my better utilization would happen in the Southern plants. That is one of the reasons.
- Gunit Singh:** Okay. So I mean, that would mean that our penetration in the Southern states would increase. So I mean, even -- all right. All right. So I mean, are we capturing some market share in the Southern states? Can you throw some light?
- Tuljaram Maheshwari:** We are working on it.
- Gunit Singh:** All right. What would be our current market share in those states?
- Tuljaram Maheshwari:** Very less, very less. It is single digit number.
- Gunit Singh:** All right. And what are aspirations or realistic targets for FY '26? What kind of market share can we attain there?
- Tuljaram Maheshwari:** I think we'll try to come near to the double-digit number.
- Gunit Singh:** So sir, is it a fair assumption to say that, I mean, most of the growth in FY '26 would come from the Southern plant itself -- from South India itself?
- Tuljaram Maheshwari:** Mainly from that and balance would be from the Western side.
- Gunit Singh:** So I mean, is the demand impacted in South India as well from earlier onset of monsoons or is it more in the West?
- Tuljaram Maheshwari:** Because generally, Southern monsoon comes August, September afterwards.
- Moderator:** The next question is from the line of Jignesh from JIVA Capital.
- Jignesh:** So sir, just to understand, if we see last 5 years gross profit margin, in 2021, it was around 50% and now somewhere we are bottomed out last year at 42%. So can we assume improvement in gross profit margin going ahead in the next 2, 3 years?
- Tuljaram Maheshwari:** Unlikely. The reason is that raw material prices for that increase, it is descending at the same price. There's no any reduction. So there's no increase happening now. That is one. And second is unless until the substantially the price increase happens, I don't see we will reach to that level.

- Jignesh:** So the current margins can be normalized going forward?
- Tuljaram Maheshwari:** Yes. Slowly / gradually, it will inch towards upside, but not as I compare to '21 or '22.
- Jignesh:** So sir, another question like in 2020, our gross block was around INR200 crores, and we were able to do around INR500 crores of revenues...
- Tuljaram Maheshwari:** 2020, not INR500 crores, it was INR300 crores.
- Jignesh:** Yes, sorry, INR300 crores, yes. '21, it increased. So now since our gross block would be -- with expansion would reach around INR400 crores, if I'm not...
- Tuljaram Maheshwari:** Once the expansion is complete, then.
- Jignesh:** By FY '27?
- Tuljaram Maheshwari:** That is FY '27-'28 correct.
- Jignesh:** Okay. So maybe the return can be similar going forward. So our peak can be around INR1,200 crores revenues.
- Tuljaram Maheshwari:** 800 Crores.
- Jignesh:** Right, and sir, last question, like the other expenses that we have incurred last 2, 3 years, other expenses and employee costs, so any plan with the expansion going ahead, the percentage of expenses would remain in steady-state manner or some have been front-loaded in FY '25?
- Tuljaram Maheshwari:** I think the employee cost generally, so the top people will get reduced with the volume, which is generally the top is always heavy. So definitely, in totality, it may be more or less, maybe the reduction of around 1%. As regard to other expenses, other expenses mainly sea freight and ocean freight and those things, which will go with the volume of what export we are making.
- Jignesh:** So finally, I'm not aware whether as per current industrial policies of the state where you are expanding, is there any subsidy component?
- Tuljaram Maheshwari:** No.
- Jignesh:** No, not for us.
- Moderator:** The next question is from the line of Tanya Desai from Elevate Research.
- Tanya Desai:** Sir, I have a couple of questions. So my first question is that, could you share the total production capacity across each unit of our plants?
- Tuljaram Maheshwari:** I cannot give that, but as I said, it is 68%, capacity utilization.
- Tanya Desai:** Also, I have observed a noticeable drop in our finance cost compared to the last year. So could you help me understand what's driving this?

- Tuljaram Maheshwari:** Can you come again? What is the finance cost?
- Tanya Desai:** Yes. There has been a decrease in our finance costs compared to the last year.
- Tuljaram Maheshwari:** Yes, that we have repaid.
- Tanya Desai:** So I might have missed it. Could you just...
- Tuljaram Maheshwari:** We have repaid with a good amount of term loan because now my term loan -- debts are only INR10 crores other than working capital.
- Tanya Desai:** And my last question was that in the previous quarter's earning -- con call, you had mentioned that there is a decline in the overall industry size. So now, could you please elaborate that has there been any recent developments on the demand front in this potential...
- Tuljaram Maheshwari:** See, it is still subdued. And we are hoping that Q1 will give us some better headway. But again, this sudden cyclone and early set of early monsoon setting is impacting. However, let's see, because we still have 4 weeks, 5 weeks, let's see how the Q1 happen. If the Q1 give us the better this thing, then definitely, it would be better for the year.
- Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Tuljaram Maheshwari:** Thank you, everyone. I hope we have answered all your questions satisfactorily. However, if you need any further clarification or want to know more about the company, please contact SGA Team, our Investor Relations Advisor. Thank you.
- Moderator:** Thank you. On behalf of Sahyadri Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.