

28th May, 2026

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street Mumbai-400001	The General Manager-Listing National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra East Mumbai-400051
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Symbol/Scrip Code: (BSE)530555 /(NSE) PARACABLES

Subject: Transcript of Conference Call pertaining to the Financial Performance for the Fourth Quarter and Financial Year ended on March 31, 2026

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to the disclosure made on May 25, 2026 w.r.t., the audio recording of the conference call on financial performance of the Company for the Fourth Quarter and Financial Year ended on March 31, 2026 held on Monday, May 25, 2026 at 4:00 PM, please find enclosed herewith the transcript of the conference call with Investors/Analysts.

This is for your information and record.

Thanking You

Yours Faithfully,

for **Paramount Communications Limited**

Rashi Goel

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Rashi Goel

Company Secretary and Compliance Officer

Encl: as above



Paramount Communications Limited

Q4 FY26 Earnings Conference Call

Event Date/Time: 25/05/2026, 16.00 Hrs IST

Event Duration: 56 minute 52 seconds

Management Details:

Mr. Gulshan

Sunidhi Securities

Mr. Sanjay Aggarwal

Chairman and CEO

Mr. S.K. Aggarwal

Chief Financial Officer

Mr. Parth Aggarwal

President Marketing

Mr. Narendra Kumar Gupta

President (Accounts and Finance)

Q & A Participants List

- | | | |
|---|--------------------------|---|
| 1 | Parth Mandavgane | : IDBI Capital Markets & Securities Limited |
| 2 | Upendra Gadiya | : Wallfort PMS |
| 3 | Jaideep Sampat | : Individual Investor |
| 4 | Kunal Mehta | : Incred Capital |
| 5 | Prathamesh Sawant | : Abbakus Wealth Management |
| 6 | Anjali | : Taurus Mutual Fund |
| 7 | Nikhil Kanodia | : Sunidhi Securities |
| 8 | Siddharth Shah | : MK Ventures |
| 9 | Hiten Boricha | : Sequent Investments |

Moderator

Good evening, ladies and gentlemen. I'm Madhuri, moderator for the conference call. Welcome to Paramount Communications Limited Conference Call. As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call please signal an operator by pressing * and then 0 on a touch-tone telephone. Please note that this conference is recorded.

I would now like to hand over the floor to Mr. Gulshan Singh. Over to you, sir.

Gulshan Singh

Thank you, ma'am. Good evening, and very warm welcome to everyone. On behalf of Sunidhi Securities, I welcome you all to the Paramount Communications Limited Q4 & FY26 Earnings Conference Call. Today we have with us a management represented by Mr. Sanjay Aggarwal, Chairman and CEO; Mr. S.K. Aggarwal, Chief Financial Officer; Mr. Parth Aggarwal, President Marketing and Mr. Narendra Kumar Gupta, President (Accounts and Finance).

We thank Paramount Communications Limited for giving us the opportunity to host the call. I would now like to hand over the floor to the management for their opening remarks, post which we will open the floor for the Q&A. Thank you, and over to you, Sanjay sir.

Sanjay Aggarwal

Good afternoon, ladies and gentlemen. A very warm welcome to you all to the Paramount Communications Earnings Conference Call for the quarter and full year ended 31st March, 2026. Thank you for joining us today and for your continued interest in Paramount. Joining me on this call is our Chief Financial Officer, Mr. S.K. Aggarwal, and President Marketing, Mr. Parth Aggarwal. Our detailed earnings release and presentation have been uploaded to the stock exchanges and to our company website, and I trust you have had the opportunity to go through them. Let me start with a quick overview of Paramount.

Paramount is one of India's oldest and most trusted names in the cables and wires industry, with a heritage of nearly seven decades. The company was founded by our founder, late Shri Shyam Sundar Aggarwal, in the year 1955, and today serves the country's most critical sectors: power, telecom, railways, renewables, defense, space, IT, construction, and oil & gas. We operate two state-of-the-art manufacturing plants at Dharuhera in Haryana and at Kushkhera in Rajasthan.

The FY26 metal throughput from these two plants was more than 29,500 metric tons, up roughly 12% YoY. The third plant at Narmadapuram in Madhya Pradesh will join these two plants in the FY28. Paramount has been the largest exporter of low-voltage cables up to 600 volts from India to the United States in the calendar year 2025 and for the last six years overall also. We hold all the critical certifications required to operate at the high end of this industry, like ISO 9001, ISO 14001, BIS, NTPC, Power Grid, RDSO, UL for USA, and LPCB for British and related certifications, and we comply with almost all the international standards that we are asked to comply to. Our customer base spans more than 950

instituting clients, including NTPC, Power Grid, BHEL, L&T, Adani, Tata Steel, ABB, Indian Oil, BSNL, State Electric Boards, and transmission companies, etc.

On the product side, Paramount is one of the most diverse product portfolios in the wire and cable industry. We manufacture power cables in a low tension, high tension, control and instrumentation cables. On telecom side, we have optical fiber cables, FTTH and Jelly-filled cables. For railways, we make signaling, power and axle counter cables. We make a lot of special cables for various customers, which include PV solar cables, fire survival cables, specialized transmission conductors, and EV charging and domestic categories, building wires, submersibles, LAN and coaxial cables. That's a pretty exhaustive list, but it does not still cover all the ranges that we make.

Beyond the product portfolio, we also execute EPC and turnkey projects, including transmission conductor and OPGW installation and submarine cable laying and repair. We are over 1,900 employees strong. Domestically, we serve through more than 250 channel partners and 600 retail outlets, supported by more than 10,000 registered electricians under our Paramount Parivaar loyalty program. Internationally, we are active in 35-plus export geographies, including eight active distributors in the largest cables and wires market in the world, the United States, up from just two in the year FY22. Now, I would like to hand over to my colleague, Parth Aggarwal, our President Marketing, for a brief overview of the demand environment we are operating in.

Parth Aggarwal

Thank you. A very good afternoon to all of you. Let me now turn to the demand environment because this is the reason we are particularly optimistic about the next five years. Six structural drivers are accelerating simultaneously, and each one of them, in different ways, requires wires and cables. First, power infrastructure. India has committed to INR 3.35 lakh crore of transmission and distribution spending between FY26 and FY30. PGCIL alone has planned more than INR 1 lakh crore of Capex between FY26 and FY28. RDSS smart grid rollout is INR 3 lakh crore, and the CEA's transmission pipeline envisages more than INR 7 lakh crore of investment by 2036.

Second, renewable energy. India's 500 GW renewable target by FY30 is driving 210-220 GW of solar addition between FY23 and FY30. And 50-60 GW of wind. Renewable cables, particularly DC solar cables, are among the fastest-growing subsegments of our industry and for Paramount as well. Third, data centers. India's data center capacity is set to grow from approximately 1.7 GW today to more than 8 GW by 2030. Globally, data center IT Capex is projected at approximately USD 3 trillion by 2029. AI-focused data centers require around 70% higher cable density than conventional facilities, a significant tailwind. Data centers in India have also been granted infrastructure status, boosting this demand.

Fourth, exports. The U.S. wires and cables market is approximately USD 32 billion and growing at around 6% CAGR. The U.S. has planned more than USD 1 trillion of grid Capex between FY25 and FY30. And the broader China-plus-one sourcing shift continues to favour Indian manufacturers like Paramount. Fifth, real estate and infrastructure. Construction Capex of INR 18-19 lakh crore is planned between FY25 and FY29. The housing for all program targets 2 crore urban homes. The Smart Cities Mission, the 5G rollout, in BharatNet all creates steady, continued demand.

And sixth, railways and metro. The Indian Railways FY27 budget is a record INR 3 lakh crore. 100% electrification of the network is on track. The Kavach train protection segment is INR 1 lakh crore, and metro systems are operational across 26 cities, with more than 1,000 km of operational track.

What gives us confidence is that these drivers are accelerating in parallel, not sequentially. The Indian wires and cable sector is on a multiyear expansion phase. Organized players continue to take share from the unorganized segment, and Paramount is structurally well positioned to participate. Thank you. I hand over back to Mr. Sanjay Aggarwal.

Sanjay Aggarwal

Thank you, Parth. FY26 has been a year that tested the resilience of our business, was a huge challenge in any case. But at the same time, in many ways, this year validated the strategic choices that Paramount has made over the last several years.

We entered the year with a strong momentum carrying over from FY25 in a healthy export market in the United States, where we were the largest exporter for LV cables up to 600 volts from India in calendar 2025, as well as over the past six years. However, the year was impacted by first, a 10% reciprocal tariff imposed by the U.S. on 2nd of April 2025, which was followed by an increase of this tariff to 25% for Indian exporters in the beginning of August and further to 50% after including a 25% Russian oil tariff towards the end of August in 2025.

Such huge increases in U.S. tariffs over a very short period of time, without any notice at all, caused a significant disruption for our export business in FY26. However, given a long-term perspective and the B2C nature of our U.S. sales, we took a deliberate strategic call to maintain Paramount's presence in the U.S. market throughout this period, even where it meant accepting orders as a sub-economic margin, albeit at much lower volumes.

Following the U.S. Supreme Court rulings between February and April 2026, which invalidated the tariffs imposed under IEEPA, India's competitive position has, of course, now been restored. Q4 FY26 marked some improvement over the previous quarters in this regard, and we expect now that this recovery to considerably strengthen over the current financial year. And we hope to have an improvement practically every quarter in the U.S. market and the margins thereof.

Most importantly, through this disruption, our domestic business not only held up, but accelerated, demonstrating the strategic flexibility that Paramount has built into its operating models over many years. I think if someone refers to our earnings report, it's practically demonstrated how, over the years, whenever the U. S. market has gone down, the domestic market has not only made up for it, but more than adequately compensated for it and still maintains the company's growth.

So, coming to Q4 FY26, we have delivered a strong sequential recovery. Revenue grew 13.6% YoY and 24.5% QoQ to INR 573 crores. EBITDA, including other income, was INR 38.8 crores with margin recovering to 6.7% from 4.3% in Q3 FY26, a 250 basis point quarterly improvement. PAT for the quarter was INR 20.5 crore, up 9.5% YoY and 175% QoQ.

Coming to the full financial year FY26 financial highlights, let me take you through some of the key numbers for the year. Revenue from operations for FY26 grew 23% approximately on YoY to INR 1,912 crores as against INR 1,557 crores in FY25. EBITDA, including the other income, was INR 117.5 crores, with an EBITDA margin of 6%. Profit after tax stood at INR 60 crores approximately with a PAT margin of 3.1% and earnings per share of INR 1.97. The YoY decline in absolute EBITDA and PAT reflects the impact of the tariff disruptions caused by the U.S. sudden decisions in changing the tariffs, as I said.

Looking on a longer view, however, the underlying trajectory remains strong for the company. Total revenue has grown from INR 585 crores in FY22 to INR 1,964 crores in FY26, including other income, a 4 year CAGR of 35.4%. PAT over the same period has grown from INR 8.2 crore to INR 60.2 crore, a 4 year CAGR of 64.6%. Net worth has nearly quadrupled from these INR 202 crores to INR 778 crores.

Two non-recurring items worth highlighting for FY26 are as follows: number one, our other income for this year includes INR 27.8 crores from the maturity of keyman insurance policies, and the employee benefit expense includes a one-time charge of INR 2.4-2.5 crores from the implementation of the four new labor codes notified on 21st of November 2025.

Segment performance. First, we look at the segment mix. Our domestic business grew 27% approximately to INR 1361 crore in this financial year, with domestic share of the total revenue rising from 69% in the previous year to 71% this year. Within domestic segment, the B2B industrial sales grew by INR 37.3 % to INR 1,001 crore, led by power cables. B2C retail and the distribution cable business grew by 10.6% to INR 179 crore. B2G, that is government and PSU business, was stable at around INR 182 crores, which meant actually a reduction in the percentage of government business for the current year for FY26.

Exports grew 13.9% to INR 550 crores despite the tariff disruption. This reflects the depth of our U.S. distribution relationships. We ended the year with eight active distributors, as against just two in FY22, and a continuation of our zero-rejection record from day one of our exports to the U.S. in the last six years. Our order book as of 31st March 2026 stood at INR 583 crores, comprising INR 508 crores of domestic orders and INR 76 crores of exports. The composition reflects a deliberate pivot. Domestic share of the order book has risen to 87%. Within that, power cable orders are at a record INR 466 crores, up 66% YoY.

On the operational side, metal throughput for FY26 was 29,664 metric tons, an increase of roughly 12% YoY, taking our 3 year CAGR for metal consumption at approximately 45%. Our existing two plants at Dharuhera and Kushkhera have effectively been running at optimal utilization for the past three, four years. We have now reached a physical space constraint at these sites, which is precisely why we are accelerating our Narmadapuram greenfield project.

I would also note that Paramount continues to follow a deliberate policy of not accepting firm-price orders with delivery horizon beyond three to four months, a discipline that protects our margins from copper and aluminum price volatility.

An update on the Narmadapuram greenfield project. We are setting up our third manufacturing facility at Narmadapuram, Madhya Pradesh. Approximately 31 acres of land has been allotted by the Madhya Pradesh Industrial Development Corporation and has been taken possession of by us. Civil and site preparation works are underway, and orders for the long-term delivery machinery, plant, and equipment have already been placed. The building construction is expected to start very shortly.

The project at Narmadapuram envisages an investment of approximately INR 300 crores by FY28, with operations expected to partly commence in Q1 FY28 and ramp up through FY28. We are targeting sales of approximately INR 500 crores from Narmadapuram in FY28, which will scale up to INR 1,200 crores in FY29. The product focus for Narmadapuram will be extra high voltage cables up to 132 kV, specialized conductors and cables for the transmission sector, elastomeric EBeam cables, and EPR cables, etc., EPR, lead-sheathed rubber cables.

This positions paramount as a meaningful participant in India's transmission grid revamp, a multiyear structural opportunity driven by Power Grid Corporation's Capex program, the Central Electricity Authority's transmission plan, and the broader power infrastructure buildout over the next decade. This Capex will partly be funded by equity raise that the company has recently conducted, but most of it by internal accruals and some modest amount of debt.

Looking ahead, we will begin to achieve the revenue milestone of INR 5,000 crores in the next five years, that is by FY31, which shall mean that we will be having to double our sales every three to four years. This will be done through a capacity expansion at Narmadapuram, a deeper domestic penetration and export diversification, and higher value-added products like EHV cable, specialized cables, and conductors for the transmission sector.

FY26 has tested us in ways that we had not anticipated when the year began. The team's response -- pivoting decisively to domestic demand, holding margins where possible, retaining the U.S. base, and progressing Narmadapuram is what gives us confidence in the trajectory ahead.

I would like to thank our customers, employees, channel partners, lenders, and shareholders for their continued trust and support. We now open the line for your questions. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on a telephone keypad, and wait for your turn to ask the question. If you like to withdraw your request you may do so by pressing * and 1 again.

The first question comes from Parth Mandavgane from IDBI Capital. Please go ahead.

Parth Mandavgane

Congrats on a great set of numbers. So, I have a couple of questions. By when do we see an optimum utilization in our new plant? And what is the payback period that you'll be assuming for the new plant?

Sanjay Aggarwal

You see, the optimal utilization of the investment that we are making in Phase 1, which is roughly INR 300 crore, we expect to achieve INR 1,200 crores of revenue by FY29, more or less. Your second part was?

Parth Mandavgane

It was about the payback period.

Sanjay Aggarwal

Yeah. Payback period for this investment, I think we expect the payback in three to four years at the operating levels given in higher value-added product that this plant will be making. And margin from this Narmadapuram plant are expected to be between 9-10%.

Parth Mandavgane

Okay, understood. Also, can you help me with the guidance, maybe for, say, FY27 in terms of top line as well as EBITDA?

Sanjay Aggarwal

You see, we do not want to make any specific guidance to give at this point. But in general, we can definitely say that, assuming that the current metal prices levels have stayed over the year, we should be achieving some 15-20% growth in top line. That should be around minimum 10% of volume growth. And by end of FY27, we hope to achieve the pre-tariff, you know, pre-U.S. tariff levels of margin also.

Parth Mandavgane

Okay. Understood. Congratulations once again, and thank you.

Sanjay Aggarwal

Thank you so much.

Moderator

Thank you, sir. Participants are kindly requested to ask two questions in the initial round and may join the queue for more questions. The next question comes from Upendra from Wallfort PMS. Please go ahead.

Upendra Gadiya

Hello? Able to hear me?

Sanjay Aggarwal

Yes, please. Please go ahead.

Upendra Gadiya

Hi, Sanjay. Firstly, I wanted to know since you have told that the U.S. market, the tariff issues and all were there, but the Indian market itself has such a huge demand, but why we were not able to scale up since we are in the business, as you have told, for the last 60-70 years? I think for the line of demand, which is already there in India, why we were not able to scale up, since your order book is not more than three months anyhow? Like, for the past one year, we've not been able to scale up our top line or the bottom line. So why there was a -- was it an issue of acceptance, or what was it actually?

Sanjay Aggarwal

Okay. Let me just clarify to you. Scaling up being the question in the first part. Scaling up is exactly what Paramount has done in this year.

We were on the way to do a very large volume out of the U.S. market. Suddenly, we found that the tariffs had come in, and we had to divert a huge portion of our expected revenues to the domestic market, which we successfully we were able to do. This is not the first time this similar situation was there, two years back also, just in FY24, when from a INR 400 crore revenue in FY23, the U.S. revenues went down to INR 280 crore.

That means the 30% reduction in the U. S. volume. We were able to double our domestic revenues in that year from INR 400 crores to INR 800 crores. Similar situation happened this year. This was, of course, not just a reduction in demand. This was like a huge, huge shock to the system. It was a huge shock to the company, with such large tariffs being introduced.

No business has such margins as to absorb 50% tariffs overnight, which we have done and still ended the year with a profit, because we were able to scale up our requirement from the domestic market. And what really matters is that the company, which should have been expected to go into a loss, and we ourselves were afraid that we might go into a loss for this year, we were able to end the year with not so bad of a profit number.

So, I think we have every reason to be very happy and satisfied with what we achieved. In fact, this proves the resilience of our company. There are very few companies, who are able to change their market segments so fast and still grow. And we have still grown this year, again, at nearly 20%.

I'll just add to this, the start it all. In Q4, we achieved a top line of INR 573 crores with around 85% mix from domestic business, and this was largely power cables and the institutional cable sales. So, we were definitely able to scale up. Only, obviously, it takes little bit of time, but the biggest problem is capacity.

You see, for the past four years, practically, Paramount has been running on maximum capacity. Our only constraint for the [inaudible 0:26:57] has been the production capacity that we have. We have invested, INR 50-55 crores practically every year over the past three years. And every month, as we install machinery, we add our capacity and we use that capacity. That is the way we have grown. So, the question is what our demand has not been working for any demand anywhere throughout this period. What we have been wanting is capacity.

We have now kept on, once we have the money in our hands, we have the funding in our hands, we are adding capacity and whatever capacity we are adding, that is more or less fully utilized. So, every year, when you look at what we have done, I can say that we have been fully utilizing our capacity each of those years.

Parth Aggarwal

And just to add that Narmadapuram greenfield project is primarily directed towards domestic demand. Thank you.

Upendra Gadiya

Lovely. Secondly, just wanted to know, regarding the trade receivables, which have short of almost to double, I think it'd be almost become 2X in comparison to last year. So where do we see it stabilizing and what is the guidance for the next year in terms of trade receivables?

Sanjay Aggarwal

You see, firstly, the increase in receivables at the close of FY26 reflects an unusually weighted dispatch item in Q4 FY26, and this is not a deterioration in collection quality. On the Q4 sales of approximately INR 573 crore, more than 65% were dispatched in the second half of Q4, which was all lumped up towards the end of Q4. Realization since then has been received. The recovery has been pretty strong, with more than three quarters of this amount having already been recovered.

So, we therefore expect this working capital position to normalize its run rate -- working capital overall still is not in a bad shape. It's just the receivables, which look to have gone up very, very high. But this has been normalized, and it will be normalized within this quarter itself.

Upendra Gadiya

Lovely, okay.

Sanjay Aggarwal

[inaudible 0:29:08] let me just completely. If you look at the working capital cycle, FY25 overall, we close the year at 99 days. In FY26, it is now 101 days. So, the cycle overall has gone up only by two days, which means that we have been able to compress our creditors and stocks in proportion to the receivables that have gone up. And you see, almost every -- for the past three years, the sort of CAGR we have in our sales volumes, had we not been trying to improve our working capital efficiency every year, it would have been very difficult for us to raise the working capital in any case.

Upendra Gadiya

Nice.

Moderator

Thank you, sir. The next question comes from Jaideep Sampat, an Individual Investor. Please go ahead.

Jaideep Sampat

Congratulations, team Paramount, for posting a very, wonderful results. Sir, just a follow-up on the earlier participant question regarding the trade receivable, which in Q4, you said, sir, with it has not been received. But what is the situation currently, means that has been declared. Was it because only of March ending?

Sanjay Aggarwal

You see, it was all lumped up towards the March ending. You know, what happens many times is that lots of customers' say that there are LCs and so many things, because we don't encourage too much of credit in any case. But despite that, if your LCs get time in getting clear and whatever, ultimately, customer wants everything by the end of the quarter. So, what happens is that every year this happens, but this year it happens a bit more for us. And you have to keep in mind that we had to very suddenly shift our focus more towards domestic from the export market.

So, there were really constraints, but all this increase in this receivables, we have been able to do more than three-fourth, as I said, has been received already.

Jaideep Sampat

You mean in the first quarter of current year?

Sanjay Aggarwal

Yes. In the first quarter of the current year, by 15th of May, we've already received three-fourth of that amount.

Jaideep Sampat

Okay. So, the trade receivable as on date would be approximately, sir?

Sanjay Aggarwal

If don't see the cash number, I don't make an offer, and guess I would like to check. But, let me just assure you again. What is really interesting number is that my total working capital cycle has gone up from only 99 to 101, whereas we find such an alarming increase, so called increase, in the receivables. So that tells you that we have compensated for the receiving the increase in receivables on other terms, right?

Jaideep Sampat

Okay.

S.K. Aggarwal

See, I'm S.K. Aggarwal, CFO. One more thing is here. See, all the dispatches -- mostly of the dispatches are against LC. So as such, it is not a kind of unsecured debt or like this. And you can understand, yeah, as the LC matures or discounting done, in the current quarter already -- this one and a half month already -- we have realized the majority of that.

Jaideep Sampat

Okay. So, there is no chance of any like that.

S.K. Aggarwal

Okay.

Jaideep Sampat

Okay. Sir, my second question is on the margin front. We said in the new plant, we are expecting 9-10% margins. I assume that was EBITDA margin we are talking about.

Sanjay Aggarwal

Sure.

Jaideep Sampat

Yeah. So over the next two, three years, company has overall what you feel -- where we can take currently our margin is at 6%. So overall, what we can look forward, especially considering the raw material price and whether we are able to pass on to our customers, the increase in the raw material.

Sanjay Aggarwal

You see the first milestone that we have to reach is to exceed or rather reach the sort of EBITDA margin that we were having for FY25. FY26, we all agree was a disaster. Despite that, we are very happy with whatever results we have achieved. But the first milestone is to get back to FY25 levels. And thereafter, to progressively keep increasing the margins, there are going to be four, five major drivers for the increase in our profitability that we see over the years.

Number one is that we expect the product range, the new products that we are introducing to help us improve our margins. Number two is the recovery in the U.S. market, which is, of course, very important because most of the last year, we have been put to a huge competitive disadvantage against the other countries like Vietnam, like South Korea, like Cambodia, like Ecuador or Egypt. All of these countries are having a huge competitive advantage over us. Now that we are going to have the same level field, we are going to be back in the same position there that we were FY25 or FY24.

So that by itself should help us improve our margins substantially from the very dismal levels that we had to go into this year. The demand for the power structure is, of course, it's continuously growing, of course, and we are seeing a very strong demand in addition from the renewable energy, data centers, and these segments, which again should be of very great help to us to improve our market positioning. The other part is that as our volumes grow, we there is a certain amount of increase in margins that were achieved as a direct consequence of growing. Now, we have grown every year from the last four years, and most of it was consolidating, but now, we are going to a level where the incremental increase in our revenues are also going to help our market.

The new products, I would like to mention again, the new products that we are working on are definitely going to help us, you know, have some better margins, whether in terms of the technology or in terms of the possibility of competition for that particular some of these products.

Jaideep Sampat

Okay. So, you believe this FY27 will be able to return to FY25 margin, sir?

Sanjay Aggarwal

That is the first milestone, as I said. We do rather hope to do better, because if a patient like, for example, as I some setback, first thing is to get back on your feet, right? And we are very confident that we'll be back on our feet to the FY25 levels, surely. So, look, there's no reason now for us to be looking back.

Moderator

Thank you, sir. Participants have kindly requested to ask two questions in the initial round and may join the queue for more questions. The next question comes from Kunal Mehta from Incred. Please go ahead.

Kunal Mehta

Yeah. Hi, sir. I think most of the questions have been answered, but I just have one question. As we add more and more complex and high-margin products, as you mentioned, like, for instance, you said data centers and, you know, in the EHV power cables transmission. So, I think for EHV, the lead time for delivery will increase to beyond five to six months, am I correct?

Sanjay Aggarwal

You see, capacities are also increasing. Demand is increasing, capacities are increasing, and I think both of these are moving in a higher trajectory. Hopefully, one would like longer and longer lead periods to feel more comfortable. But I think more or less, it's just going to be, hopefully, good demand scenario for your industry.

Kunal Mehta

Yeah. So in that case, how would even the pricing of raw material be, will it be like a price variation clause, or will it be a fixed price, or there'll be some kind of a threshold?

Sanjay Aggarwal

You see, we as a policy, our company for the last time, I think, more than 15 years, has never encouraged long-delivery firm-price orders. A long-delivery firm-price order is what we consider a huge risk that no company should indulge in. We do not take pride in very big order books, we don't. We typically have three to four months of order book for some products.

Sometimes we accept. If we are getting variable price orders, we are fine. We are happy with it. And then we can ask for longer delivery. But as far as firm-price orders go, we take three to four months delivery, and the very next working day of receiving the order, we book our metal. That's the way we like to operate. And we believe the EHV business will be in line with this policy itself.

Kunal Mehta

Sure.

Sanjay Agarwal

And there is one more thing that's interesting, which is the move towards more and more customers accepting price variation formulas, which we earlier were existing. So, if a customer is accepting a price variation formula, then it's comfortable for us.

Kunal Mehta

Okay. And so, the new facility that's coming in Narmadapuram, will that manufacture all of our current products or only some specialized or higher margin products?

Sanjay Aggarwal

You see, it will be mainly different products in Narmadapuram. Some products might be common, but more or less, the idea is to make some special products and some of those for example, EHV guidance, which we are not making in our current plants. So those will be manufacturing in our model. Some new products that we are very sure that we have the technology and we find the market to be good for those. Those will be introduced.

Kunal Mehta

Any approve –

Parth Aggarwal

I'll just talk about this. So, the capacity that we are putting up in Narmadapuram, they can also manufacture the 33 kV cable that we are already doing. So, for the initial year, when we are getting the approvals and setting up our customer base for the EHV cables, we will be doing the 33 kV cable production. And then within the year, we'll be moving towards the 66 and 132.

Sanjay Aggarwal

Because it's suitable with the 33& 11 kV cables with capacity.

Kunal Mehta

Yeah.

Moderator

Thank you, sir.

Sanjay Agarwal

The approval is also we expect for this product by FY28.

Kunal Mehta

Sure.

Moderator

Thank you, sir. The next question comes from Prathamesh Sawant from Abbakus Wealth Management. Please go ahead.

Prathamesh Sawant

Hello, sir. Am I audible?

Sanjay Aggarwal

Yes, please go ahead.

Prathamesh Sawant

Yes. Congratulations for the good set of numbers. My first question is, how do you see the ramp up of the U.S. operations progressing now that the uncertainty around the U.S. tariffs have been eased? And what are your expectations for the margin recovery going forward?

Sanjay Aggarwal

You see, number one, as I said, that we have been the largest exporter to the U.S., so we from India, so we definitely are looking forward to the revived competitive position for India, and thereby meaning that we should be looking at some good export numbers. Although there has been some setback in the -- we have been finding the demand to be a bit tepid because of impact of these huge tariff that have been coming and going and causing so much uncertainty and chaos in the U.S. market itself. But again, that situation is stabilizing. And we are expecting that Q2 onwards, actually, we should be seeing a very good demand pull out of the U.S. So, I think that should be a strong pillar for our revenues in our business during this current financial year.

Prathamesh Sawant

Okay, sir. So, like, what would be your outlook on the U.S. And basically, the Indian retail and the U. S. retail business? So, what would be your key strategies that you are planning to drive growth and profitability in these markets?

Sanjay Aggarwal

Okay. Your voice is breaking a bit, but from what I understand, you want to basically know as to what all we intend or plan to do in the U.S. market, right?

Prathamesh Sawant

Yeah, correct.

Sanjay Aggarwal

Okay. So let me tell you, the U.S. market, firstly, if you look at their electricity infrastructure, it is not a first world infrastructure anymore. It's in a very bad shape already. And in the past one year, the demand for data centers, the situation that it's turning into a huge, huge underinvestment existing into the U.S. electrical infrastructure. The minimum spend that I get from various estimates that I read about is a trillion dollars over the next few years that they need to put into their grid, into their electrical generation and distribution systems.

Now, looking at those numbers, we are pretty small stuff. But whatever it is, when such money is being spent, that means a huge boost in the demand. And for players like this, even though we might not be very big in the U.S. size stakes, but we have an established name in the U.S. market. We have an established quality in the U.S. market. We have an established acceptance in the U.S. market, which we all know is the largest market in the world for wires and cables.

Secondly, we are also planning to increase our range of offerings in the U.S. market, which we are currently also working on. We are introducing one or two new products into the U.S. market by next quarter itself, one product at least and maybe two. And this process is going to continue.

Moderator

Thank you, sir. The next question comes from Anjali from Taurus Mutual Fund. Please go ahead.

Anjali

Hello. Am I audible?

Sanjay Aggarwal

Yeah.

Anjali

Okay. Just have few questions. I wanted to know what capacity utilization by your plants operated in FY26. And we see you have done a Capex of INR 50 CR in FY26. So, was that for the new plant that is coming in Madhya Pradesh, or was it somebody making activity for your current plants?

Sanjay Aggarwal

All right. Okay. You see, as I mentioned, we have spent over INR 160 crore over the past three years here as Capex in the two existing plants. So, this year, INR 50 crore Capex was also in the two existing plants. And capacity utilization, which you were asking, you see for the past three years or four years, I have mentioned that we have been practically squeezing out every possible meter of cable that we can out of our plant.

So whatever Capex we are doing is adding to our capacity and is adding to our revenue practically every year. So whatever Capex we do throughout the year, it practically gives us additional revenue the day that machine starts working. And we can honestly say that both our factories have been work in progress throughout these three, four years continuously. So that's what we are doing. And now that we realize that our space constraint has really cropped up, we can't really do much more in these two plants. That's why it was important for us to set up the new greenfield project at the Narmadapuram.

Anjali

Right, sir. So, this new Capex will be working at same asset turns as our previous capacity?

Sanjay Aggarwal

You see, for a new greenfield project, I think asset turns is slightly more patient task, I would say. For example, first, overall, we are looking at spending some INR 300 crores over this project, and we should be getting some revenues of around INR 1,200 crores, which is our estimate. INR 1,200 crores, we hope to achieve by FY29. But that would make it only 4 times asset turns of the investment of INR 1,200 crores versus INR 300 crores. But you see, the next INR 200-300 crores that we spend on the same site in Phase 2, that is going to give us a much higher asset turns.

Because ultimately, in the first phase, you are developing the infrastructure, you are giving all the basic things. Those then you'll get utilized even for your expansion. So, in the first phase, yes, the asset turn is four, but we hope to do the -- overall, we should be looking at something like around six and a half, seven and a half for the second phase.

Anjali

Okay. Just one more question. What do you believe after this greenfield plant in Madhya Pradesh, your optimum margins would be? Because you said you're going in specialty wires also. So, what do you think would be the optimum margins look like?

Sanjay Aggarwal

You see, we are looking at double-digit margins within the next three to four years at the minimum. Of course, we hope to do better, but this is the minimum that we expect to achieve from the Narmadapuram plant, I think we should be starting at around between 9-10%. And as the plant becomes more efficient, we should be getting some better market.

Anjali

Okay. Thank you.

Sanjay Aggarwal

Thank you.

Moderator

Thank you, ma'am. The next question comes from Nikhil Kanodia from Sunidhi Securities. Please go ahead.

Nikhil Kanodia

Good evening, sir. Am I audible?

Sanjay Aggarwal

Yeah.

Nikhil Kanodia

Yeah. So firstly, congratulations on showing good numbers, giving some good tailwinds for after Q4 numbers about the demand scenario. So, I have two questions for you. So given the war situation, are we looking at any opportunities in the Middle East market or any other market other than the -- your home ground, which is USA, say maybe Europe or some other markets?

Sanjay Aggarwal

Let me share with you, Paramount has been exploding to more than 35 countries historically for the past more than decades, like 20-30 years. So, it's simply when the U.S. market came about and the demand was so huge, and we realized that either I can cater to these small, small markets, and every market has its own demands on your setup on the way your plant is configured and everything. So, either you service those small, small clients or you look at the biggest market. So, after we -- sort of pressure U.S. was having on us, by FY23, more or less, we decided that we should, for a period at least, stop servicing other countries.

Now, that our capacity for the U.S. is stabilizing and we are getting more and more comfortable, we are again started working on the other countries also. But let me again say that the effort that we are going to make will be, of course, there. We have to understand that all of these markets are going to be opportunistic markets, which we were doing in the past also and which I can say from looking at my competitors' exports also. So, these are the markets which give you patchy and sort of demands and results. You have to be there in 10, 20 places and maybe get a chance somewhere today, somewhere else tomorrow.

And that's what the model is, and that's what we do also want to do, and we will continue to do. But U.S., of course, will remain the top priority because, as I said, it is the largest market in the world. Nothing of the estimate.

Nikhil Kanodia

Sir, can Middle East be a bigger market for you given the need for a new one in for the replacement demand that is going to come up after the water is kind of done away with in that sense? So, can Middle East be a big market for you?

Parth Aggarwal

I'll take that, part. Yes, it will be a focus area for the company in the coming quarters. As things stabilize, we will be looking at these markets, which is Middle East, European, and Australian markets, which India today is a good position to be in, and African markets as well. So, we will be looking at all of them. And, yes, Middle East is going to give us good traction to the Indian opportunity.

Nikhil Kanodia

Okay, sir.

Moderator

Thank you, sir. The next question comes from Siddharth Shah from MK Ventures. Please go ahead.

Siddharth Shah

Yeah. Thank you, sir, for the opportunity, and congratulations on great set of numbers. You explained that -- no, U.S. is expected to make very substantial investments in their transmission and distribution networks as well as in data centers. And you expect your U.S. business to normalize very soon. And then over next two years, your Capex will come on stream and you have given guidance for that also, what kind of revenues and margins you're expecting there. So, sir, my question is, can you give a, say, slightly longer-term aspirational guidance in the next three years or next five years?

Where do you see the overall scale of business from the existing capacity as well as upcoming capacity? Where do you see the revenues and margins stabilizing in the next three years before you take up the next phase of growth?

Sanjay Aggarwal

You see, what we are looking at, you know, is the vision is that in the next five years, we should touch INR 5,000 crores. That we would say is the basic point. This is what we are aiming at. This is, I think is what Paramount will strive to do. To reach there every three to four years, we have to double.

We have been doing that in the past three, four years. We have done that already and we should continue to do that. Basically, this is the point. As far as margins are concerned, let us be honest, they are always a function to an extent of the way markets are, the sort of demand supply scenario that exists. And we should hope that once we are reaching a certain size, our profitability and margins should be in range with our peer group.

Siddharth Shah

Right, sir. But just from the existing capacity and the Narmadapuram expansion, where should we reach in terms of peak revenues?

Sanjay Aggarwal

You see, with Narmadapuram and the existing capacities, maybe we could touch some, you know, from the Phase 1, I think from Phase 1, we should be able to touch around INR 3600-4000 crores. The second phase that we'll invest, that'll give us a capacity at least considerably more than INR 5,000 crores.

Siddharth Shah

Sure, sir. Thank you, and all the best.

Sanjay Aggarwal

Thank you so much. Thank you.

Moderator

Thank you, sir. The next question comes from Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha

Yes. Thanks for the opportunity, sir. Sir, my question is on the recent equated dilution, which has happened. So, our current net debt to equity is very low. So, sir, any specific reason why we raised this one? We can also go for a debt via banking system. So, if you can share some colour on that, sir.

Sanjay Aggarwal

You see, I think if you look at what equity we are raising, I think there is just a very modest part of the overall investment that's being made. Out of the overall project of INR 300 crores, around INR 122 crores out of this INR 30 crore, of course, the promoters we ourselves are putting in, INR 92 crores all is coming from investors. And in addition to that, we will be getting -- we'll be having our internal accruals, and there will be some modest amount of debt. But on top of that, we have to also understand that this is going to be an increase in the working capital requirement. That also is going to be raised from the banking system of, you know, practically.

And currently, our debt equity ratio is very, very low, almost negligible. Total debt today is only against working capital limits of around INR 110 crores. That's it. So, this equity is not really a dilution as such. It's just something which makes the total mix of investments into a more, rightly diverse mix, I would say.

Hiten Boricha

Yeah. Understood. And sir, just a clarification. So, this INR 300 crore investment which we are doing, so you mentioned this INR 5,000 crores will be reaching. This is our aim for INR 5,000 crores in next five years. This includes Phase1 and Phase 2, right?

Sanjay Aggarwal

Yes. Because this Phase 1 investment probably, we won't have the INR 5,000 crores capacity unless the raw material prices certainly shoot up. And so, we should be looking at investing further in the Phase 2 of the project.

Hiten Boricha

Okay. Understood.

Sanjay Aggarwal

Thank you so much. Thank you.

Moderator

Thank you, sir. That would be the last question for the day. Now, I hand over the floor to Mr. Sanjay Aggarwal for closing comments.

Sanjay Aggarwal

I think this has been a very, I would say, useful interaction today. And I think the way, the capital market experts like you ask questions also, ends up teaching us who, you know, just remain in our own particular things to be a bit more sensitive to what the capital markets expect from a company. So, it's been a very useful interaction. And if I have not been able to, rather our team has not been able to fully clarify your questions, we'll still be happy to do that individually offline. That's not a problem. Thank you so much. Really, really, very happy for the interaction today. Thank you.

Moderator

Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using this Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant evening.

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- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.