Apar Industries

Operator: Ladies and gentlemen, good day, and welcome to the Apar Industries Ltd. Q2 FY27 earnings conference call. As a reminder, all participant 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 the conference call, please signal the operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Ambesh Tiwari from {? Antique Stock Broking ?}. Thank you, and over to you, sir.

Ambesh Tiwari – Antique Stock Broking: Thank you. Good afternoon, everyone, and welcome to the H1 and Q2 FY27 earnings call for Apar Industries Ltd. to discuss the business performance and outlook. From the management side, we have Mr. Kushal Desai, Chairman and Managing Director; Mr. Chaitanya Desai, Managing Director; and the CFO, Mr. Ramesh Iyer. I would now hand over to Mr. Kushal Desai for the opening remarks. Thank you, and over to you, sir.

Kushal Desai – Chairman & Managing Director: Thank you, Ambesh, and good afternoon, everyone. We are very glad to have you all with us for the Apar Industries Ltd. Q2 FY27 earnings call.

In terms of the format, I will start with the consolidated performance, then take you through some recent industry updates, and after that, run through the performance of each individual division. At the end, we can open the floor for questions.

Our consolidated revenue for the second quarter of FY27 came in at 6,931 crores, which is higher than the same period of the previous year by 21.3%, and 5.2% higher compared to the sequential quarter.

Domestic revenues grew 34.3%, while exports declined by 3.3%. I did want to specifically point out here that we had approximately 800 crores of conductors and cables in transit, which had been sold to customers on a DDP basis. Some of the product remained in transit because of shipping timelines and the availability of containers, which were pushed out to a little later in the quarter. All of this product is scheduled to be sold in the US market. As a result, US revenue was 29.7% lower compared to the second quarter of last year. However, the order books remained at a very strong level at the end of this quarter, and with the realization of this DDP amount, you will find that by Q3 the situation will look a little different.

All our businesses delivered strong EBITDA margins year-on-year, with the biggest driver coming from the oil division. EBITDA after open-period forex adjustments rose 57.8% year-on-year to 787 crores, and the margin improved by 270 basis points to 11.4% from 8.7% a year ago. On the back of the strong EBITDA margin improvement, coupled with improved financial leverage, our overall net profits rose 77.8% year-on-year to 447 crores. PAT margins improved to 6.5%, an increase of 200 basis points compared to the previous year.

If you now consider the first half of FY27, there has been healthy growth, with this being the highest-ever half-yearly revenue and profit. Revenue for H1 grew 25% to 13,522 crores. Domestic revenue was higher than the previous year by 35.5%, and exports grew by 3.7%, excluding, of course, the 800 crores that I spoke about earlier. The export proportion of overall revenue stands at 27.6%.

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US revenue was down 21.5% year-on-year based on what I explained earlier regarding the 800 crores in transit. EBITDA after open-period forex grew 60.2% to 1,602 crores, with EBITDA margins of 11.8% in the first half of FY27 versus 9.2% in the first half of FY26.

Our profit after tax for the half year grew 77.7% to reach 915 crores. The PAT margin also improved by 200 basis points.

I will now cover some of the key industry highlights. During the first half of the year, India added approximately 8,775 circuit kilometers of transmission lines, which is up 153% year-on-year. In terms of transformation capacity, about 6,71,815 MVA was added during this period, which is up 52% year-on-year.

In September 2026, the Centre approved intrastate transmission systems to evacuate up to 135 GW of renewable energy by FY33, representing an addition of approximately 51,126 circuit kilometers of transmission lines and transformation capacity of 2,28,903 MVA. This is essentially the third green transmission corridor to be announced, and the expected investment is about 1.86 trillion rupees.

There have also been two other important announcements from CEA regarding the setting of a 10% to 15% thermal margin limit for transmission lines versus the standard. So, if the standard operating temperature of a transmission line, for example, is 70°, this limit would apply to 10% to 15% above 70°, which keeps the upper limit at about 80°, at which the line can operate. The other announcement mandates N-1 reliability in terms of the architecture of the transmission network. Given these two important changes, we expect an acceleration of reconductoring of lines, especially in sections of the network where electricity demand is growing.

When you look at some of the major programs outside India, in the US, there has been an announcement of the SPARK program, which is the Speed to Power Through Accelerated Reconductoring and Other Key [coughs] excuse me, Advanced Technologies and Upgrades. It was announced in September 2026 by the Department of Energy, which has specifically listed 31 projects in 26 states with a capital allocation of approximately $1.9 billion of federal funding. This is expected to unlock 23 GW of transmission capacity and will cover the reconductoring and rebuilding of about 1,500 miles of transmission lines, as well as grid-enhancing technologies across about 21,000 miles.

Coming to the segmental highlights, I would now like to take you through the performance of each division. If you look at the conductor division, overall revenue for the quarter grew 21.1% to 3,753 crores. This was led largely by the increase in the prices of commodities and underlying metals. Volume for the quarter declined by 9.2% over the same period last year. Domestic revenue was up 22% versus Q2 FY26 and 8% versus Q1 FY27. Our exports increased by 18.3% versus last year and 29.5% versus Q1 FY27. Overall, exports constituted 23.6% of the mix for the quarter and 24.2% in the first half. On a sequential-quarter basis, however, it improved from 20.5% to 23.6%.

US revenue for conductors grew by 12.2% in this quarter. The premium mix stood at 39.4% in Q2 FY27 compared to about 45.3% in Q2 FY26. EBITDA after open-period forex grew 11.3% to reach 276 crores. The EBITDA margin improved on the back of the execution of higher-margin orders during the quarter, with EBITDA per metric ton coming in at 48,241 rupees per metric ton compared to 39,363 per metric ton a year earlier.

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On a half-year basis, revenue was up 20.5% to reach 7,092 crores, whereas overall sales volume was lower by 8% compared to last year. Domestic revenue and export revenue grew by 20.7% and 20%, respectively.

US revenue was down 8.4%. EBITDA after forex was higher than the same period last year by almost 12.6%. EBITDA per metric ton was 50,739 per metric ton versus 41,421 per metric ton a year ago.

H1 witnessed a volume decline, as I mentioned, of around 9.2%, as there continue to be delays in manufacturing clearances as well as in the awarding of new conductor orders from customers, especially TBCB awardees. As you can imagine, there has been significant commodity inflation in the form of the prices of both copper and aluminum on the LME. A higher premium, such as MJP on aluminum, is at the highest level it has been in the last 4 years, and there has also been a sharp increase in steel for the manufacturing of towers.

This is the second consecutive quarter in which we have seen this trend. However, it is important to keep in mind that TBCB orders have an execution period not exceeding 36 months, with extremely stringent penalties on [cut off]

Management: deliveries. Hence, there is only a finite timeline in which some of this can be postponed.

It is also interesting to note that in the past quarter, execution of existing contracts was high.

As I mentioned in the earlier part of my opening remarks, international freight rates had risen very sharply in Q2, and there was also a very heavy demand and diversion of containers toward China along the Europe and US freight lanes.

As we move into Q3, however, this freight trend has already started showing signs of reversal. Consequently, we should see a better situation in this quarter.

What is also interesting to note is that the order book is currently at an all-time high of 12,025 crores as of September 30.

The order book consists of new orders received during the second quarter of FY27 to the extent of 4,725 crores, which is higher than the same period last year by 82%.

The order book includes several prestigious and new types of orders from utilities in the UK and the US, amounting to about 3,000 crores.

This includes the first Z-shaped conductor order from Scandinavia, which is highly resistant in high-wind conditions. This is for evacuation from an offshore wind farm off the coast of Scandinavia.

We have also received a new set of HTLS orders from overseas markets, including countries in Africa, South America, and Europe.

On the OPGW front, we received our single-largest order and the first of its kind with a 48-fiber OPGW from KPTCL, Karnataka Power Transmission Corporation Limited, amounting to about 960 crores. It uses a new communication technology, IP-MPLS, which stands for Internet Protocol

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Multi-Protocol Switching. This technology improves not only the speed but also the security of data transfer.

We also received our first OPGW order with 144 fibers from a customer in Central America. This is an extremely important strategic milestone because a higher OPGW fiber count is going to be the order of the day with data centers coming up and the amount of data transmission likely to increase exponentially.

Approximately 25% of this 12,025-crore order book will be staggered over 2 to 3 months, with the rest of the order book likely to be executed in a period of less than 18 months.

It is also expected that the second half will see much more aggressive execution in transmission lines, and we are gearing up for the higher volumes in H2.

To sum up, the structural demand drivers remain intact, and it is only a matter of time before the flow of order execution catches up with the final delivery schedule of the transmission projects.

Coming to the oil business, revenue for the quarter came in at 1,819 crores, up 35.6% year-on-year and 6.7% sequentially, led by higher realization on the back of higher base oil prices.

The operating environment continues to be extremely challenging and volatile, characterized by record refining margin spreads.

This is having an overall impact on the business, especially considering that the value of billing has almost doubled on a unit basis. Therefore, it is more prudent to limit sales to the maximum exposure limit set, as well as limit them by the number of days outstanding, given the fact that clients today have to pay double the cost of what they were paying earlier and that it is not easy to obtain double the financial limits.

Considering this prudence in terms of how much we are willing to bill customers and what exposures we are prepared to take, we see that the overall volume is down to 128,590 kl for the quarter, which is about 20% lower than the same period of the previous year.

Our business out of the Hamriyah plant has substantially reduced because of the logistics of bringing product in and out. Some of those exports have actually been transferred to India, and we continue to execute those orders from India.

Exports as a proportion of the oil business are currently at 37% compared to 43% a year ago and 36.4% last quarter.

EBITDA after foreign exchange grew by 185% to reach 299 crores. The EBITDA margin stands at 23,262 crores per kl in the second quarter of FY27 versus 6,517 kl a year ago.

On a half-yearly basis, revenue reached 3,525 crores, growing 35.3% versus last year.

Volumes for the same period fell by 16.9%. Exports grew 23.5% year-on-year, and the export mix stands at 36.7% in the first half of FY27.

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Since the beginning of the Middle East conflict, we have changed our operating philosophy to focus on executing higher-margin orders with customers who have been consistently buying from Apar Industries Ltd., while ensuring that they receive consistent quality with uninterrupted supply.

This has led to a reduction in spot buying of base oil and a reduction in sales to customers who are significantly more price-sensitive, have an erratic purchase pattern, or where we feel there are limitations in terms of cash flow.

By following this approach, margins have increased even though volumes have declined to some extent, but we have protected ourselves quite significantly in such a volatile environment.

Now, moving to the cable division, revenues reached 1,875 crores, representing growth of 22.1%. Copper accounts for about 30% of the overall revenue mix compared to 20% a year ago. Copper prices were up by almost 50%, and aluminum prices rose by almost 35% during the quarter.

Consequently, metal prices, along with volume, led to about a 35% to 40% increase in sales value.

However, our US sales declined by 50% over last year, which brought overall growth down to 22%.

This quarter, as I mentioned earlier, we had an unusually high value of cables, amounting to over 440 crores, in transit, for which sales revenue could not be recognized because the Incoterms are on a DDP basis.

The incremental excess transit value, that is, the transit value of 440 crores minus what existed at the beginning of the quarter, represents almost 20% of the sales value.

Considering this number will put the entire manufacturing dispatch and the lower recognized US and overall Q2 revenues in the right perspective.

If you look at the domestic business, revenues increased by 71.4% in cables and 14.1% sequentially. Exports came down to 45.2% and were down 29.8% compared to the first quarter.

The export mix stands at 19% of Q2 FY27 compared to 42.3% last year.

EBITDA margins improved by 80 basis points to 11%.

Moving to the half-yearly performance, revenue grew 25.7% year-on-year. Domestic revenue was up 65.8%, but export revenues were down by around 30.2%.

EBITDA after forex stood at 401 crores, representing year-on-year growth of 34.2%.

The EBITDA margin stood at 10.8%, which is 70 basis points higher than last year.

The cable order book also remains very strong at 3,000 crores of orders compared to 1,653 crores, and the bulk of these orders are expected to be executed before the end of the year.

We have also received almost 1,000 crores of orders from Google data centers in the US and Amazon's largest data center, which is coming up in India.

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During the quarter, we successfully completed another round of QIP, raising 2,500 crores. The proceeds will be deployed toward improving working capital and strengthening the balance sheet, thereby enhancing our financial flexibility and supporting our future growth initiatives.

As a consequence of this fundraise, our rating improved by one notch from AA- to AA. This is an important development that will help us access larger finance limits, rationalize borrowing costs, and further improve our financial flexibility.

In conclusion, despite a challenging operating environment, business momentum remains strong, as reflected by the order books of our conductor, cable, and oil divisions.

The data center capex cycle is still building up both overseas and in India.

We also see freight rates, which have sharply increased to Europe and Latin America, starting to ease, making exports to these geographies more feasible.

The medium- to long-term trend remains intact and could, in fact, accelerate in the months to come.

At this stage, we are confident about our performance during FY27.

I would like to conclude my opening remarks here. Once again, thank you all for joining this call.

Before we open the floor to questions, I would like to extend a warm greeting to all of you and your families for the upcoming festival season.

With that, we would be happy to start taking questions.

Operator: Thank you very much. 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 Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora – Axis Mutual Fund: Hi. Thank you, sir, for the opportunity, and congratulations on a very strong order book. My first question is on profitability on the aluminum side. The first half itself is quite strong, averaging 48,000 to 50,000. How are we thinking about profitability for this year, because your guidance has been around 40,000 for this year? Also, if you can articulate the premiumization apart from your guidance, because the few orders that you spoke about in the order book look like they are from a very premium end of the market. I know you provide guidance every year for EBITDA per ton for aluminum for that particular year. Directionally, can you tell us a little more? If my understanding is correct, ideally profitability should improve. How should we think about it? That is the first question.

Management {? Ramesh ?}: Hi, Nitin. The premium mix has been high in the second quarter, as it was high in the first quarter. Within the premium mix, there are different categories of conductors. Each has a different margin profile depending on where we sell, whether it is domestic or export,

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and the type of customer. The margin profile varies. By and large, the more premium range of products we have, the margin should improve. However, depending on specific cases of sales to customers, the margin profile within the premium mix also changes.

As we have been discussing in the past, it may be difficult to estimate EBITDA margins precisely, but we can give a range, which is what we have always been talking about: 35,000 to 36,000 plus tailwinds. These tailwinds keep coming depending on the product, service, margin, and execution, as well as the geography in which it has been sold.

Management: To add to what Ramesh said, there are some very premium orders, and some of them are for the first time, like the Z-[cut off]

Management: ...cable conductor which is going to Europe. It has so far been manufactured by only two other conductor manufacturers in the world. Obviously, this is moving toward greater premiumization. We have to complete the execution of the orders, get all these things installed, and so on. Also, the OPGW that we received for Karnataka is a very large job on a complete turnkey basis, right from design to delivery. It will also incorporate this new technology, for which Apar Industries Ltd. has tied up with Nokia.

This continues to progress. My expectation is that margins from these products will continue to improve. However, the environment, as I said, is extremely volatile. You suddenly have MJP at a 4-year high. On certain freight lanes, freight rates have suddenly multiplied by 2 to 3 times in the short term, as happened in Europe earlier.

I think the strategy Apar Industries Ltd. is following is that, as you will see in the operating philosophy of the oil business, we are trying to be very selective about the quality of business we take in such a volatile environment. If you work with lower margins, these impacts can suddenly occur and completely wipe out whatever profitability you had from factors beyond your control.

We hope that this volatility starts reducing and that some of these wars and aggressions decline, in which case volatility will come down and an automatic cushion that has been built into the system will no longer need to be used.

Considering all that, I would summarize by saying that we continue to push hard, and there is a lot of opportunity emerging for more premium products as we move forward. As you may have gathered from the opening remarks, the changes that CEA has made are very significant changes in terms of the operating quality of the network in India.

By controlling the amount of temperature rise, you are essentially controlling the amount of power being transferred across the line, and you do not want the line to become overloaded. A simple way of measuring this is by measuring temperature.

They have also introduced the redundancy, the N-1 requirement that I mentioned. Accordingly, secondary transmission lines are bound to come up, and reconductoring is bound to take place. The US has formally announced a program called PATH for the first time, as I mentioned, with specific programs in place. This fund of $2 billion is going to help complete the capex wherever gap funding and other requirements are involved, as well as support the adoption of higher technology.

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There is a lot of excitement in terms of the way premiumization is progressing. Time will tell how it ultimately translates into EBITDA per ton.

Nitin Arora – Axis Mutual Fund: Got it, sir. That was quite comprehensive. There is nothing further from our side. Thank you very much, sir.

Management: I wanted to give you a broader overview of what is happening.

Nitin Arora – Axis Mutual Fund: Yes. It is very helpful. Does the guidance for this year still remain at 40,000? Since the first half is strong, where should we land and how should we think about it?

Management: Normally, Nitin, we do not provide guidance for the quarter or for the year. Typically, a lot of the order book is MTO-based, so we provide guidance from a medium- to long-term perspective. Because of the nature and complexity of the business, it is not easy or possible to provide guidance for the quarter.

However, we expect tailwinds to come, and that is where our margins are in line with our guidance.

Nitin Arora – Axis Mutual Fund: Sure. One more question here, Ramesh, to you. When we look at working capital, we understand that aluminum is significant, and we saw in some of the auto ancillary companies working with aluminum that the working capital buildup was quite high this quarter specifically. Is this going to normalize? Is the correct understanding that because of high aluminum inventory, aluminum also got reversed? That would also have impacted you. Could you provide some insight into this balance-sheet aspect of working capital?

Management: I will answer the specifics. We have been maintaining extremely strong control over both debtors and inventory. Aluminum is up by 35% to 40%, copper is up by 50%, and base oils are up by 100%. There has been huge inflation in raw materials. Clearly, not every customer has been able to build sufficient financial muscle and cash flow to handle this.

That is also one of the reasons why there has been some reduction in sales volume, because we want to limit the way in which we run the business to ensure that cash flow does not come under any form of pressure.

This has not really had an impact on the amount of inventory we hold. We have controlled it in terms of the number of days outstanding. The physical value has obviously gone up because of the commodity value. The way in which we handle dispatches and supplies to customers has necessarily had to change to ensure that the company is not exposed to any additional risk and that cash flows remain healthy.

Nitin Arora – Axis Mutual Fund: Thank you very much, team. I will come back in the queue. Thanks a lot. Bye.

Operator: Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar – ICICI Securities: Good afternoon, sir, and thank you for the opportunity. My first question is on the reconductoring opportunity. Personally, we used to think that reconductoring

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was likely to grow at a very fast rate, but we are looking at the IMR data for FY26, and it appears to be more flat or in decline. Are you seeing an improvement in the order inflow outlook in the domestic market for HTLS? Is it fair to expect that the margin we earn on HTLS is much higher than the average margin we report for the conductor segment?

Management: On the HTLS side, a lot of tenders have come out. The only issue is that some of them have taken more time to be formally processed through their utility spot meetings and so on. Generally, we see growth in this segment. There is also more competition coming in, which is a factor. However, overall, the size of the market is growing. Therefore, while our market share may decline, we may still not see a reduction in our volumes or revenue on the HTLS side.

Management: As I mentioned in the opening remarks, the extent of basic changes in the market that favor HTLS is increasing. The two changes that I mentioned just now, made by CEA, are very recent and occurred within the quarter. It will take some time for them to percolate down, but they have far-reaching consequences in terms of where they will be applied.

As I mentioned, even in the US, although these patents were originally filed in the US, the market there was quite limited. Now, with these changes and with all the data center growth happening there, you will see increasingly more HTLS being used there as well. Being the largest player in the world in HTLS, I think we are in a very good position. Although it may not be possible to predict this quarter by quarter, the trend is looking very strong.

Mohit Kumar – ICICI Securities: Understood. My second question is on CTC conductors. I think that capacity has just been brought on stream. This particular segment seems to be seeing very high growth. Could you help us with the outlook here? Are you exploring export markets for CTC, particularly, and are the margins much better than the average margin we report?

Management: There are two questions, so I will take them one by one. First, the basic demand for CTC continues to grow. A lot of capacity has come on stream both at Apar Industries Ltd. and at some of our key competitors.

Having said that, CEA is contemplating increasing the applications where CTC can be used. It is not only looking at more and more transformers that will require CTC, but CTC also provides better performance than PICC.

Apar Industries Ltd. has already started looking at exports. We have received some trial orders from customers in the United States. We are in very advanced discussions with customers in Europe. We had signed up a whole set of customers in the Middle East before the war broke out, and we continue to ship to some of them. However, their volumes have also been affected to some extent because of the current environment.

In short, there is good demand for CTC. I think the addition of CTC capacity outside India is slower than the rate at which demand is going to increase in those countries. We are working toward that.

We did have a small setback in Q2 as far as CTC is concerned because, when the very heavy rains hit Silvassa, one half of our CTC complex was badly affected compared to the rest of our cable and conductor manufacturing operations. Consequently, capacity was reduced by almost the equivalent

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of 20-odd days out of 90 days. That affected, to some extent, what could have been dispatched during the quarter.

Otherwise, yes, exports are something we are looking at, and I think we will see good traction from them.

Management: I would also like to add that expansions by some transformer customers have been delayed to some extent. When those expansions materialize, CTC volume offtake will also materialize to the extent we had envisaged when we undertook the capex for the expansion.

Mohit Kumar – ICICI Securities: Do you have any indication on the margins, sir? Are the margins better than our average margins?

Management: They are about similar. You will see a slight decline in domestic margins simply because adequate capacity will be coming into place. Margins will improve for very specialized products. When you move to 400 kV and 765 kV, more HVDC projects will come forward over the next 5 to 7 years. That is where you will get higher margins. On a like-for-like basis, given that capacity has increased and supply has improved, you will see a slight decline on the domestic side.

The export side is about similar because, at present, some of the premium you are receiving is being absorbed by freight and logistics. When those prices fall, your ex-factory netbacks will obviously improve.

Mohit Kumar – ICICI Securities: Understood, sir. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Umesh Raut from Nomura. Please go ahead.

Umesh Raut – Nomura: Hi, sir. Good evening, and congratulations on a very good set of numbers. My first question pertains to bookkeeping. If I look at trade payables, I think they have increased on a year-on-year basis. If I look at March '26, it was close to 109 days. Now it is lower at about 81 days. Is this reduction largely because of the deployment of the funds raised toward reducing customer acceptances, or is it related to higher payouts to vendors?

Management: We deployed the QIP money for the purposes for which it was raised, which was working capital. We resorted to cash purchases of raw materials, and that is how we deployed the money. Therefore, you are seeing that the number of days of trade payables is lower than it was in the past.

Umesh Raut – Nomura: Could you please give me the number for acceptances as of September '26?

Management: It is around 3,500 crores.

Umesh Raut – Nomura: Understood. My second question is regarding capex. If I look at our capex for the first half, it was close to 500 crores, given that you mentioned in the last call that the total capex planned was close to 15 billion rupees. There is also possible capex that you are exploring

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outside India. How should we think about the capex number for the full years FY27, FY28, and FY29?

Management: We are looking at capex of around 1,500 crores. At the beginning of the year, the plan was for this to be spent over 12 to 15 months or so. We have now spent close to 500 crores on that front. Once this phase of capex is over, our capex spend will probably be lower because this phase involves stepping up capacity, and therefore we are seeing a buildup in the capex amount. Once this 1,500-crore phase of capex is over, we expect annual capex to be in the range of 300 crores or so, or 300 to 400 crores.

Management: This 1,500 crores does not include any of the overseas expansion. We are still in the process of [trails off]

Management: ...looking at closing the loop for the overseas side of the expansion. It is not at a fairly advanced stage, but we still have to close on that.

Umesh Raut – Nomura: Understood. Is it fair to assume that capex for this year could be about 10 billion rupees, with the remaining 5 billion extending into FY28, and that there could be additional capex for capacity expansion outside India?

Management: We will stick to the India figures for now because that is what we have been discussing. As I said, about 1,500 crores was planned at the beginning of the year to be spent over the next 12 to 15 months or so. Sometimes capex gets delayed by a quarter or so, so that is where it would be. Largely, it would be about 1,500 crores over 12 to 15 months, of which we have already spent 500 crores as of now.

Umesh Raut – Nomura: Understood. There is also a proposal to invest up to about $100 million in PSPL. The earlier proposal was to invest closer to $10 million. What is the reason for this change in the proposal?

Management: [pause] PSPL is our wholly owned subsidiary, and it also houses all our operations under this Singapore entity. We are prefunding the entity at this moment.

Management: This is an enabling resolution that has been taken considering that we are looking at various options for overseas expansion. We have therefore taken an enabling resolution at this stage.

Umesh Raut – Nomura: Is it fair to assume that these enabling provisions relate more to a probable expansion outside India or to inorganic opportunities?

Management: They relate to expansions outside India that we are currently evaluating. We will provide the details as and when it is required to do so, but for now, it is an enabling resolution for investment in and funding of the subsidiary of the company.

Umesh Raut – Nomura: Understood. My last question is on the strong orders that you received in the quarter for both the cable and conductor businesses. Particularly in cables, the order book has now increased to almost 30 billion-plus. It had generally been in the range of about 16 to 19 billion rupees in the past. What explains this? You also mentioned that there is considerable room for

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improvement from the export market in the cable business, which has yet to come. How should we think about the cable order book one or 2 years from now, when that part of the business ramps up for us? On the conductor side, did you book any large orders in the quarter, given that the number was again higher, closer to 50 billion for Q2?

Management: On the cable front, we are largely on track to grow the business 25% year-on-year. The higher order book has come primarily from data center products. The single largest component is products going into data centers. I specifically mentioned Amazon's new and, as I understand, largest data centers in India. We have received orders for two locations. Execution will happen between now and the end of this financial year, and we expect more orders from the same sites. We also received about 1,000 crores between the AWS and Google data centers that I mentioned.

Besides that, more orders have come in for renewable energy, both solar and wind. The railway order book is also up. Generally, all the sectors that we have been discussing and that Apar Industries Ltd. is focusing on have seen improved order books. However, cables going into data centers represent the largest chunk.

You will see the US side of the business picking up because order books coming from there have started filling in. Execution, as I said, includes more than 440 crores of cables already in transit, which will physically hit the books in Q3. There is a good pipeline of orders, including orders booked as part of the 3,000 crores.

Umesh Raut – Nomura: Understood.

Management: On the [trails off]

Management: [overlap] conductor side, we have won a few large orders. One is the OPGW order from Karnataka that I already mentioned, and we have also won export orders in both the US and Europe. These are included in our order book, and staggered delivery will take place over part of the year for that business.

Umesh Raut – Nomura: Understood. If I look at the EBIT margin and EBITDA margin for the copper cable business, I think it is now closer to 11%. Given that the incremental orders are from data centers or the export market, margins could be even higher. Is it fair to assume that our cable segment is also moving toward an 11% to 12% EBITDA margin profile going forward?

Management: Our target is to reach between 11% and 12%, and we are trying to move in that direction. As I said, the volatile environment is creating a set of leakages, especially with respect to freight, premiums on metals, and even steel prices, which have suddenly risen. Despite all those challenges, you will see that we delivered 11% in the quarter, and our clear aspiration is to be between 11% and 12%. We have publicly stated that, and we are actively working toward it.

Umesh Raut – Nomura: Got it. Thank you very much, and I wish you a very happy Diwali in advance. Thank you.

Management: Thank you.

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Operator: Thank you. The next question is from the line of Adit Chheda from Asian Market Securities. Please go ahead.

Adit Chheda – Asian Market Securities: Hi, sir. Thank you for the opportunity, and congratulations on the great execution. First, on the cable side, you mentioned that you have secured close to 1,000 crores of orders linked to Google's US data center and Amazon's upcoming India data center. How significant could these data center-related cables become in the overall business 2 to 3 years from now? Do these projects offer a better margin than the company's conventional cable portfolio?

Management: The end-target segment is data centers, but as I have mentioned in various public forums and conferences, the construction and composition of the US market are completely different from the Indian market, even if the same name is involved.

US data center cables definitely offer a better margin profile compared to a similar product sold in India because they have much higher specifications.

In the Indian data center segment, the addressable market is very large, but competitive intensity is much higher and the margin profile is much lower than in exports, simply because of the nature of the cable construction and the complexity involved in manufacturing.

However, it will remain one of the largest growing segments, and you will see our presence increasing.

Keep in mind that, in India, no AI data centers of any significant size are operating yet. As these come on stream, you will start seeing some US-type specifications finding their way into this market. Time will tell what the final premiums or margins will be.

Over time, particularly in the case of GPU-based data centers used for AI and training, a much higher specification is required, given the amount of electricity and the utilization that the data center has relative to an enterprise data center, which is largely CPU-based.

Therefore, even though they are all data centers, there is significant variation and variety depending on the geography and the type of data center. It will be a large addressable market, and the US side will command a premium compared to India simply because of the complexity of its construction.

Adit Chheda – Asian Market Securities: That is very helpful, sir. Secondly, on the conductor business, you mentioned in your opening remarks that delays in manufacturing clearances and fresh order awards, particularly from TBCB awardees, were a key reason for the decline in volumes. With the order book already at 12,000-odd crores, have you started seeing any improvement in clearances and order awards? What sort of volume growth can we expect in the second half?

Management: We are seeing a reversal of that trend. We expect that, because Q3 and Q4 are the peak seasons for the completion of various projects, and there is a finite timeline beyond which customers do not want to delay, this decline should be arrested by next quarter. We expect the third and fourth quarters to be stronger than the first and second quarters in terms of the volume numbers we discussed.

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Management: As I mentioned in the opening remarks, when you receive a TBCB award, you essentially have 36 months end-to-end. There is some flexibility, but it is finite because if execution is not completed within 36 months, the penalties are very severe.

You may also have noted that the execution of existing orders and the delivery of transmission lines during the quarter, including older contracts, were at an all-time high. It was 153% higher than in the same period a year ago.

Clearly, many people have focused on executing and completing their existing projects. They have delayed some work on new projects because of inflation, but there is a finite timeline beyond which they will simply have to press the button.

I think that is the current situation.

Adit Chheda – Asian Market Securities: Got it, sir. That is very helpful. Lastly, on the oil business, if base oil prices remain elevated, could we expect volumes to remain subdued for longer? Second, in continuation of this, are we still adhering to the broad guidance given a couple of quarters ago for all three divisions?

Management: We clearly expect the conductor business to see a catch-up in the second half in terms of volume. For the cable business, we have been guiding to 25% value growth, and we are quite confident that we will meet or exceed that. If you take factory dispatches, the figures look very different because of the 400-odd crores of in-transit products.

On the oil side, that is the one area where, as I said regarding our operating philosophy, we do not want to chase volume. We fundamentally want to pursue the quality of the business, which consists of higher-performance grades and good customers, while focusing on ensuring that they receive the right quality of product. Refineries are also being forced to switch the crude oils they use. It is no longer the case that whatever you received from a refinery over the last 10 years is exactly what you receive in the current quarter. If they have had to change some of their crude inputs, the base oils coming out of them are bound to show some variation.

Therefore, our entire focus today is to preserve the quality portion of the business. We clearly know that there is a whole range of customers who are price-sensitive and do not have the financial capability to maintain the same payment terms, given that product prices have increased. Our operating philosophy has therefore changed to focus on margin, ROCE, and the quality of the business rather than its volume.

The lubricant side of the business has performed well and has grown at more than the 7% that we were targeting. This includes both industrial lubricants and automotive lubricants.

Adit Chheda – Asian Market Securities: Got it, sir. Thank you very much, and Diwali greetings to the team.

Management: Thank you.

Operator: Thank you. The next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

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Achal Lohade – Nuvama Institutional Equities: Good afternoon, sir. Thank you for the opportunity. First, could you give us some sense of the utilization of our conductors, cables, and oil division for Q2?

Management: On the cable side, existing capacity is largely utilized, other than in a few areas. Overall capacity utilization is in excess of 90%, with some sections running at 100% to 105% capacity, especially those where we use copper products that serve data center orders. That part of the business is operating almost at full capacity. Conductor business utilization [trails off]

Management: ...should be about 80%.

Management: Keep in mind that capex is being undertaken and expansion is taking place as we speak. Every quarter, additional capacity will come in. Therefore, capacity constraints are not the main issue and will not be a constraint. We have ensured that we invest slightly ahead of the curve, and the capacity is available.

Today, operating discipline is what is limiting the way in which we conduct business. In some cases on the conductor side, it is the customer who has to press the button on when manufacturing clearance should be given, based on what the customer can afford.

However, I would not consider physical capacity to be a constraint either. The oil business is also not capacity-constrained, and conductors are not a constraint. In cables, there are constraints in certain sections, where we are putting in new expansion. As we end this year and move into next year, I do not think capacity should really be the biggest problem.

Achal Lohade – Nuvama Institutional Equities: Is it possible to get some sense of industry growth from a medium-term perspective for domestic conductors, cables, and the oil division?

Management: [pause] In general, we expect the conductor division, from an industry perspective and excluding some of the aberrations we are seeing in metal price movements, to grow by about 10%, excluding all these one-off effects.

Achal Lohade – Nuvama Institutional Equities: And how about the other divisions?

Management: Growth can be measured only in rupee terms. If you look at constant metal prices, you are looking at around 15% growth. There are some companies with strong brands, strong distribution, and a good product portfolio where the growth percentage is somewhat higher. Smaller-scale companies and some of the other players with highly commoditized offerings are actually seeing a decline.

Overall growth is around 15% to 20%. In the case of oil and lubricants, transformer oil is probably in the 5% to 7% range, while the other products are below 2% to 3%. Overall, that is why we have been guiding to 5% to 7%. In the current scenario, however, we are limiting the business based on the operating discipline we want to employ.

Achal Lohade – Nuvama Institutional Equities: In terms of the export markets, could you talk a little about the competition, particularly from Chinese competitors? How is the situation developing?

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Management: There is still a significant arbitrage between the Shanghai Metal Exchange and the LME, which provides a fundamental benefit to Chinese conductor exporters and, for that matter, cable exporters. That competition is quite severe. I also mentioned this in our opening remarks.

Having said that, there are other pockets on which we are concentrating: customers in the US, Europe, and Latin America, where either the type of product or the type of transaction is not particularly suitable for a Chinese player.

For example, we have contracts worth 3,000 crores from utilities in the US and Europe that are effectively rate contracts spread over 2 to 3 years. These types of deals are areas where Apar Industries Ltd. has built a very high level of credibility relative to some other international suppliers. Therefore, we are in a better position to sign these types of contracts.

Otherwise, for standard products, shorter delivery cycles, and relatively simple requirements, Chinese competition is definitely very aggressive.

Achal Lohade – Nuvama Institutional Equities: My last question, if I may, is regarding the oil division. This quarter also, we had a substantial margin, somewhat lower than Q1 but substantially higher than the historical average. Could you clarify this and explain how we should view it going forward?

Management: There is definitely a positive effect in terms of unit margins because we have largely been concentrating on buying under contracts rather than buying on the spot market. Spot prices are fluctuating considerably. As a consequence, as I mentioned, we changed our operating philosophy. We have been taking contracted volumes and the best-quality ingredients available and focusing on the highest-quality customers and business.

Going forward, there is clearly a premium in margins in the short term. I cannot really say what will happen if the war ends. Having said that, it does not appear that anything is slowing down right now. Therefore, the same operating philosophy will continue. We will limit the amount of purchases we make and focus on the quality of the business.

The lower end of the business, in terms of lower-quality applications, lower-quality customers, and lower quality in terms of the prices they are prepared to pay and the payment terms, is quite dangerous to emphasize too much, in our view, given that this volatility is unlikely to change.

Achal Lohade – Nuvama Institutional Equities: Does that—

Management: Does that help answer your question? We are not looking at a volume game at all.

Achal Lohade – Nuvama Institutional Equities: That is a fair point and helpful. What I wanted to understand more clearly is whether Q1 had inventory gains. Is there an element of that in Q2, or should we assume that this is the new normal margin, at least {? till there is the war ?}?

Management: Yes, there has been some gain in Q2. However, there was also a massive movement. Oil prices had fallen very substantially just before the quarter, in the second half of June, and then they bounced back significantly.

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When you buy under contract, you have a steadier supply and a steadier price. When you buy on the spot market, you may buy cheaply for a few days, and then you are currently buying at very high prices. Therefore, there is some benefit arising from the way Apar Industries Ltd. has been conducting its business. By no means are these normal margins.

Achal Lohade – Nuvama Institutional Equities: Got it. Thank you, and wish you all the best.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, to ensure that the management is able to address questions from all participants in the conference, please limit your questions to 2 per participant. Should you have a follow-up question, we request you to rejoin the queue. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani – PL Capital: Hi, sir. Thank you for taking my question. My first question is on volumes. Despite the decline in volumes, and despite the premium contribution declining in value terms, we are still able to maintain a very strong EBITDA per ton. On the volume side, I wanted to understand whether the volume contribution from premium products continues to grow while non-premium products are moderating, despite the volume decline reported in H1.

You also highlighted that you won several HTLS contracts in overseas markets, which I believe are premium products, while premium products did not used to constitute a significant part of exports. Can we expect the premium portion of volumes to continue increasing in H2 and perhaps next year?

Management: As we have been saying, we expect this trend to reverse because utilities have a finite period up to which they can postpone projects. We have a very strong order book, and it is clear that the low volumes are a temporary phenomenon caused by high metal prices. There has been no structural change in demand.

Customers are evaluating whether they should complete projects immediately at higher metal prices or wait for a few months in the expectation that prices will decline. They are weighing the cost of the metal against the damages they would have to pay for delayed completion.

These are clearly temporary phenomena. The strong order book reflects good demand in the market. We hope the second half of the year will be better than the first half from the perspective of customers wanting to complete their various projects; otherwise, they would face substantial liquidated damages. Therefore, we expect execution to turn, although we will have to wait and see exactly how it happens and how the lifting of orders begins from the customers' side.

Regarding premium products and margins, yes, we have been saying that there has been a volume decline, and a large part of the decline also relates to non-premium products because premium products have a service element as well. However, we are seeing declines in both categories in the first half of the year. Despite that decline, the remaining volume gets split among various premium categories.

As you know, we have multiple premium products in our basket. We were able to deliver a good mix during this quarter, which helped compensate for the decline in overall volume in Q2, allowing us to

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remain above the EBITDA level reported last year.

Amit Anwani – PL Capital: In terms of the overseas pipeline for premium products, you mentioned HTLS wins in Africa. How should we view the overseas pipeline for premium conductors now?

Management: It is also increasing. We are expanding our product lines in overseas markets, and we will see growth in the future as we make further inroads into overseas markets with premium offerings.

As you saw, there is significant focus in the US on this {? PATH ?} program. It is about reconductoring lines, improving current-carrying capacity, and limiting losses. We see that trend increasing in the market in the period ahead, and our expansion of product offerings in developed countries will also increase over time.

Amit Anwani – PL Capital: On cables, we have won the Google and AWS orders. In terms of capability and capacity, can these orders be met from the current capacity expansion being undertaken this year, or will additional capacity or capabilities be required? Since the pipeline of these orders is expected to increase further, what are your thoughts on that?

Management: We currently have adequate capacity for the orders we have taken. To execute this order book, the combination of our existing capacity and the new equipment under commissioning should be sufficient. Our capacity to handle larger and larger orders is also increasing.

Some of these AI data centers may have a single package from the US worth between 400 crores and 1,000 crores. We are gradually gearing up. The Google order was more than 500 crores as a single order. As our credibility becomes established through delivery of these orders, we will see more and more participation in these types of RFQs.

Capacity is being built up. As we speak, equipment is under installation and commissioning. We are largely on plan, plus or minus one quarter, with respect to the capex rollout.

Amit Anwani – PL Capital: Regarding the 1,000-crore enabling resolution in the Singapore entity, is there any clarity on whether it will be equity, preference shares, or debt? Are we not funding it through internal accruals? What exactly does this relate to? Is it expansion in any particular division?

Management: We will disclose the details at the appropriate time, probably after first informing the stock exchange, and then we will disclose the details. Currently, as we said, it is an enabling resolution to infuse the funds. Once we inform the stock exchange, we can have a more detailed discussion.

Amit Anwani – PL Capital: Understood. Lastly, on the cable business, earlier we used to provide guidance regarding growth in elastomeric, E-beam, and B2C. How has that developed in H1? Also, regarding power cables, we were trying to improve our capa-

Amit Anwani – PL Capital: ...bility and product profile to 132 kV and higher. Could you provide some sense there? That is all. Thank you.

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Management: The elastomeric side of the business is growing. The data center market in the US is predominantly based on elastomeric cables, where we use EPR, which is an ethylene-based polymer. That part of the business continues to grow.

On the power-voltage front, we are currently at 66 kV. Some of the new equipment being installed will enable us to move to 132 kV and, ultimately, even 220 kV. That is in the pipeline, but I do not think you will see any business from it in financial year '27. It is more of a financial year '28 opportunity, when the equipment is installed and we begin execution.

Otherwise, we regularly conduct business up to 66 kV.

Amit Anwani - PL Capital: Thank you. Thank you very much.

Operator: Thank you. The next question is from the line of Natasa Jain from PhillipCapital. Please go ahead.

Natasa Jain - PhillipCapital: Just one question on the global, or rather macro, side. If domestically we see power and transmission spending driven by the government, it comprises both copper and aluminum wire and cable in value terms. Copper is definitely increasing. I know we do not have a large wire or copper business, but the overall budget is indexed to that.

The geopolitical and macro situation does not seem to be easing on the war front. Has it happened historically, or can it happen, that the entire T&D budget could be deprioritized? What risk do you see? We all know the strong tailwinds in cabling, but from a very medium-term structural point of view, what risk could materialize in this segment?

Management: First of all, our copper portfolio is also continuously growing, both on the cable side and on the conductor side. In that sense, copper as a physical percentage of the total metal we process is increasing.

We really do not see any major impact on the T&D side. There is, in fact, a shortage of power. We had a very difficult time when temperatures suddenly increased in September. There were also many stability issues in the grid and the system. Consequently, we do not see any slowdown. We actually see new legislation coming in that will grow demand.

The same situation exists overseas. More and more products and systems are being deployed, and HTLS is beginning to be used. The entire SPARK program is aimed at unlocking 23 GW of power delivery by reconductoring and upgrading technologies on existing transmission corridors.

I do not see anything significant there. There may be some minor variations, but if you look at the trend, there is no indication of a decline. There is a lot of discussion about data center spending in the US. It may not be 50 GW in a year, but even 15 GW to 20 GW in a year is very significant. The total value will also be very large.

Natasa Jain - PhillipCapital: Understood, sir. So, at least you do not see any risk of deprioritization of spending on power T&D?

Management: Yes, I think that is quite remote from our standpoint.

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Natasa Jain – PhillipCapital: Understood. One last question on cables. Margins have improved despite the fact that higher-margin exports have reduced significantly. Is this due to premium products? If so, could you call out the premium-product mix last quarter versus this quarter?

Management: We have constantly been reviewing the cable product portfolio, including all the elastomeric cables that go into these premium segments. It is at the upper end of what we have seen in the last few quarters, but there is nothing unusually significant that has come in.

As we continue to push toward higher applications, our target is to settle between 10% and 12% in terms of EBITDA margin, with 25% year-on-year growth and stable metal prices.

We will continue pushing for higher margins than those existing today.

Natasa Jain – PhillipCapital: Got it. Understood, sir. Thank you very much.

Operator: Thank you. The next question is from the line of Sanjeev Zarbade from Antique Institutional Equities. Please go ahead.

Management: Hello, Sanjeev. Can you hear us? We cannot hear you yet. Can you hear us?

Sanjeev Zarbade – Antique Institutional Equities: Yes, sir. Congratulations on a good set of numbers. I wanted to understand how you view the emerging demand-supply situation on the conductor side, because smaller players are also adding capacity, while volumes contracted in the first half for you as well. How do you view the situation over the medium term?

Management: On the conventional conductor side, a few players have entered the market that have their own EPC operations or are already present downstream. In those cases, a certain portion of the market has effectively been carved out, and it is not as accessible to us in the domestic market.

On the HTLS side and other premium types of products, new entrants have also come in. However, the challenge there is not only manufacturing. It also involves meeting quality specifications and completing the project end-to-end, which requires engineering design, product performance, and compliance with the stringent requirements of an HTLS product.

While there may be new entrants and some market share may be taken either by new HTLS players or by EPC players that have backward-integrated into conductor manufacturing, the overall market is growing, and we do not expect a reduction in our volumes.

Another factor is that Apar Industries Ltd. consistently has more innovative products. As a result, we will continue to be a leader in the market, drive innovative solutions, maintain volume leadership, and maintain our profits.

For example, I specifically mentioned that we received our first Z-type conductor order from a large Scandinavian utility that is evacuating power from an offshore wind farm. Over time, these types of products will also find their way to India.

The east coast of India experiences cyclones, and another cyclone is developing as we speak for the next few weeks. These types of products are ideal for such conditions. The Z-type conductor allows air to flow through the conductor itself. As a result, it does not move as much as a

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conventional product would.

There will be more and more players entering the market, and that is fine. They are trying to premiumize their portfolios, but we are trying to further premiumize our portfolio with these types of solution-based products.

I do not think we are particularly worried about competition in that sense.

Sanjeev Zarbade – Antique Institutional Equities: Okay, sir. Thanks and—

Management: We will find the green grass either in locality A, B, or C.

Sanjeev Zarbade – Antique Institutional Equities: Thank you, sir, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Mahesh Patil from ICICI Securities. Please go ahead.

Mahesh Patil – ICICI Securities: Hi, sir. Thank you for the opportunity. My question is on data centers. Out of the current order book, how much would pertain to data centers?

Management: We have approximately 1,000 crores out of the 3,000 crores from the 2 large data centers. There may be a few hundred crores more from other data centers. It is a constant flow.

I specifically mentioned these 2 because the order we received from a contractor for a Google data center in the Midwest in the US is the largest single order we have received from the US. It is over 500 crores and will be fully executed by around Diwali.

In the case of Amazon, it is the largest Amazon award. The orders are being issued piece by piece, depending on the availability of infrastructure on the ground. We expect all of that to be completed by March.

These are 2 very large projects. There will still be a couple of hundred crores of additional orders from smaller data centers in the current order book, and there is a large pipeline of discussions underway.

Mahesh Patil – ICICI Securities: In Q2, I think we recognized some US tariff refunds, around 430 million. Is that all, or are we expecting some more in the [trails off]?

Management: No, we have effectively closed the book on that. Most of the refunds came in before September 30. A small amount is coming in after that.

The bulk of these refunds has actually been passed on to clients based on the contractual obligations in place. Whatever we are recognizing today is because we had taken the hit previously, and it is now being reversed. It is more of a one-off item relating to those supplies. You will not see anything recurring from it.

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Mahesh Patil – ICICI Securities: Got it. Lastly, on the premium side in conductors, I think we do not include AL-59 in the premium mix that we report. Can we get the AL-59 mix, or perhaps the premium plus AL-59 mix? What could the share be?

Management: We generally report premium and non-premium consistently so that the figures are comparable across quarters.

Management: AL-59 is not tracked separately in the premium bucket. There has been some switching between AL-59 and standard ACSR because, when the war began, aluminum prices rose but steel prices had not reacted. Steel has now reacted as well. Therefore, AL-59 is again a much better option than conventional ACSR.

There has been some movement between the 2 products depending on the relative prices of aluminum and steel. However, we do not track it separately; we include it in the conventional-products bucket.

The premium that existed on AL-59 is no longer that significant. What has changed substantially is that the number of players capable of producing AL-59 compared to ACSR is a fraction. Over time, many new producers of AL-59 have not been able to produce the right quality, which may result in higher line losses and other issues.

We have a well-established AL-59 technology and have been manufacturing it for decades. Therefore, although we do not track it separately, I think the AL-59 story will continue in terms of it being significantly better than simply using ACSR and other such products.

Mahesh Patil – ICICI Securities: Got it. Thank you, and all the best.

Management: Operator, I think that is the last question. I think that is the last question we have, so we will close the call for now.

Management: Hello?

Management: There are no closing comments, but—

Management: Is the line disconnected?

Management: No, the lines are open.

Management: Yes. I would like to close by first wishing everyone a happy festive season. As I said when I signed off in my opening comments, we see that business trends remain strong.

Even though there may have been some volume decline, there are 2 things to note. First, we expect conductor volumes in the second half to be stronger than in the first half. Second, there is this unusual [cut off]

Management: [inaudible] high amount of conductors and cables currently in transit to the US on a DDP basis. Therefore, our manufacturing data and dispatch data look very different from the sales realization data. That should catch up substantially in Q3.

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Considering the strong order books we have, I think the rest of FY27 and FY28 looks quite bullish. With that, I would like to close my remarks. Thank you, everyone, for attending our call.

Operator: On behalf of Apar Industries Ltd., that concludes this conference call. Thank you for joining us. 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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