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Operator: Ladies and gentlemen, good day and welcome to Paramount Communications Ltd. Q2 and H1 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 an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Vanessa Fernandes from the Investor Relations team at Adfactors PR. Thank you, and over to you, ma'am.

Operator: Thank you, Iqra. Good evening, everyone. On behalf of Paramount Communications Ltd., I would like to welcome you all to the earnings conference call for Q2 and H1 FY27. Today on the call, we have with us from the 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. We will begin the call with brief opening remarks from the management, followed by a Q&A session. Please note that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties that could cause actual results or projections to differ materially from those statements. Paramount Communications will hold no responsibility for any actions 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 and CEO: Good afternoon, ladies and gentlemen. A very warm welcome to you all to Paramount Communications' earnings conference call for the second quarter and half year ended September 30, 2026.

Thank you for joining us today and for your continued interest in Paramount.

Our results, earnings press release, and investor presentation have all been uploaded to the stock exchanges and to our company website. I trust that you have had the opportunity to go through them.

When we last spoke in August, I said that we had started FY27 on a strong note, and the two engines of our business, domestic and exports, were both working for us at the same time. I am happy to report that the second quarter has carried that momentum forward.

Let me begin, as I usually do, with a brief word on the environment in which we operated, because I think that sets the context for the quarter very well. The wires and cables industry continued to navigate two familiar challenges this quarter: metal price volatility and a global trade environment that is still settling down.

On metals, copper prices touched record highs during the quarter and moved quite sharply from week to week, with the tariff decisions in the US and supply disruptions at some of the large mines adding to the volatility.

For a company like ours, that is exactly why we follow the discipline about which we have spoken many times. The day we receive our firm-price order, the next working day we book the metal, and mostly, we do not accept firm-price orders beyond 3 to 4 months' delivery. That discipline has

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served us well throughout this period.

It is pertinent to note, however, that the major metal consumed by us is aluminum, which accounts for more than 75% of metal value consumption for the quarter. Aluminum has shown some price softening during this quarter.

What has remained constant, however, is the underlying demand for our product range. Transmission and distribution investments, renewable capacity addition, railways and metro electrification, and the build-out of large data centers all remained supportive throughout the quarter. These are not one-quarter trends. These are multi-year programs, and we are seeing them reflected directly in our inquiries and order flow.

On the export side, the picture in the US has become clearer and, importantly, more predictable. As you know, the IEEPA tariff was struck down by the US Supreme Court in February. Today, Indian cables are at par with those of competing exporting countries in Asia and Europe. One expects that the tariff framework in the US now rests on a more stable footing than the sudden changes that we lived through last year. Our customers and distributors are regaining confidence, and so are we.

Now, Parth Aggarwal will take you through the business developments first, and then I will come back to the numbers. Over to you, Parth.

Parth Aggarwal - President Marketing: Thank you, Sanjay, and a very good afternoon to all of you.

Our domestic business continued to build on the momentum of the first quarter, led once again by power cables and our B2B institutional customers. The structural drivers we have consistently spoken about—grid strengthening and transmission investments, renewables, railways and metro, construction, and infrastructure—all remained active throughout the quarter. Our Dharuhera and Khushkhera plants continued to operate at optimal utilization, which underlines why Narmadapuram is so central to our next phase of growth.

On the export side, the normalization of our US business that we spoke about last quarter has continued to progress. With India now at par {? duties ?}, our competitive positioning has been restored, and our distributors are planning with more confidence. We continue to view the US as our single largest and most important export market, given the scale of grid modernization and data center investment being planned there.

At the same time, we have stayed disciplined, as we said we would. We are not chasing volume at the cost of margins, and most of our customers now carry tariff changes to their account. Alongside the US, our customer engagement and approval work in the Middle East, Europe, and Africa is progressing, where we see medium-term demand building from data center build-outs and grid upgrade programs. Our approach remains the same: to have approvals and customer relationships in place so that when demand in these markets turns, Paramount is a natural participant.

This quarter, I would like to spend a few minutes on two areas that we believe are increasingly important for us. The first is HTLS, that is, High Temperature Low Sag conductors. Very simply, an HTLS conductor can carry significantly more current than a conventional conductor, at higher temperatures and with less sag. This means a utility can increase the capacity of an existing

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transmission line on its existing towers without having to acquire a new corridor. In a country where right of way is one of the biggest constraints in building transmission lines, this is a very powerful proposition.

The opportunity is large and visible. The National Electricity Plan projects an investment of around 5 lakh crores in ISTS transmission lines between 2027 and 2032. As per our internal assessment of the tenders announced by multiple utilities, state governments, and central government authorities, the management projects the market size for HTLS reconductoring projects to be approximately 50,000 crores in the next 5 years.

Paramount is well positioned here. We are the first company in India to provide an indigenously designed, developed, and manufactured product that is authentically Indian, from core to surface. We offer both carbon-core and gap-type HTLS conductors, which allow us to address the full range of tender specifications, and we have the capability to manufacture conductors up to 765 kV. Most importantly, this is not a future story. We have already secured an HTLS order book of Rs. 200 crores plus as of date, and capacity augmentation for specialized conductors is planned at our new plant at Narmadapuram.

The second area is data centers. India's data center capacity is expanding rapidly, and we are seeing strong demand for our power and specialized cables in these projects. We have established approvals with leading data center developers, and the customers with whom we are approved represent a substantial share of the hyperscale and colocation capacity being planned in the country. Approvals with other leading developers are also progressing well.

Overall, we remain convinced that this is a multi-year expansion phase for the Indian wires and cables industry, and that organized, qualified players with a diversified portfolio and established relationships will capture a disproportionate share of it.

With that, I hand back to Sanjay for our financial performance. Thank you.

Sanjay Aggarwal – Chairman and CEO: Thank you, Parth.

Let me now take you through the numbers for Q2 and H1 FY27.

For Q2 FY27, revenue from operations for the quarter stood at Rs. 560.4 crores, a growth of 31.1% year-on-year and 5.9% quarter-on-quarter. EBITDA, including other income, was Rs. 44.7 crores, with an EBITDA margin of 7.9%. As I said last quarter, the metric that best reflects the underlying business is our operating profit. Operating profit for the quarter was Rs. 40.9 crores, with an operating margin of 7.3%, as against 6.6% in Q1 FY27 and 1.3% in Q2 FY26. PAT for the quarter stood at Rs. 24.2 crores, with a PAT margin of 4.3%, and earnings per share was Rs. 0.74 for the quarter.

As regards H1 FY27, for the first half, revenue from operations was Rs. 1,089.8 crores, up 24.1% year-on-year. EBITDA, including other income, was Rs. 82.5 crores, and operating profit was Rs. 75.6 crores, with an operating margin of 6.9%. PAT was Rs. 43.9 crores.

I had said that our first milestone was to get back to the FY25 level of margins by the last quarter of this financial year, after having suffered the shock of the US tariff last year. With the first half behind

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us, I can say that we remain firmly on track towards that milestone.

When we look at the export and domestic breakup, on the export side, exports for the quarter stood at Rs. 158.1 crores, contributing 28.2% of revenue, and at Rs. 313.1 crores for the half year. The decision we took last year to hold on to our US distributor relationships, even through the worst of the tariff disruption, continues to pay off. We expect US exports to constitute 25% to 30% of our revenues for the full FY27, and we will continue to grow US revenues in a measured way, rather than pressing the accelerator too hard.

Domestic revenues for the quarter were Rs. 402.3 crores, contributing 71.8% of revenue, led by power cables at 55.9% of revenue. Within domestic, our B2B institutional business was Rs. 296.7 crores, B2C retail and distribution was Rs. 53.7 crores, and B2G government and PSUs was Rs. 51.9 crores.

Coming to the order book, our order book as of September 30, 2026, stood at Rs. 731 crores, comprising Rs. 632 crores of domestic orders and Rs. 99 crores of export orders. Power cable and specialized conductor orders stood at Rs. 575 crores. As I have explained before, you will rarely see a very large order book on Paramount's books. That is by design. We do not accept firm-price orders with long delivery periods beyond 3 to 4 months, because that is how we protect ourselves from metal volatility.

Coming to working capital and balance sheet figures, our net working capital stood at 108 days, versus 101 days at the end of FY26. This reflects basically the accelerated [cut off]

Management: ...supplier payments following our equity raise. Our inventory and receivables discipline is intact. We expect to normalize in H2 within 90 to 100 days for FY27. Our net worth stood at Rs. 920 crores as of September 30, 2026, and our debt-equity ratio remains comfortable at 0.14x. The equity that we raised in the first quarter continues to give us a healthy liquidity buffer for both growth and the Narmadapuram project.

Now, on the Narmadapuram project. Let me give you an update on this project, our greenfield project coming up in Madhya Pradesh, which will be our third manufacturing facility. I am happy to report that the project is progressing as planned. Foundation and civil works are well underway and moving in line with our planned schedule. As I mentioned last time, we placed orders for the critical machinery well in advance, precisely because delivery lead times in our industry are long right now. Apart from the critical positions that have already been filled, hiring for operational and plant-level roles has also begun, with a phased ramp-up aligned to the commissioning timeline.

We continue to expect partial commissioning in Q1 FY28, as previously guided. Our expectations from the plant remain unchanged: revenue of approximately Rs. 500 crores in FY28, scaling up to Rs. 1,200 crores in FY29 as the plant ramps up. Narmadapuram is what allows us to move up the value chain, with EHV cables up to 220 kV, specialized conductors including HTLS, and E-beam cables. These are exactly the products where we see the strongest demand from the transmission and grid modernization cycle that Parth spoke about.

Outlook. To sum up, ladies and gentlemen, the first half of FY27 has been about consolidating the recovery that we began to see in the first quarter. The domestic business continues to grow, the US

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business is steadily normalizing, and we are building our position in newer, higher-value segments like HTLS and data centers, while Narmadapuram progresses on schedule. We remain firmly focused on our 5-year vision of reaching revenues of Rs. 5,000 crores by FY31 through capacity expansion at Narmadapuram, deeper domestic penetration, and broader export presence. I believe the first half of this year is clear evidence that we are moving in the right direction. With this, ladies and gentlemen, I open the floor for questions. Thank you so much.

Operator: Thank you very much. We will now begin with 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 Parth Mandavgane from IDBI Capital. Please go ahead.

Parth Mandavgane – IDBI Capital: Hi, team. My question was on utilization. I think our plants are operating at near-full utilization. What would be the most effective opportunities to improve our throughput and utilization before the new facility {? is came in ?}?

Management: [sighs] You see, as you rightly said, the current plants are running at optimal utilization, and we are in any case still doing some capex in both the existing plants, which is going to help us achieve better revenues from these two plants. But in any case, for the next financial year, we are expecting a Rs. 500 crore contribution to come from the Narmadapuram project as well. As far as the current financial year is concerned, we still expect to achieve an increase of between 15% and 18% in our revenues over the existing plant.

Parth Mandavgane – IDBI Capital: Following up on the Narmadapuram plant, other than commissioning, what are the key prerequisites that we have to achieve the planned revenue ramp-up at Narmadapuram? For example, any customer approvals, product qualification, or capacity utilization plan?

Management: You see, the plant that is going to come up at Narmadapuram, the major investment is going to be in the 220 kV EHV power cable line. There is a timeline that is always involved in getting the final approvals to go up to 132 kV and then to 220 kV. But the plant itself will not be lying unused, because we still have a substantial order book for 11, 33, and 66 kV cables. So, the plant will still be utilized, although not to the full extent or not to the extent of the largest voltage ranges. From that point of view, we will hit the ground running at the Narmadapuram plant from day one, practically when we start production.

Management: Also, we already have a healthy order book for HTLS products, so we will be expanding our capacity for that product in the new plant. That will also be hitting the ground running.

Parth Mandavgane – IDBI Capital: Understood. Thank you, and all the best.

Management: Thank you.

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Operator: Thank you. The next question is from the line of Samit Jain from JM Financial. Please go ahead.

Samit Jain – JM Financial: Thank you very much for giving me this opportunity. My first question was regarding, beyond the US, which export market or major customer relationship is in progress for qualification into meaningful orders, and what kind of contribution would they make over the next 2 to 3 years?

Management: You see, we actually moved out of various other export markets to focus entirely on the US for the last 4–5 years. The reason was that we were exporting to more than 30 countries in the past, and these were our regular customers, but the individual orders were fragmented, the markets were not that large, and it put a greater strain on our production capacities, especially when we were under pressure because of our limited production capacities. It was far more important for us to focus on the US, where we could generate much larger volumes and also produce in much larger volumes from within our plants.

Now, after the tariff setbacks last year, we have again started focusing on various other markets, and we are hopeful that within the next 2 to 3 years, we should have some substantial contribution from other export markets as well. We are already working in various Asian and European markets, and also in Oceania, or you can say the Australian market, so we should start getting results within the next 1–2 years.

Management: We are confident of our progress in these markets.

Samit Jain – JM Financial: Understood. My second question was on working capital. Days were around 108 days despite strong export growth. What would be our future cash conversion cycle?

Management: You see, our medium-term working capital target remains at 90 to 100 days, as we have previously guided. The current 108 days basically reflect a conscious decision on our part to accelerate supplier payments. This was because we had done an equity raise and the funds were lying, to quite an extent, unutilized with us. Our receivable days have actually improved substantially, from 79 days at the end of FY26 to 66 days at the end of H1 FY27. Inventory discipline also remains intact. We expect to return to 90 to 100 days, as I said. This was only a temporary phenomenon where we had excess liquidity and utilized it to reduce the creditors.

Operating cash flow generation, we are confident, shall improve, and with the addition of internal accruals, the company expects to have positive cash flow as far as working capital is concerned.

Samit Jain – JM Financial: Okay, understood, sir. Thank you very much.

Operator: Thank you. The next question is from the line of Prathamesh Sawant from Abakkus. Please go ahead.

Prathamesh Sawant – Abakkus: Hi, sir. Congratulations on a good set of numbers, and festive greetings to you and the team. On the export front, as we are saying that we expect to get back to our earlier margins of FY25, I wanted to understand what the glide path will be because we had some discussions that the clawbacks on the additional tariffs were supposed to have a certain impact on margins. Also, what is the current situation on the export front, on tariffs and duties? I am

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trying to understand the glide path to the export margins.

Management: All right. If we look at the overall margins, that will give us an indication of how the export margins and domestic margins have moved. We hit practically the nadir, the lowest point of our operating margin, in Q2 FY26, when we touched a 1.3% operating margin. Since then, if you look at the glide path, we achieved 3.3% in Q3 and 5.2% in Q4. Both these quarters were still badly affected by the US tariffs. It was only towards the end of February 2026 that the US Supreme Court struck down the tariff, the IEEPA tariffs imposed by the US government.

We were able to achieve this basically on the strength of our domestic markets, because we were still incurring losses in the US market. Now, coming to Q1 FY27, the operating margin was 6.6%, and in Q2 it went up to 7.3%. We are well on target to exceed the FY25 operating margin. In fact, we are quite confident that this glide path shall remain on an upward trajectory on a continuous basis, especially because now that the US market has stabilized, we expect margins in the US also to improve. At the same time, with our focus normally being to keep US exposure to mostly up to 30% of our revenues, I think domestic margins are going to matter more, and these are also coming up reasonably strong for us.

Prathamesh Sawant – Abakkus: On the domestic front, as Parth was mentioning, we have a Rs. 200 crore EHV order. What kind of margins can we expect from that, and when will the numbers actually start coming through for those orders?

Management: You see, the HTLS order book currently, as of date and not as of the end of the quarter, is roughly Rs. 200 crores already. This is a product with far better margins, and we expect it to help our margins improve this year as well. As I said, by the fourth quarter we should be exceeding the FY25 margins. Maybe we will exceed them more comfortably with help from the HTLS margins and the other...

Prathamesh Sawant – Abakkus: Can we expect a double-digit margin from this HTLS segment, because industry peers are getting that kind of margin from this segment?

Management: You see, HTLS by itself would give us double-digit margins, but the HTLS order book is still roughly Rs. 200 crores as of now.

Prathamesh Sawant – Abakkus: I just wanted to understand directionally, because this is just the beginning. Eventually, as the order book grows, we can have...

Management: As HTLS grows as a percentage of our revenue, it should really help us improve our operating margins. That is definitely there, without a doubt.

Prathamesh Sawant – Abakkus: Okay, sir. Best of luck. I will get back in the queue.

Management: Thank you. Thank you very much.

Operator: Thank you. The next question is from the line of Yash Desai from Sanjay Doshi Financial Services. Please go ahead.

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Yash Desai – Sanjay Doshi Financial Services: Hello. First of all, congratulations on the good set of numbers. As you mentioned, the order book is somewhere around Rs. 731 crores. I wanted to know what proportion is backed by firm customer commitments, how you assess its revenue visibility, and the potential risk of cancellation or deferment.

Management: Our order book is only firm orders that we have in hand. It is very rare that we see cancellations happening from our customers. In the worst of times, even from the US markets, we did not have any major cancellations. So, one can be assured of that, not for the [trails off]

Yash Desai – Sanjay Doshi Financial Services: When can we see the revenue visibility?

Management: Revenue visibility on [cut off]

Management: I think it is continuous. I think there is some disturbance continuously. Somebody from the [trails off]

Operator: Yes, sir, it is from his line.

Management: Oh. Okay.

Management: May I request you to mute while we answer your question, please?

Management: I think you can repeat the answer for this. The question was about the order book and whether it is firm.

Management: Number one, as far as the order book is concerned, our order book reflects only the firm orders that we have. Number two, it is very rare that we see cancellations in our order books. Number three, the visibility of our annual revenue target for this year is already there, considering the run rate that we have. Our H1 sales are Rs. 1,090 crores, and we are comfortably in sight of our target for the financial year FY27. That is not a problem.

Management: I think you also asked about the execution of the order book, which is generally a 3- to 4-month period for firm-price orders. If there are any variable-price orders, they might have longer delivery periods. Overall, execution of the order book is over a 3- to 4-month period.

Yash Desai – Sanjay Doshi Financial Services: Okay. Thank you very much, and all the best for the future.

Management: Thank you. Thank you very much.

Operator: Thank you. The next question is from the line of Kriti Tripathi from NVS Brokerage. Please go ahead.

Kriti Tripathi – NVS Brokerage: Hello, sir. Congratulations on a strong set of numbers. My first question is about the strong growth in the power generation and transmission sector. Can we expect the Rs. 5,000 crore revenue target in the next 3 years instead of 5 years? Also, what kind of EBITDA margin target has been set for that level of revenue? My other question is that, as you highlighted, HTLS conductors, EHV cables, and E-beam cables are important future growth opportunities. Are we planning to introduce any additional higher-value products like these? My last

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question is whether we have any ambition to increase our export contribution to, say, 50% of turnover. Thank you, sir.

Management: We had reached an export contribution of 50% way back in FY23. After that, we have been more concerned about limiting our export exposure, and this was shown to be a problem last year. From this year onwards, we view it as a very stable opportunity. We are still not planning to go much beyond 30% of our revenues as exports. Of course, in the US market, we can try to achieve larger numbers, but it is always a better approach to limit our exposure to that market.

Coming to the target of reaching Rs. 5,000 crores, I think we want to be conservative in whatever guidance we give. This is guidance when we say that we expect to achieve Rs. 5,000 crores by FY31. We will not revise that, but we are hopeful that we should be able to exceed this target by a significant margin as we progress on our plans.

As regards the products, the more profitable products coming into the {? Alwar ?} project are, of course, extra-high-voltage cables up to 220 kV. We are also looking at E-beam cables and rubber cables. The additional HTLS capacities that we need beyond what we are producing in our existing plants will also be set up there. Overall, we expect our revenues and, consequently, our margins to be on an upward trend.

Kriti Tripathi – NVS Brokerage: Okay, sir. Thank you.

Operator: Thank you.

Management: Thank you.

Operator: Participants who wish to ask a question may press star and one. The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita – Sapphire Capital: Hello, am I audible?

Operator: Yes, ma'am.

Management: Yes.

Nishita – Sapphire Capital: I had a few questions. First is on our order book bid pipeline. You mentioned that we only take firm orders and not orders longer than 3 to 4 months. What is the order book visibility beyond these 3 to 4 months of order book?

Management: You see, this is a rolling situation. Every month, we keep receiving orders, and fortunately, getting orders is not much of a concern for Paramount. We therefore do not try to feel comfortable with a longer order book. If we wish, we can have an 8-month order book, but we feel much more secure when we keep our order book limited to 4 months because of metal price fluctuations. Prices can go up and they can go down. Either way, there can be a problem.

Our policy is that wherever we accept an order, the very next working day we book the metal. At the same time, we cannot have unlimited booking of metals. That puts financial strain on the company. Secondly, it exposes the company to a situation where, if the price of metal collapses and the customer finds reasons not to accept the materials, the company would be in trouble. The so-called

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hedging is something that we do not consider to be hedging in the event of customers walking out of their orders.

Management: In the case of variable-price orders, we are comfortable taking larger delivery orders when and where they are available for...

Management: Many customers are nowadays changing their policy and giving variable-price orders. We are comfortable with those. We can accept variable-price orders on a longer-delivery basis. That is not a problem.

Management: I will just add to what Sanjay said. One thing we always say is that Paramount's footprint is much larger than its current market size. We are a 70-year-old company with approvals and brand awareness across the country, across utilities and industries. So, it is not hard for us to sell. The order book, its visibility, and getting new orders every month are not problems for us.

Nishita - Sapphire Capital: Understood. I also wanted to understand whether the Rs. 200 crore HTLS order book has the same execution timeline of 3 to 4 months.

Management: HTLS, hopefully yes. However, since this is a new product and also involves installation, there is EPC work involved as well, so this might have some longer delivery periods. In any case, we are building up our capacities for that as well, and there are further orders in the pipeline. All this is a work in progress, and we are very confident that this is going to be a very strong contributor to our top line and bottom line.

Management: Right.

Nishita - Sapphire Capital: If you could quantify the pipeline for HTLS?

Management: We mentioned that, as of date, we have an order book of around Rs. 200 crores for HTLS, and of course, there are more orders in the pipeline.

Management: I will just add that a substantial portion of this is the supply portion.

Nishita - Sapphire Capital: Understood. My next question is on our new facility. What will be the total capacity for this new facility in Madhya Pradesh?

Management: Did you ask what the total capacity of the new plant would be?

Nishita - Sapphire Capital: Yes, sir.

Management: We plan to double our existing capacity. Right now, we are doing approximately 30,000 metric tons of metal, and with the new plant completely ramped up by FY30, we expect to double this capacity. Approximately a similar 30,000 metric tons will be in the new plant in the next 3 to 4 years.

Nishita - Sapphire Capital: Understood. By FY29, we have given a target of achieving Rs. 1,200 crores of turnover from this new capacity. By then, can we expect the capacity to be around 20,000 metric tons?

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Management: That will depend on how the situation develops.

Nishita – Sapphire Capital: Okay.

Management: The production capacity could be in that range.

Management: Yes, by FY29, it could be at that run rate.

Nishita – Sapphire Capital: Understood. My next question is on approvals. You mentioned that we need to obtain the 220 kV approvals, and that this is a major part of our new facility as well. When can we expect these approvals to come?

Management: It usually takes 1 to 1.5 years, or it should take that much time, for us to obtain the approvals. But as I said, the plant will not be lying unused. In the same plant, we will use the facilities to manufacture our 11, 33, and 66 kV cables.

Management: I will explain this in a little more detail. On the same line that we are operating, we are running multiple lines for HT cables. Some lines will produce 33 kV cables, while some lines will produce 132 kV and 220 kV cables. The 132 kV and 220 kV machines can also make the 33 kV cables that we are currently making, as well as 66 kV cables.

Each range also has its own time requirement for approvals. For 66 kV, we have a current range, and to obtain the full range, we will probably be able to get approval within 3 to 6 months of the plant becoming operational. For 132 kV, it will probably be within 12 months of the plant becoming operational. For 220 kV, there might be a slightly longer gestation period. Every benchmark will take its own time, but the plant will never remain idle. That is why we are confident of our numbers.

Nishita – Sapphire Capital: This Rs. 500 crore and Rs. 1,200 crore revenue turnover target that we have from this new facility ideally will not be primarily from 220 kV cables, I am assuming, because we will not have the approvals by then.

Management: Yes, it will not be primarily from 220 kV in the first 2 years, of course. The product mix will continue to improve, but it will be part of a process. We will be able to start supplying HTLS cables quite early, from the initial period. As we set up the E-beam cable facilities, we will use them for the renewable sector, and that should come around much faster. I think every product will have a different glide path, as you say.

Nishita – Sapphire Capital: Understood. My last question is about the guidance. We are expecting 15% to 18% growth in the top line. What are we expecting on the margin front?

Management: As guided earlier, our growth will be between 15% and 20% over the previous year's sales. We are confident of achieving that, and I think our H1 run rate is also indicative of that. There is no issue on that front. In terms of margin, the Chairman has clearly stated that we will be able to achieve the FY25 operating margin levels by the last quarter. That is what we reiterate.

Nishita – Sapphire Capital: Perfect. Thank you very much for answering my questions.

Management: Thank you.

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Operator: Thank you. The next question is from the line of Nikhil Kanodia from Sunidhi Securities. Please go ahead.

Nikhil Kanodia – Sunidhi Securities: Hi. Am I audible?

Operator: Yes, sir.

Management: Yes, sir.

Nikhil Kanodia – Sunidhi Securities: Firstly, good evening, and congratulations on a great set of numbers. It is very encouraging to see that you are walking the talk with growth in the top line and also moving towards a stabilized EBITDA margin. My first question is on that trigger. We have seen commodity prices moving up and down, tariff reductions being implemented, export incentives, and temporary cost benefits. Given all these conditions, what could be our steady-state margin profile under normal demand conditions? Please throw some light on the stable, sustainable growth trajectory that we could see at the EBITDA margin level.

Management: You see, I would prefer to use the term operating margin because that is probably the market norm. When we look at operating margins, we have already achieved a 7.3% operating margin for this quarter. The target of around 8% is not that far away. We are looking at 2 quarters away. Whatever clawback comes through, the net clawback after deduction of the sharing that we do with our customers, I think we are considering that amount separately from the normal operating margins that we hope to show. This should be visible in our Q3 results.

Nikhil Kanodia – Sunidhi Securities: If I am understanding correctly, you are saying that your 8% guidance is excluding the clawback and any other price adjustments that might occur. Excluding those items, you are confident of achieving 8%, correct?

Management: Yes.

Management: By Q4, definitely.

Nikhil Kanodia – Sunidhi Securities: You are saying that your margin will be 8% by Q4?

Management: Yes, definitely.

Nikhil Kanodia – Sunidhi Securities: Okay.

Management: We have not achieved this 8% yet, but we can say that we are hopeful.

Nikhil Kanodia – Sunidhi Securities: Understood. On the [trails off]

Nikhil Kanodia – Sunidhi Securities: ...next segment of our products and all of those things. You have been providing guidance on many areas, and your competitors have also been saying a lot about data center cables, E-beam, HTLS, and all of those things. I wanted to understand your view of the best product mix in your range and your priority for commercialization. What would be the sequence? Would data centers come first, followed by E-beam, or would it happen simultaneously? Your newer capacity is also coming up, so Phase 2 might include all types of cables. What could be the ideal product mix for you that is margin-accretive, and what would be the sequence for its

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commercialization?

Management: I think we should be clear. When we discuss this, we sometimes get confused between the market segment and the product segment. Product segments are what we produce, and market segments are where we have to sell. For example, in the data center market, many product segments would go into the data center. The same would be the case in the power T&D sector, where we could supply HTLS, EHV cables, and medium-voltage cables as well.

As far as the product range is concerned, we have a very stable product range in our existing 2 plants. Except for the unfortunate tariff scenario that occurred in the last financial year, which disturbed our operations, we have a very steady margin profile in our domestic sales, and we have been able to increase our domestic sales whenever required, at a very fast pace. In fact, our markets have been substantially fungible between the US and India, as we have demonstrated through our track record. There is also a slide in our earnings presentation that shows this.

So, I think, [pause] we are looking at product margins in that way. We are able to switch to whichever product offers us a better margin profile. As I said, these existing 2 plants have more or less a steady range. The range at the new plant, as we have mentioned, is going to include EHV cables, EV cables, HTLS, and some other margin-accretive products. As and when we obtain approvals and enter various customers for each product segment, we are going to improve our margins.

Management: I think that was very well put. I will add to it. You asked what the priority selling area would be, whether it would be data centers or transmission. We have to fire on all engines. Our teams are working on all segments. We are progressing very well on our data center approvals. We have a very good team working there, and we have had many factory visits and plant approvals from major data center projects. We expect to get good business from them.

We will get good business from various T&D customer segments, such as state and central utilities like Power Grid. A very good opportunity is emerging there. In addition, the industrial investment taking place across the country is generating good demand. EHV will go into all 3 segments, not just data centers. We will sell into all 3. Wherever we can sell, we will sell all our products. We also have plans to work on export markets for the products for which we obtain approvals at the new plants, including HTLS and EHV cables.

Nikhil Kanodia – Sunidhi Securities: All these newer product segments that we are discussing, which are margin-accretive, will largely be catered to from the newer capacity, correct?

Management: Yes, largely. However, from the existing plants also, as we enter more margin-accretive customer segments, that should improve the margin profile there as well. Let us hope so.

Nikhil Kanodia – Sunidhi Securities: If I may squeeze in one last question, there is a new entrant in the industry and the larger players have been impacted. Right now, there is not much overlap between your product segment and the competitor's product segment. If you were to enter their segment or they were to enter your segment, how well are we prepared to face that competition? It could lead to price wars and similar issues.

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Management: We do not have any ambitions to enter that highly competitive segment, with high advertising costs and high distribution costs. We have very limited exposure to the B2C business, and that is quite steady. We do roughly Rs. 100 crores of B2C business out of approximately Rs. 2,000 crores of revenue. So, that is not an area of concern for us.

As far as the B2B business is concerned, that is a different ballgame altogether. We have a strength that was mentioned a few minutes ago: our footprint is much larger than our size in terms of revenues or operations.

We are comfortable with our 4- to 5-month order book because orders keep rolling in on a very regular basis. It is not a problem for us. Whatever larger player enters the field and tries to increase its presence in the markets in which we operate, I think we are quite comfortable because even now we have no difficulty getting the business we need. It is not an issue.

Nikhil Kanodia – Sunidhi Securities: So, basically, you are going to stay in your area of expertise, without experimenting in other areas, and you are confident about the trajectory going forward, correct?

Management: Sure.

Management: As we proceed with the newer production at Narmadapuram, there will be less competition. That is why we are saying it will be more margin-accretive. So, we are confident.

Nikhil Kanodia – Sunidhi Securities: Those were my questions. All the best, and I look forward to the trajectory you have been guiding for and to future conversations on your earnings calls. Thank you, and all the best.

Management: Thank you.

Management: Thank you very much. Thank you.

Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Ajeet Sethi from {? Eco Consolidation ?}. Please go ahead.

Ajeet Sethi – {? Eco Consolidation ?}: Thank you for the opportunity. My question is on reconductoring. I want to understand the reconductoring opportunity in India in terms of circuit kilometers, and, out of this total opportunity, what market share does the company target to capture?

Management: We cannot share, or rather, we are not very confident of, exact numbers on reconductoring circuit kilometers, as you mentioned. But based on our estimates, the size of the market is at least Rs. 50,000 crores over the next 5 years for the reconductoring business, which would mainly include HTLS, but also other items.

Ajeet Sethi – {? Eco Consolidation ?}: Okay. And, sir...

Management: This is something that we have derived from our observation and experience in the overall market scenario.

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Management: There was a second part to your question. Can you repeat that, please?

Ajeet Sethi – {? Eco Consolidation ?}: What market share does the company target to capture out of this total opportunity?

Management: We have just introduced this product, and we are very well positioned to capture a good portion of this business. Right now, we would be among the top 5 companies for this product in the country. As the market and the product segment mature, we will be one of the leaders for this product. We are very confident of that.

Ajeet Sethi – {? Eco Consolidation ?}: I want to understand, of the total circuit kilometers expected to be reconductored, how much is likely to involve replacing existing ACSR conductors, and how do you see the adoption of HTLS evolving compared with conventional AL-59 conductors over the next few years?

Management: HTLS is going to replace traditional ACSR conductors. AL-59, I think, should not be a priority for reconductoring right now, because the low-hanging fruit would be ACSR conductors, which will be reconductored first. Thereafter, of course, HTLS is the much more efficient solution to the requirement. That will also happen over time.

Management: There will also be new lines, not just reconductoring. Private companies that are setting up captive-use solar parks or renewable parks are setting up transmission lines with HTLS. That is also an opportunity.

Ajeet Sethi – {? Eco Consolidation ?}: Within the HTLS conductor segment, which technology is seeing higher adoption in reconductoring? Is it ACCC or ACCR, and what are the key reasons behind this preference?

Management: We will not discuss this in too much detail...

Management: These are basically brands, not technologies, for one. These are areas that we would probably not like to discuss on a public forum.

Management: As we said, this is a developing market. Things are progressing very quickly. We will wait for the market to mature before commenting on that. However, as we said, we currently cover the 2 largest technologies being procured for HTLS, which are carbon-core conductors and gap conductors.

Ajeet Sethi – {? Eco Consolidation ?}: After commissioning of the greenfield plant, what will be our HTLS capacity?

Management: [hesitates] It will involve increasing investment in it and increasing output from it. We believe that we will give you a number by the time our plant becomes operational regarding the tonnage we will produce for HTLS.

Ajeet Sethi – {? Eco Consolidation ?}: Thank you, sir. That is very helpful.

Management: Thank you. Thank you very much.

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Management: Thank you.

Operator: Thank you. The next question is from the line of Parth Sheth from Smith and Thompson Capital Advisory. Please go ahead.

Parth Sheth – Smith and Thompson Capital Advisory: Hi, sir. Congratulations on the good set of numbers. I had a couple of questions. First, are we on track to achieve Rs. 700 to Rs. 800 crores in US exports during this year?

Management: Roughly yes, because we are looking at 30% of revenues, as I said.

Parth Sheth – Smith and Thompson Capital Advisory: Okay.

Management: Rs. 700 crores should be more like it, but these things are slightly variable depending on the market scenario that prevails.

Management: I think the guidance was clearly that we will try to maintain our US exports between 25% and 30% of turnover for the year, which should be around that number. Some variations are always possible depending on the situation, but it should be around that number.

Parth Sheth – Smith and Thompson Capital Advisory: My second question is how the company will fund the expansion while maintaining a debt-equity ratio of 0.3?

Management: Sir, can you please repeat your question once again?

Parth Sheth – Smith and Thompson Capital Advisory: How will the company fund the expansion of Narmadapuram while maintaining a debt-equity ratio of 0.3 times?

Management: At present, our debt-equity ratio is 0.3, which is certainly very low. It is below 0.3. At present, I think it is 0.14 or 0.13.

Parth Sheth – Smith and Thompson Capital Advisory: Yes, it is.

Management: We are certainly going to arrange some long-term loans in the coming period to fund the Narmadapuram project. In any case, we do not expect the ratio to cross 0.6 or 0.7 under any circumstances.

Management: To clarify, the Rs. 300 crore capex that we are envisaging initially will be a mix of debt, equity, and cash accruals. The equity has already been raised, and long-term debt is being arranged. We did not need it earlier, but in the coming quarters, the long-term loans will be tied up. Once the plant becomes operational, we are confident that our debt-equity ratio will not cross 0.3.

Management: It will be around that ratio.

Management: It will be around that range. Let us say it will be around that range.

Management: Yes.

Parth Sheth – Smith and Thompson Capital Advisory: Thank you.

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Management: Thank you.

Operator: Thank you. Ladies and gentlemen, we will take this as the last question for today. I would now like to hand the conference over to Ms. Vanessa Fernandes for closing comments. Over to you, ma'am.

Vanessa Fernandes: I would like to thank the management of Paramount Communications for their time today and for taking us through what has been a strong quarter for the company, with growth in both revenue and profitability. Thank you to all the participants for joining us and for your thoughtful questions today. If any of your queries remain unanswered, please feel free to reach out to us at Adfactors PR. We look forward to connecting with you again next quarter. Thank you, and have a good evening.

Operator: Go ahead.

Management: Thank you very much.

Management: Thank you very much.

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.

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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