

Paramount Communicat

17 August 2026

Operator: Ladies and gentlemen, good day and welcome to Paramount Communications Ltd. Q1 FY27 earnings conference call. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Ms. Vanessa Fernandes from the Investor Relations team of Adfactors PR. Thank you, and over to you, Vanessa.

Vanessa Fernandes – Adfactors PR: Thank you, Hudha. Good evening, everyone. On behalf of Paramount Communications Ltd., I would like to welcome you all to the earnings conference call for Q1 FY27. Today, we have with us from management Mr. Sanjay Aggarwal, Chairman and CEO; Mr. Parth Aggarwal, President Marketing; Mr. Shambhu Aggarwal, Chief Financial Officer; and Mr. Narendra K. Gupta, President Accounts and Finance of Paramount Communications Ltd.

We will begin the call with brief opening remarks from management, followed by a Q&A session. Please note that certain statements made during this call may be forward-looking in nature. Such statements are subject to risks and uncertainties that could cause actual results or projections to differ materially from those statements. Paramount Communications Ltd. will hold no responsibility for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements. I will now hand over the call to Mr. Sanjay Aggarwal for his opening remarks. Over to you, sir.

Sanjay Aggarwal – Chairman & CEO: Good afternoon, ladies and gentlemen, and a very warm welcome to all of you to the Paramount Communications earnings conference call for the first quarter ended June 30, 2026. Thank you for joining us today and for your continued interest in Paramount. Our detailed earnings release and presentation have already been uploaded to the stock exchanges and our company's website. I trust you have had the opportunity to go through them.

Let me begin with a brief word on the environment in which we are operating, because I think it sets the context for the quarter very well. The wires and cables industry continues to operate against a backdrop of metal price volatility and global trade uncertainty. These are conditions our industry has been navigating for some time. What has remained constant, however, is the underlying demand. Power infrastructure spending, the pace of renewable capacity addition, and continued momentum in construction, railways, and industrial projects all remained supportive throughout the quarter, and we saw them reflected directly in our order flow as well.

On the export side, following the resolution of the anti-dumping tariff uncertainty that weighed down the US market through much of last year, we are also seeing the initial signs of a more stable and predictable trading environment, which is quite encouraging. Against this backdrop, I am pleased to share that Paramount has started FY27 on a strong note. We delivered one of our strongest quarters on record, with healthy improvements across revenue, EBITDA, and profitability.

Before I take you through the detailed numbers, I would like to hand over to Parth to walk you through the key business developments and demand drivers behind the quarter, because I think the context is important. Over to you, Parth.

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Parth Aggarwal – President Marketing: Thank you, Sanjay, and a very good afternoon to all of you. Let me start by saying that the growth this quarter was broad-based, with momentum across our domestic business as well as exports. More importantly, the underlying demand environment remains healthy across several of the end-markets we serve.

Our domestic business continues to build on the momentum we spoke about last quarter, with growth coming mainly through the domestic power and infrastructure sectors. The structural drivers we have spoken about consistently—the strengthening of the grid and transmission investment, the ongoing renewable energy build-out, the early but growing demand from data center infrastructure, continued momentum in railways and metro electrification, and steady real estate and construction activity—all are translating into firmer order inflows than we had anticipated at the start of the year.

Following the US Supreme Court's invalidation of the anti-dumping tariffs earlier this year, and with India now placed at par with the other exporting nations, we are seeing the initial stages of normalization in our US business. We continue to view the US as our single largest and most important export market, given the scale of the grid and data center investment being planned there over the coming years. We remain focused on deepening our relationships in that market.

Alongside the US, we have also stepped up customer engagement and approval work in the Middle East and other regions such as Europe and Africa, where we see medium-term demand building from data center build-out and grid revamp programs underway across the regions. Our approach is to be positioned with approvals in place and customer relationships established, so that when the demand cycle turns fully, we are a natural participant rather than a late entrant.

On the operations side, our Dharuhera and Khushkhera plants continued to operate at optimal utilization through the quarter, consistent with the trend of the past several years. This continues to underline why our new investment in Narmadapuram is central to our next phase of growth, and Sanjay will cover that in more detail.

Overall, we remain convinced that this is a multi-year structural expansion phase for the Indian wires and cables industry, and that organized players with diversified product portfolios and export relationships are best positioned to capture a disproportionate share of it. We are equally encouraged by the return of a more stable trading environment with the US, which removes a meaningful overhang from last year. Thank you. I will now hand back to Sanjay for the detailed financial performance of the quarter.

Sanjay Aggarwal – Chairman & CEO: Thank you, Parth. Let me now take you all through the numbers for Q1 FY27 in some detail. Revenue from operations for Q1 FY27 grew 17.4% year-on-year, although it declined 7.7% quarter-on-quarter, to INR 529.4 crores, as against INR 450.9 crores in Q1 FY26 and INR 573 crores in Q4 FY26.

I would like to mention here that this is an annual trend. The last quarter of every financial year tends to be a high-volume quarter, and the opening quarter of the next financial year is normally somewhat lower than the Q4 of the previous year.

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EBITDA, including other income, was INR 37.8 crores, with an EBITDA margin of 7.1%, an improvement of 44 basis points over Q4 FY26 and 3 basis points over Q1 FY26. Even more encouragingly, our operating profit excluding other income grew by 129.2% year-on-year to INR 34.7 crores, with operating margin expanding by 320 basis points year-on-year and 136 basis points quarter-on-quarter to 6.6%, which is the metric that best reflects the underlying business strength.

PAT, or Profit After Tax, for the quarter stood at INR 19.7 crores, up 3.7% year-on-year and down 4% quarter-on-quarter, with a PAT margin of 3.7%. Earnings per share for the quarter was INR 0.64.

As I mentioned earlier, the first milestone that we had set out in our last call was to get back to the FY25 level of margin by Q4 of the current year. I am happy to report that this quarter's results show that we are very well placed towards achieving that milestone. This has been a strong quarter across all metrics that matter.

Coming to the US and export business, a meaningful part of the improvement in our results has come through the normalization of the US business scenario. As I said in the last quarter, we made a deliberate decision to hold on to our US distributor relationships even through the worst of the tariff disruption. Instead of exiting the market that we had spent nearly a decade building, we increased our distributor base from 2 distributors in FY22 to 8 as of now. That patience is now paying off.

Exports for the quarter stood at INR 155 crores, contributing more than 29% of revenue, up approximately 77% quarter-on-quarter against tariff-compressed Q4 FY26, in which only INR 87 crores of US exports took place despite the overall volume being so high. We expect this recovery in the US market to continue building throughout the rest of the year.

Coming to the domestic business, our domestic business has continued to accelerate even as the US market has also come back, which is exactly the kind of dual-engine growth that we have been building. Domestic revenue for the quarter was INR 374 crores, contributing more than 70% of revenue, led once again by our power cable segment, which alone accounted for 57.2% of Q1 revenue.

Within domestic, our B2B industrial business grew 90% year-on-year to INR 296 crores. B2C retail and distribution grew 15% to INR 44 crores. Our B2G, government and PSU business stood at INR 35 crores, reflecting the normal execution timing across the government sector.

Our order book as of June 30, 2026, stood at INR 615 crores, a healthy uptick from INR 583 crores at the end of March 2026, comprising INR 518 crores of domestic orders and INR 97 crores of exports. Power cable orders alone stood at INR 455 crores, up 27% year-on-year, representing approximately 74% of the total order book and giving us strong visibility into the coming months.

Coming to working capital, our cycle stood at 96 days for the quarter, which is an improvement over the 101 days recorded in Q4 FY26. Receivable days improved to 64 days from 79 days at the end of March 2026. The elevated receivables position that we had flagged last quarter has substantially normalized, as we had expected.

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Coming to the balance sheet and equity raise, during the quarter we successfully completed a fresh equity raise of approximately INR 122 crores, another step in strengthening our balance sheet for the growth phase ahead. Of the amount raised, approximately INR 65 crores has been earmarked for Narmadapuram capex, and the balance strengthens our working capital position, giving us a meaningful liquidity buffer to fund growth without any near-term pressure.

As a result, our net worth strengthened from INR 778 crores at the end of March 2026 to INR 894 crores as of June 30, 2026, with our debt-equity ratio remaining comfortable at 0.15x.

On Narmadapuram, our greenfield project, this is going to be our third manufacturing facility, now located in Madhya Pradesh. Progress remains on track. Most of the critical plant and machinery has already been ordered. Mobilization for civil construction has already begun. We expect operations at Narmadapuram to partly commence in Q1 FY28, with revenue of approximately INR 500 crores expected for FY28 from the Narmadapuram plant, which we hope will scale up to INR 1,200 crores by FY29 as the plant ramps up.

We continue to expect this project to be funded through a mix of the recent equity raise, internal accruals, and a modest amount of debt, with our overall equity-debt position remaining quite comfortable. We do not expect the ratio to cross 0.3x at most by the time we complete the first phase of our Narmadapuram project.

Coming to the future outlook, I think this has been a very good quarter after the problems, difficulties, and losses we faced on account of exports to the US market last year. This quarter has been strong on revenue, strong on margins, and there has been an improvement in working capital, with the US recovery and domestic momentum both working in our favor at the same time.

The broader industry backdrop continues to support our growth, and we remain firmly focused on our five-year vision of reaching revenue of INR 5,000 crores by FY31. I believe this quarter is clear evidence that we are moving in the right direction. So, ladies and gentlemen, we now open the floor for discussion and questions. Thank you very much.

Operator: Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Sourabh from Yes Securities. Please proceed.

Sourabh – Yes Securities: Hello, can you hear me? Congratulations, sir, on a good set of numbers. My questions were basically focused on EBITDA numbers, sir. Earlier, you had mentioned that management's focus was to return to FY25-level EBITDA margins, with the potential to return to pre-tariff margins as well. Should we expect these margins to gradually move towards FY25 levels?

My second question is, can you explain the 320-basis-point improvement? What were the factors that led to this, and can we sustain this going forward in FY27?

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Management: The Q1 results are fully in line with the expectations that we had in the previous quarter. The 6.6% operating margin, which excludes other income, is a meaningful step towards achieving the FY25 levels that we hope to close with in the current financial year, at least by the last quarter of FY27.

This progress towards that margin level is going to be maintained throughout the year. We have to appreciate that last year our EBITDA margins went down dramatically because US margins went into negative territory. It was only the strength of our domestic pivot that enabled us to close the year with reasonable growth and a reasonable margin.

We are confident that by the end of this year, we should achieve the pre-tariff, or rather, the FY25 levels in terms of margins. The factors that will broadly contribute to increasing these margins by approximately 300 basis points or more should include the normalization of US exports, which has already happened after the US Supreme Court invalidated the IPA punitive duties. These duties had been particularly harsh on India and had made our competitive position versus other countries very weak. That has now been nullified, and we have been restored to our original competitive position.

Secondly, within the domestic market, we have a favorable product mix. Domestic power cables accounted for approximately 57% of total Q1 revenue, and this is more toward the higher-margin B2B institutional business that we have been undertaking.

Exports returning to more than 29%, versus 15% in Q4 FY26, is also an indicator of the strong recovery that has started in the export market. More or less, we believe that we are well on track.

Sourabh – Yes Securities: That is all from my end. Thank you.

Operator: Thank you. The next question is from the line of Bhavya from Share India. Please proceed.

Bhavya – Share India: Hello. My questions are around the Narmadapuram capacity expansion. I wanted to know the current status and whether we are expecting any cost or time overruns.

Management: Thank you. This is something that we would also like to clarify. The most crucial part right now in the cable industry is arranging the machinery that one needs because, with the expansion that is taking place, there is a fairly long lead time for delivery of machinery.

We have ordered most of the crucial machinery well in advance, and we expect all of it to arrive absolutely on time when we need it. As far as the building is concerned, mobilization at the site has already started. We expect the major construction work to be completed within a period of 6–7 months, which is the timeframe that we have on our internal schedule.

We should therefore be well on plan, and we do not expect any major overruns. Some variations always take place while executing any capex or infrastructure project, but more or less, it should remain on plan. We do not expect any substantial overruns.

Bhavya – Share India: Good to hear that. My next question is how much capex has been incurred to date, and can you break that down between the debt and equity mix?

Management: We have spent approximately {? 35, 35 crores, 37 ?}—

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Management: {? 30, 30 crores ?}.

Management: {? 30, 30 crores plus ?} has been spent on the Narmadapuram project. Although we have also been spending on capex at our existing plants for the last 3–4 years, we have spent more than INR 155 crores on both the existing plants as well.

This investment is coming from a mix of the equity that we have raised, internal accruals, and debt, which will also form part of the mix. It is a mix of the funding that we have already put in place for the project. I will just add to this. Regarding the debt-to-equity mix that you are asking about, Shambhu Agarwal has recently joined our team and will answer that.

Shambhu Agarwal – CFO: To date, we have not taken any debt. Whatever we are spending on the Narmadapuram capex is coming entirely from internal accruals and the capital raised by us recently. At a later stage, we are also targeting some term loans. In any case, after completion of the Narmadapuram project, our target is to keep the debt-equity ratio below 0.3x, so as not to put an additional burden on the company toward interest or loan repayment.

Bhavya – Share India: Understood, sir. We are targeting turnover of around INR 700 crores in FY28 and INR 1,200 crores in FY29. What kind of capacity utilization can we expect in order to achieve these figures?

Management: The INR 700-crore target for FY28 should represent approximately 75% capacity utilization.

Bhavya – Share India: Got it. Lastly, are any approvals in place for EHV cables?

Management: Approvals for this product will come gradually once the plant is established and the product is manufactured. However, this plant is fully fungible with the 11 kV and 33 kV products that we are already selling extensively in the market, and even with 66 kV products.

For 66 kV, we have the approvals in place, but approvals would be required for 132 kV, for example. Practically speaking, this plant will hit the ground running. We will start manufacturing and selling from day one; that is not an issue at all.

However, the time required to obtain the final approvals and secure major volumes for 132 kV will certainly be a factor. We are quite confident, given our track record in the industry, our experience, and the highly experienced manpower we have. There is no doubt about obtaining those approvals. It is simply the natural timeline that will be required after production starts.

In addition, the confidence that customers have in Paramount will be a major factor in enabling us to secure the volumes we need at a much earlier date than a new player might expect.

Bhavya – Share India: Thank you, sir. That was all from my end.

Management: Thank you.

Operator: Thank you. The next question is from the line of Prathamesh Sawant from Abacus Investment. Please proceed.

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Prathamesh Sawant – Abacus Investment: Hi, sir. Good afternoon, and congratulations on a great set of numbers. I have one question. Our exports have grown to approximately 30% of the orders, but I could not see strong growth in the export order book. Could you explain what is happening and how the export order book typically builds?

Management: Typically, we used to have much larger export order books. After last year's disruption, on one hand, we have become more careful, and on the other hand, our distributors have also become somewhat more careful.

Given the risk that we saw, and not merely the risk but the actual realization of that risk and the problems that we faced last year, we all want to be careful. We have a steady pipeline and are not concerned that we will face bottlenecks along the way. We are therefore comfortable keeping our order book at a lower level right now, and as we gain more confidence, we will try to increase it.

There is no pressure on us to maintain a large order book. That is where we stand on this issue. Almost all our customers have now shifted to having any change in tariff charged to the buyer, rather than following the earlier position where we were absorbing the full impact.

Because the value of the impact was so high, we were able to convince our customers to share it with us. The customers then wanted to take the full positive or negative impact into their own accounts because they saw more upside in the sense that duties were coming down. They said, "Now we want to take the full plus or minus into our account." We said that we were happy to do that.

Most customers adopting this approach also immediately removes our risk, and we are comfortable. We do not want to jump into a situation where we try to move ahead too aggressively. We do not want to do that. Even without doing so, having achieved INR 185 crores in Q1, I am more than confident that we will easily achieve INR 700–800 crores in exports to the US again this year.

Prathamesh Sawant – Abacus Investment: Will it be correct to understand that the entire supply chain has shifted to a much shorter cycle? Otherwise, our concern was that exports would be a key contributor to the margin improvement that we were expecting. Do you have any views on that?

Management: Margins are definitely on an upward trend. There is nothing better to explain this improvement than the fact that last year we were actually at substantially negative EBITDA on US exports. I believe we had a 4–4.5% EBITDA-level loss on US exports because of the tariffs that we had to bear, despite customers sharing the impact with us.

Right now, we have had a good quarter and we expect to consolidate that performance. The customers had also been affected. Our distributors had also shared the tariff burden and are still feeling the pain. We are all gaining confidence and moving forward, but we want to take firm and solid steps.

Management: No, Prathamesh. What I want to say is that if we understand that we have a smaller order book, it should not happen that in H2 we have a smaller export component and, because of that, margins decline from where they are now. Do you feel that is a risk?

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Management: No, let me explain that again. Our guidance was very clear until FY25: on the export front, our margins were 1.5% higher than domestic margins. In FY26, everything changed. As I just mentioned, we incurred losses at the EBITDA level on exports. That was not our guidance at all.

Coming to what is happening in the current year, we are gradually improving our export margins. Last year, we were at a significant disadvantage compared to our competitors, particularly countries such as Vietnam and South Korea, and, to some extent, Cambodia. We are now overcoming these disadvantages, and every quarter we expect to improve our margins.

At the same time, we have to appreciate that Paramount can pivot very quickly from domestic to export and from export to domestic. This has already happened twice at Paramount. We have included an interesting chart in our earnings presentation showing how the revenue mix has changed over different periods and how the market trends have evolved.

If you look at FY22, exports to the US accounted for 22% of our revenue. In FY23, when demand in the US was booming and there was significant pressure on us to supply more, exports accounted for 50% of our revenue. In absolute numbers, exports increased from INR 132 crores to INR 400 crores. Of the INR 132 crores, the US accounted for only INR 100 crores, while INR 30 crores came from other markets that we subsequently decided not to serve mainly.

US exports increased from INR 100 crores to INR 400 crores in FY23, which represented 50% of revenue. Then, in FY24, demand in the US declined, so we achieved only INR 276 crores from exports, which represented 26% of revenue. We covered that with domestic revenue, which accounted for 74% and increased to INR 771 crores.

Practically speaking, I was able to nearly double domestic revenue in a single financial year, from INR 396 crores to INR 771 crores. That was the pivot again. While we absorbed the shock of US exports declining, we grew by 30% again. That is what we achieved.

Again, if we come to FY26, this was the year of the extreme shock, in which, during H1, exports to the US had again reached 43% of our revenue. In H1, we had achieved total revenue of approximately—

Siddharth: INR 900 crores?

Sanjay Aggarwal – Chairman & CEO: How much? INR 878 crores?

Siddharth: INR 878 crores.

Sanjay Aggarwal – Chairman & CEO: INR 878 crores, of which we achieved INR 331 crores from US exports alone. But in the next quarter, when the heavy 25% reciprocal duty and 25% {? Section 232 ?} duty were imposed on us, we had to reduce US exports to just INR 169 crores.

However, that does not mean that Paramount's turnover did not grow. We maintained and increased our turnover again. Domestic turnover of INR 497 crores in H1 became INR 864 crores in H2. This demonstrates the fungibility of our capacity and the strength of Paramount, not only in the US market but also in the domestic market, which enabled us to deliver nearly double the volume in a single year. That is the strength of Paramount's positioning in the domestic market as well.

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Prathamesh Sawant – Abacus Investment: I will also add one point regarding what you asked about the order book. If you look at our order book in March, exports were much smaller, even lower than the INR 92 crores that we have today. We still achieved INR 155 crores in exports, so that is not a problem.

We are also very positive that we will be able to achieve INR 700–800 crores of exports in the current financial year. This helps us maintain orders at better margins rather than taking orders at lower margins simply to inflate our order book.

One more point I would like to add is that you will usually never see a very large order book number on Paramount's books. The reason is that we generally do not accept firm-price orders more than 3–4 months in advance. If we accept long-duration orders on a firm-price basis, first, it is not very easy to hedge, and second, hedging can sometimes carry its own risk.

We therefore usually accept variable-price orders, which are acceptable because if the aluminum price goes up, the price goes up, and vice versa. As far as firm-price orders are concerned, we try to adhere to our 3–4-month policy. On the day we receive an order from a customer, we book the material on the next working day. That is how we cover our risk from metal-price volatility.

Prathamesh Sawant – Abacus Investment: We got a fairly long answer for that single question. That was very helpful. I have one minor detail: what is the current capacity utilization, sir?

Sanjay Aggarwal – Chairman & CEO: In our existing plants, capacity utilization is practically 100%, or nearly 100%, throughout. We have been investing and undertaking capex for the last 3 years continuously. Practically every machine that arrives at the factory starts producing from day one, as soon as it is switched on.

For Paramount, the problem is not selling. The problem is manufacturing because our capacity has been constrained. Now that we are continuously adding capacity, we are able to grow. That is why you have seen growth numbers that far surpass anyone else in the industry—30% and 35% CAGR. All of that is possible only when you have such strong customer acceptance.

Prathamesh Sawant – Abacus Investment: Thank you, Sanjay. Best of luck for the future quarters.

Sanjay Aggarwal – Chairman & CEO: Thank you.

Operator: Thank you. The next question is from the line of Jigar Jani from Tandemama. Please proceed.

Jigar Jani – Tandemama: Hi, sir. Thank you for taking my question, and congratulations on a good set of numbers. Continuing with the previous participant's question, you mentioned that you are near optimal capacity utilization in your existing facilities. What topline growth do we expect, and can the performance delivered in Q1 continue? Will the majority of the ramp-up come in FY28 once Narmadapuram starts operating?

Siddharth: I think you have answered the question yourself. In the current year, we expect to achieve approximately 15–20% revenue growth because the existing plants are, as I said, operating at full capacity. We are still undertaking some additional capex in those plants, and some new

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products are also being introduced. We should therefore achieve 15–20% growth.

The following year, once the Narmadapuram capacity comes onstream, I think we should grow at a much faster pace. We have set ourselves the target of crossing INR 5,000 crores in revenue by FY31, and we hope to exceed that target to the extent possible.

If you look at our previous years, we have grown by 30%, 35%, and, in one year, even 40%. That is the kind of growth that we are confident we should be able to achieve. Our problem has always been capacity. As we build capacity, we are very confident that we will get there.

Jigar Jani – Tandemama: As a follow-up on the margin guidance, you said that we will be back to pre-tariff margins, which is approximately an 8% EBITDA margin, by the final quarter of this financial year, correct?

Siddharth: That is our expectation because there has been gradual improvement in the US market. The domestic market is steady, but if we suddenly ask for very high volumes, or much higher volumes, from our market, it takes some time to stabilize. Both factors are in process.

Jigar Jani – Tandemama: Understood. Lastly, one data-related question: what was your metal throughput this quarter, what was it in the same quarter last year, and what was it in Q4?

Sanjay Aggarwal – Chairman & CEO: Offhand, I can say that metal throughput last year was approximately 29,000 tons. This quarter, on a year-on-year basis, I believe we had an approximately 4% increase in metal throughput.

Jigar Jani – Tandemama: 4% compared to the same quarter last year, on a year-on-year basis?

Sanjay Aggarwal – Chairman & CEO: Yes.

Jigar Jani – Tandemama: You will not be able to share the absolute number? I will take it offline, no problem. Those were all my questions. Thank you very much for answering them.

Sanjay Aggarwal – Chairman & CEO: Thank you very much.

Operator: Thank you. The next question is from the line of Siddharth Venkatesh from Vayu Capital. Please proceed.

Siddharth Venkatesh – Vayu Capital: Hello, sir. Thank you for the opportunity. I had a question about our export share, which is increasing steadily. We primarily see demand coming from power cables. I wanted to know whether you could provide any indication or guidance on the margins and capacity for optical fiber, as well as any guidance or plans for the next 2–3 years.

Sanjay Aggarwal – Chairman & CEO: I think Siddharth will give you some perspective on this.

Siddharth: I think you were asking about the market or the margins. I just want to clarify that.

Siddharth Venkatesh – Vayu Capital: What I meant is that optical fiber is a higher-margin product compared to power wires and cables. Are there any plans in that area? We are seeing multi-year demand primarily in North America, while our exports are currently coming from power cables.

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Siddharth: I will explain that. Regarding optical fiber cables, we are not the largest player, and the players we compete with today have backward integration and also manufacture the glass. It is a high-capex model, but that is their business model.

The market is currently in what I would call a golden phase, with data center-driven requirements booming. We see requirements coming to us as well, and we will participate in that opportunity.

There are specific data center applications involving very high-fiber-count cables that we are not currently producing. However, our products are also seeing good market demand, and as the requirement stabilizes, we are confident that we will participate in that segment as well.

Our main growth driver remains power cables. Our new products, such as the specialized conductors that we are manufacturing, which are similar to HTLS, are also more value-accretive for us. In particular—

Sanjay Aggarwal – Chairman & CEO: Sanjay here. Regarding HTLS, we have already made very good progress. We already have INR 100 crores worth of business in hand. The capacity that we are building should not only provide us with high revenues but should also be highly margin-accretive.

It is not a given formula or a standard formula that exports will always provide higher margins. It is quite possible that, in some segments and depending on the volumes we are able to secure, we may achieve very good margins even in the domestic market.

Every segment and every market pocket has its own characteristics. One has to try to be present and maintain a presence across all the sectors in which one operates.

Siddharth Venkatesh – Vayu Capital: Got it, sir. That is all from my side.

Operator: Thank you. The next question is from the line of Vakil Kanodia from Sunidhi Securities. Please proceed.

Vakil Kanodia – Sunidhi Securities: Good afternoon, sir, and congratulations on the strong margins posted this quarter. My first question is regarding the US market. You have commented that it continues to be a strong market. Are we engineering more products for that market, and what is the status on that front? Do we have approvals for those products?

My second question is regarding the Madhya Pradesh facility. You stated that you would obtain approvals for the 132 kV class as well. On a practical basis, what could be the turnaround time for obtaining those approvals, and when can we see revenue contribution from the higher EHV-class cables in our books?

Sanjay Aggarwal – Chairman & CEO: Regarding new products for the US, we are increasing our product portfolio in that market. Until now, we have been exporting cables up to 600 volts to the US market, for which Paramount is the largest exporter from India to the US.

We are now introducing solar cables above 600 volts, which is also a very large market because of the large-scale renewable energy investment taking place in the US. In addition, there are 1 or 2 other products that I would not like to name, which form part of the data center demand. We

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already hold the approvals for these products. It is only a matter of converting those approvals into actual products and direct demand.

Management: That is what we are working on. The US is a market where Paramount quality has already gained significant traction over the last 4–5 years. We are a respected brand there. Whatever product we launch, I believe we already have a built-in advantage by now.

Coming to the Indian market, we have approvals up to 66 kV. Although we were not doing very much in 66 kV because the plant was not fully equipped to produce large volumes, we have been doing it from time to time. In Narmadapuram, this should become much easier. Up to 66 kV, more or less, we are fully prepared.

For 132 kV, we will have to produce the sample, and approvals should start coming in within approximately 1 year. Some approvals may come even within 6–8 months, but that period will be counted from the day we actually start manufacturing.

By the end of FY28, we should start having some approvals in hand, and by FY29 we should have all the approvals. The next stage, of course, will be that we are also currently looking at the possibility of entering the 220 kV and 400 kV segments.

The Narmadapuram site has sufficient space to accommodate these products as well. This work is underway. I think this is not something we are officially mentioning at this point, but it is something that we are looking into.

Vakil Kanodia – Sunidhi Securities: If my understanding is correct, from the phase-one capex of approximately INR 300 crores, INR 1,200 crores could be the peak revenue potential at a 4-times asset turnover. Could that be the case with Narmadapuram?

Management: INR 1,200 crores is the initial 4-times multiple that one can expect. However, 4 times is never the actual multiple that ultimately occurs in our industry.

What happens is that you undertake the initial capex and spend money on building everything. Thereafter, you continue adding things, and revenues come from those additions. Therefore, the multiple on the capex improves.

As I said, we are looking at approximately INR 1,200 crores at 75% capacity utilization. As we move forward, small additions will generate additional revenue. At the end of the day, after the second phase is completed, we expect to stabilize at a multiple of approximately 5.5–6 times.

Vakil Kanodia – Sunidhi Securities: Understood. You also mentioned that you are entering the solar segment. Do EB cables also form part of your plan?

Management: EB cables are expected to have good demand in India for the solar sector. We do not currently see any major part of that demand coming from the US; those are non-EB cables. In India, however, we expect solid demand. I think Parth would like to add something.

Parth Aggarwal – President Marketing: EB cables are definitely part of the phase-one capex that we are discussing, which is INR 300 crores. This will be a new product for us. Therefore, we will have to

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obtain approvals and certification for that product.

It will be a longer-gestation product, but because it has high barriers to entry, it will be more margin-accretive. By the end of FY29, we hope to have the certifications and begin supplying. The major certifications should start coming in a year after that, covering defense, railways, shipbuilding, and other niche requirements that are also growing at a very good pace.

Vakil Kanodia – Sunidhi Securities: Understood. Those were my questions. Thank you for answering them, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Mandira, an individual investor. Please proceed.

Mandira – Individual Investor: Hello?

Operator: Yes, ma'am. Please continue.

Mandira – Individual Investor: I had a few questions. I wanted to know the status of the new launch in the US market and what you think the margin profile of these products would be.

Management: I am sorry, did you say a new launch? There is no particular new launch as such because we have had these approvals for some time. We were limited by our manufacturing capacity, which is why we had restricted ourselves until now to cables up to 600 volts.

Now that we are finding some additional capacity available, we are entering the solar cable segment as well. Exports of solar cables have already started. The margins should be similar to what we are achieving currently. They may increase somewhat as demand strengthens because of the investment taking place in that sector in the US.

Mandira – Individual Investor: What is the current run rate of US exports?

Management: We achieved approximately INR 155 crores in Q1. If you multiply that by 4, you get approximately INR 620 crores, but we should do better than that. We expect to achieve between INR 700–800 crores. I do not think that should be a problem at all.

Mandira – Individual Investor: What does the competitive landscape look like compared with countries other than the US, or with other Indian players?

Management: Are you referring to the US as a buyer, or to other countries competing with us in the US? Is that what you are asking?

Mandira – Individual Investor: Yes.

Management: We have been competing with many countries, but the major competitors currently are South Korea and Vietnam, followed to some extent by Cambodia. There are also some smaller competitors who may gain ground. Egypt is part of this {? reckoning ?}, Ecuador is also present, and Turkey has started taking interest in this market to some extent.

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There are various countries that are pursuing their own strategies. Our problem last year was that we were the worst hit. One competitor was facing 10%, another 15%, and another 18%, but we were facing 25% plus 25%, or 50%, duty on our products.

There was also a large pipeline of orders that our customers had given us. We had started manufacturing those orders, and the goods were lying in the finishing stage at our factory. The biggest issue was that goods were already on ships at sea. Two months' worth of material was at sea after we had dispatched it. All of that was part of the difficulty that we had to navigate.

Mandira – Individual Investor: Thank you. That is all from my side.

Management: Thank you.

Operator: Thank you. The next question is from the line of Saloni Shah, an individual investor. Please proceed.

Saloni Shah – Individual Investor: Thank you for the opportunity. I have 2 questions. First, I wanted to understand what percentage of your current order book is effectively protected against aluminum volatility. Second, regarding the working capital cycle, could you provide some indication of whether we should expect improvement going forward?

Management: As far as aluminum volatility is concerned, as I explained earlier, we do not accept firm-price orders beyond 3–4 months of delivery, and we book the metal on the very next working day after receiving an order.

Practically speaking, at least in theory, there is zero risk. In reality, some positive or negative variations do occur. Variable-price orders also account for a portion of the business. With variable pricing, you are protected, although in actual terms there can still be some variations. More or less, I would say that we are covered.

As a matter of policy, we do not take metal risk—not only today, but for many years.

I am sorry, what was the second question?

Saloni Shah – Individual Investor: It was about the working capital cycle and whether we can expect some improvement.

Management: Our CFO, Mr. Shambhu Agarwal, would like to address that.

Shambhu Agarwal – CFO: As explained during our last call, the company is making every effort to keep its working capital cycle between 90 and 100 days. In Q1 as well, we kept our working capital cycle at 96 days. Gradually, we will continue targeting a working capital cycle within that range of 90–100 days.

Saloni Shah – Individual Investor: Got it. Thank you.

Management: Thank you.

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Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Ms. Vanessa for closing comments. Over to you, ma'am.

Vanessa Fernandes – Adfactors PR: Thank you very much. I thank management for this insightful session with our investor and analyst community today. Thank you, everyone, for taking the time to join us. We look forward to your participation in the next call as well.

Management: Thank you very much. Good day, everybody.

Operator: Thank you. On behalf of Paramount Communications Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you, everyone.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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