

Since 1960

PML Permanent Magnets Limited

Date: October 27, 2026

To,
Corporate Relation Department
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: 504132

Sub: Transcript of Conference Call with reference to the Unaudited Financial Results for the quarter and half year ended September 30, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, we are enclosing herewith a copy of the Transcript of Conference call conducted on October 24, 2026 to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2026.

The above information is also available on the website of the Company i.e. www.pmlindia.com

Request you to kindly take the same on record.

Thanking you,

Yours Faithfully,

FOR PERMANENT MAGNETS LIMITED

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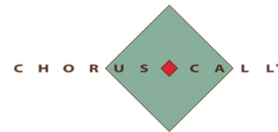
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“Permanent Magnets Limited
Q2 and H1 FY27 Earnings Conference Call”
October 24, 2026



**MANAGEMENT: MR. SHARAD TAPARIA – MANAGING DIRECTOR –
PERMANENT MAGNETS LIMITED
MR. AYUSH JAIN – CHIEF FINANCIAL OFFICER –
PERMANENT MAGNETS LIMITED**

MODERATOR: MR. SAYAM POKHARNA – TIL ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Permanent Magnets Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Sayam Pokharna from TIL Advisors. Thank you, and over to you, sir.

Sayam Pokharna: Thank you, Iqra. Good afternoon, everyone. We appreciate you all taking out the time to join us today on a Saturday for this call. The press release for quarter 2 FY27 has already been uploaded on the stock exchange. To take us through today's results, we have with us from the management team, Mr. Sharad Taparia, Managing Director and Mr. Ayush Jain, Chief Financial Officer.

We will begin with a brief overview of the quarter and half year from Mr. Taparia, followed by the Q&A session. Please note that any forward-looking statement made during this call must be viewed in conjunction with the risk and uncertainties that we face. These risk factors have been outlined in our annual report.

With that, I would now like to hand over the call to Mr. Taparia. Over to you, sir.

Sharad Taparia: Yes, thank you, Sayam. Good afternoon, everyone, and thank you for joining us today for the Permanent Magnets Limited quarter 2 and first half of '27 earnings conference call. We have reported a healthy financial performance in quarter 2 across key parameters. Stand-alone revenue from operations for the quarter stood at INR72.5 crores, an increase of 49% year-on-year. Good demand in our EV segment, where supplies have picked up, drove this growth.

The demand from our customers in the West is healthy, and based on current projections, we expect EV demand to remain at similar levels for the rest of the financial year. Our domestic smart meter business has also picked up during the quarter.

EBITDA for the quarter stood at INR17.8 crores, an increase of 159% year-on-year, and EBITDA margin improved to 25% from 14% in quarter 2 of last year and 19% in quarter 1 financial year '27. The margin improvement both on sequential and year-on-year basis came from a better product mix due to higher EV demand and positive operating leverage from higher business throughput.

Now, on the project front, in the alloys division, revenue for the first half of this year increased significantly compared to the first half of the last year. However, we could not utilize the full capacity of the new furnace due to some teething issues. These issues have since been resolved, and we expect better utilization of the new furnace capacity in the second half of financial year '27.

On the relays project, we expect to make some pilot supplies in the second half of this year. However, commercial ramp-up will now move to the financial year '28. We remain in constant engagement with domestic OEMs on product approvals and commercialization of the relays business segment.

For Quantum Magnetics, the phase 2 capex covering block cutting, machining, and surface treatment was commissioned in October, in line with the quarter 3 timeline we shared earlier. We expect the product approval process to start soon. Looking ahead, our focus for the rest of the year is on improving utilization in the alloys division, starting pilot supplies in relays, and starting product approvals in Quantum Magnetics.

With these updates, I would now like to open the floor for any questions. Thank you.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity, and congratulations for a great set of numbers after a long time. Sir, on the EV side, it has come as a surprise to us given how has been our outlook on the EV side. So, what has changed in this quarter which has led to such a significant turnaround in the EV business, if you can talk about that?

And you have also spoken about the demand sustaining given the forecast that we have got from our customer for the rest of the year. So, if you can talk about what has changed in the demand, and how do you see this demand sustaining not just in this financial year, but for FY28 also?

And on electricity meters also, smart meters also you talked about demand revival. So, both the segments, if you can talk about. First, we can start with the EV and then go to the smart meters.

Sharad Taparia: Yes. Our customers had higher demand, particularly from export market and that is the main reason why we were able to increase the sales for EV application in this quarter and based on their current forecast, what they have given us, it seems to be remaining at the at similar levels in the next half of this year also. For FY28, right now we do not have any forecast, any specific forecast from them. But indications are that it should remain at similar levels.

This is regarding the EV business. The second question what you asked about energy meter business. For energy meter business, we are depending on a select few customers to whom our product contributes much more towards the revenue. And those customers have increased demand in recent times. So, it has increased. It has not increased significantly, but it has increased in this first half of this financial year.

Ankit Gupta: Sure and any views on the sustainability of this demand on the smart meter front?

Sharad Taparia: It is expected to remain similar only as per our today's information that we have. It depends a lot on the installations being done by the utilities and sometimes the installations become slower and therefore, the demand goes down. But right now, what we are expecting is at similar levels.

Ankit Gupta: Sure, sir and sir, the second question was on, given how things are currently on the EV, smart meters, and relays, which is expected to ramp up in FY28, and alloys also will be getting the benefit of the new line coming for operating for the full year in FY28 itself. So, what kind of revenues and margins are we looking for in FY28, given EV demand is back, and both this segment along with smart meter also is expected to do well for us?

Sharad Taparia: We are initiating some capex in this year, and we are expecting a good growth. But right now, I do not have any specific number on what exactly. We are building those numbers now. So, I think that I will be able to tell you maybe better after three months. But my judgment is it should be a healthy growth in next year.

Ankit Gupta: Thank you, sir.

Moderator: Next question is from the line of Dhwanil Desai from Turtler Capital. Please go ahead.

Dhwanil Desai: Hi, good afternoon, Sharad-ji, and congratulations for a very good set of numbers. Sir, kind of taking along the earlier participant's question, I think you indicated that the EV demand was because of the higher requirement from a single customer, especially on the export side.

So, are you seeing any improvement across the industry, which were kind of, there were some challenges for last 18 to 24 months in the industry, especially Europe and US, where we were supplying? So, are you seeing any change there, or is it very customer-specific thing? And question tied to the same is, on the margin side, with higher EV contribution, earlier, we used to make very good margins.

So, now, if the EV will, if it remains at current level, do we see this kind of margin sustaining 20% plus, kind of a number?

Sharad Taparia: Yes. So, thank you. See, the increase has happened not due to only one customer. There are two, three customers that we are supplying to and yes, it is due to their specific growth that we have got this demand.

Currently, what they have indicated is that this demand will be continuing in the next half also of this financial year. Further for future, we do not have any idea how it will play out. But we know that worldwide, there is a domination of Chinese EVs over European EVs.

So, now, based on the geopolitical situation, whether there is going to be entry barrier to Chinese EVs in different countries, that we do not know how that will play out. And it may depend on that. This growth of the Western EVs may depend on that.

Secondly, the Western manufacturers are also adapting to this new situation. So, they are coming up with lower-priced models, and they are changing their product according to this new challenge given by the Chinese EVs. So, based on that, my belief is that they will come back. This is what my expectation is, but I do not have any concrete data right now to show this.

So, even I do not know how this is going to play out in FY28 or future. We are hoping that it will be good.

Dhwanil Desai: Okay. On margins, sir, how should we do.

Sharad Taparia: Margin depends on the product mix. So, of course, our export margins are better, and domestic margins are much lesser. So, depending on how we sell in the future, it will vary accordingly. As it has been varying in the past also.

Dhwanil Desai: Okay. But, sir, that 15% to 18% range that we were guiding, with the EV coming back, will we move up on this number, if the number remains same as we are expecting?

Sharad Taparia: If the EV demand is like this, it will be it will go up. It will be similar to this this quarter, what we have done, if the EV demand is like that. But overall, our direction is to introduce, let's say, products which are more standard products which will be used across the industry, which are modules. Right now, all this business is coming from specific products which are designed by the customer, but we are producing on their behalf.

So, as we move towards that business, that will become a more stable business, because it will be used across industry. It is PML designed product. So, as we go along in the coming few years, we should expect that to be increasing much more and this business, whatever it will be remaining, will continue to remain as it is.

So, all these three new directions, like module is in one direction, alloys is in one direction, relays in one direction, all three have scalability which is which is a better scalability.

Dhwanil Desai: Got it, sir. And sir, the second question on the alloy side. I think, or not on the alloy, on the relay side. We were expecting revenue contribution to start from H2, but I think now you are saying that material scale-up will happen from FY28.

So, based on the earlier expectation, we were guiding for 20%, 30% kind of growth, but in the H1, we have done very good growth as such. So, even without, relay scaling up in FY27, do we see that 30% plus kind of a growth for the entire for the full year? Or you think that that H2, because the, this relay will not scale up and the base was higher, we may be on the lower growth trajectory?

Sharad Taparia: Yes. Initially, when we started the year, we were expecting relay commercial sales to start in this financial year only. But due to some iterations of testing at customer's end, at laboratory end, I'm expecting the real commercial sale, significant sale, should happen in next year. But

due to EV pickup, now the total overall growth can be somewhere between 20% to 30%. My expectation, it will be around that level in this year.

Dhwani Desai: Thank you.

Moderator: Next question is from the line of Love Gupta from Counter Cyclical Investments. Please go ahead.

Love Gupta: Hello, sir. Thank you for the opportunity. So, firstly, like you said, the utilization in the alloys business was sub-par in the first half, and you expect optimum utilization in the second half. So, what kind of contribution to the top-line and EBITDA margins can we expect from the alloys business in the second half of the year?

Sharad Taparia: Second half of the year alloy business, we should expect the total turnover coming out of the alloy business somewhere in the range of INR40 to INR50 crores roughly this year. And EBITDA margin right now, because of we have had some initial higher costs due to teething issues, we may be sort of at a breakeven level or a little bit higher, something like that. But overall, probably next year will be much more better in terms of margins for alloy business.

Love Gupta: And what sort of, like, if in FY28, what sort of steady-state margins can we expect from this business?

Sharad Taparia: This business, again, there are two different streams. One is if we do virgin alloys and if we do scrap or returned alloys. So, for virgin alloys, we expect a gross margin of somewhere between 10% to maybe 12%, 13%, sometimes 15% and for returns business, we expect between 15% to about 20%, sometimes 25% gross margins.

Love Gupta: All right. And on the Quantum Magnetics business, have we been approved or have we applied for any PLI incentives?

Sharad Taparia: Yes. Quantum, we've applied for PLI in the ECMS scheme, and we got approval in the ECMS scheme. So, that has been already sanctioned.

Love Gupta: And what sort of incentive are we about to receive?

Sharad Taparia: The scheme gives a benefit of 25% of the total capex, subject to certain terms and conditions that we have to fulfill. But the incentive is 25% of the capex.

Love Gupta: Okay. And could you tell us what are the conditions and when can we expect to receive this amount?

Sharad Taparia: We have given certain phases, Phase 1 and Phase 2. And they've laid down those conditions that you must accomplish the Phase 1 and Phase 2. And then there is a condition on certain employment are there. And production has to start, that condition is there. And there are some other small conditions here and there, but these are the major conditions.

Moderator: Thank you. We will take our next question from the line of Nayan Agrawal from SIC Wealth Management. Please go ahead.

Nayan Agrawal: Yes. Hi, sir. Congratulations on a great set of numbers. I just wanted to ask, in the last con-call, you guided that in Quantum Magnetics segment, we'll do around INR5 to INR10 crores of revenue this year. So, are we still on track for that?

Sharad Taparia: No. I have a doubt whether we will be able to do anything because, again, we are still in the approval stage. We are pushing the customer to test our product and give us the approval. And the customer has to do visits. This is an international customer. So, they have to visit us, visit the plant, get the product approval. So, I don't know whether it may happen or it may not happen. Right now, I don't have that clarity. It may be possible...

Nayan Agrawal: And sir, how much...

Sharad Taparia: We do not get any revenue this year, but that it will get pushed to next year.

Nayan Agrawal: Okay. And sir, what was the revenue split for export and domestic?

Sharad Taparia: Mr., you're talking about quarter, or you're talking about the...

Nayan Agrawal: Quarter two.

Sharad Taparia: Quarter two. Yes, 1 minute.

Ayush Jain: 51% for domestic sales and 49% for export business in this current quarter.

Nayan Agrawal: For the coming quarter, are we expecting the same type of revenue split or there will be more of domestic and less of export, or more of export and less of domestic?

Sharad Taparia: It will be probably more of domestic due to alloy business sales increasing, and currently, alloy business sale is mostly domestic.

Nayan Agrawal: So, what kind of a margin, EBITDA margin profile, can we expect for FY27?

Sharad Taparia: From the first half, it could be a little bit lower. Not too much difference, I would say, because our EV sales are still going on okay. It should be a little bit lower.

Nayan Agrawal: 20% to 21%?

Sharad Taparia: No. Right now, for the first half...

Ayush Jain: For the first half, EBITDA margin was 25%.

Sharad Taparia: So, between 20% to 25%.

Ayush Jain: It will be in this range, 20% to 25%.

Nayan Agrawal: For the whole year?

Sharad Taparia: Yes. For the full year, yes.

Nayan Agrawal: Okay. Thank you, sir.

Sharad Taparia: Yes.

Moderator: Thank you. Next question is from the line of Rahul Rao from Athletico Analytic Services. Please go ahead.

Rahul Rao: Hi. Good afternoon, everybody. My question is around the alloys division, firstly. What was the contribution to the H1 revenue from alloys? And you said H2 will be, I think, INR40 crores to INR50 crores. So, how much was H1?

Sharad Taparia: No. The total revenue for the year is going to be about INR40 crores to INR50 crores. The H1 is about INR12 crores roughly.

Rahul Rao: Okay. So, that's significantly lower than what we were earlier expecting, because you said 3x to 4x of FY26. So, that would be around INR70 crores to INR80 crores, but I think that's been lowered materially now, right?

Sharad Taparia: Yes. We lost a few months due to some teething issues. We lost that those sales.

Rahul Rao: Got it. And, sir, when you say teething issues, could you kindly explain, you know, you can be as technical as you, you know, feel like, what do you mean by teething issues exactly?

Sharad Taparia: Well, technical you know, the capacity utilization in terms of breakdowns. We had some because the furnace was newly installed, so there were certain breakdowns due to technical problems, and now we are resolving those problems and we are talking to our supplier. So, somewhere some issues were maybe due to the problem of the supplier itself, somewhere due to our operations. So, those issues we are resolving.

Rahul Rao: And would it be right to say that those orders which were expected to be executed in this financial year would be pushed back? They're not canceled as such, they've been pushed back, would that be the right way to think about it?

Sharad Taparia: Yes. Yes. Our order situation is still healthy, so those were pushed back.

Rahul Rao: Okay.

Sharad Taparia: But due to the delay, we are incurring certain costs which we have to pay to the customers due to the delay.

Rahul Rao: Right. Got it and as for Quantum Magnetics, you said October, Phase 2 has been commercialized. Did I understand that correctly?

Sharad Taparia: No. It is commissioned. So...

- Rahul Rao:** Yes. Commissioned, yes.
- Sharad Taparia:** We now have a plant where we can show all the operations, from start to end, to the customer. And they can see the production, and they can evaluate each stage-wise dimensional capability and statistical, you know, tolerances that we are able to achieve. They are able to see it, because that is important for them to go ahead and give us an approval.
- Rahul Rao:** Right.
- Sharad Taparia:** They see the practical capability of each machine. So, they will evaluate all that. That takes sometime. And they want to see that in production. So, once that happens, then they go ahead and then they give us a ramp-up.
- Rahul Rao:** All right. But fundamentally, our problem with raw materials is that...
- Moderator:** I'm so sorry to interrupt, Mr. Rao. You may please rejoin the queue for more questions.
- Rahul Rao:** This is a follow-up. Yes, I'll do that, but I'm just asking, fundamentally, our raw material situation hasn't changed, right? We're still importing and we're not able to do that.
- Sharad Taparia:** You are asking regarding which business? Rare earth business?
- Rahul Rao:** Quantum Magnetics.
- Sharad Taparia:** Yes. Quantum, we are going to import because, right now, we are in the block stage. And our eventual plan is to give the offer the customer fully domestic supplies, offer a full supply chain from China, sorry, from India. Full supply chain from India. That is the offering that we're going to.
- Rahul Rao:** Okay. Thank you.
- Sharad Taparia:** Yes.
- Moderator:** Thank you. Thank you. Next question is from the line of Sanjay Kumar from Xponent Tribe. Please go ahead.
- Sanjay Kumar:** Hi, sir. Congratulations on a very good set of numbers. First on alloys, so on the 1.3, it looks like we'll do about INR30 crores, INR40 crores in H2 of this year. So, does it mean for the full year next year, we'll do INR70 crores to INR80 crores in alloys? And we were expecting orders from oil and gas and even aerospace. So, have we received those orders so that the number for next year could be higher than 80 crores?
- Sharad Taparia:** No, we are expecting to do about INR40 crores to INR50 crores for the full year, not in the second half, for alloys, in this financial year. And next year, yes, it is possible to increase that to maybe INR70 crores, INR80 crores. It may happen. We further, yes, we have received some orders from aerospace application also, which we are executing.

- Sanjay Kumar:** And those are for domestic?
- Sharad Taparia:** Sorry?
- Sanjay Kumar:** And these for domestic?
- Sharad Taparia:** Domestic, yes. These are domestic. Correct.
- Sanjay Kumar:** Second, on Quantum Magnetics, so I believe there are two different schemes. One is the ECMS scheme and then there is the other PLI scheme where, I believe, there are almost 10, 20 applications for the PLI scheme. So, are we still in contention for the PLI, now that we have the ECMS approval in our hand? And if you can walk us through your current strategy in Quantum Magnetics? So, we are done with Phase 2, so what is the next phase? What will be the capex required? How are you planning to fund it?
- Sharad Taparia:** That other PLI scheme, we were not we were not qualifying for that scheme. It had a certain net worth requirement put by the government. So, we were not qualifying. So, therefore, we did not apply for that scheme at all. I think that scheme was already closed now, and some 20 participants have given their bids. The result is yet to come out.
- So, we will not participate in that scheme. We are, right now, working with one customer where we are building the product for them, and once that is successful, we will be able to commercially ramp up and then from there, we will take a decision when to invest in the Phase 3, which will be metal-to-block manufacturing. But first, we want to make this Phase 2 successful. That is our strategy.
- Sanjay Kumar:** Okay. And...
- Moderator:** I'm so sorry to interrupt, Mr. Kumar. You may please rejoin the queue for more questions. Thank you. Next question is from the line of Raghavendra Singh, an individual investor. Please go ahead.
- Raghavendra Singh:** Yes. Congratulations on good set of numbers. I wanted to know on the PLI scheme, I think on the SPECS, on the MeitY scheme, we had got approval for INR400 crores capex. So, out of this INR400 crores capex, how much will be plant and machinery and how much will be working capital? And how much, how many years this will be deployed on?
- Sharad Taparia:** This scheme is specifically for capex for capital equipment, for machinery only, not for land and building. So, our entire 400 crores is on machinery only.
- Raghavendra Singh:** Okay. And is this our share in the QML or is it the QML shareholding as a whole? And also, the last question, have we locked in the capital equipment bids for this plant and machinery, because we had heard from the newspaper that a lot of the capital equipment suppliers had increased their price because of the boom in the PLI scheme and number of people bidding for it?

Sharad Taparia: So, sorry. Your first question was regarding? This is a 100% investment to be done from Quantum Magnetics.

Raghavendra Singh: So, we will get 49% or 51% of that?

Sharad Taparia: Yes. Yes. Permanent Magnets' shareholding there is going to be 50% , 49% -50%.

Raghavendra Singh: And have we locked in the price of the plant and equipment because the Japanese and the Korean suppliers had increased their prices because of the bidding wars happening on the bigger scheme?

Sharad Taparia: No, we have not locked in anything. Right now, we want we have already done our investment in the Phase 2, and that we are going to commercially make it successful, and then we decide on Phase 3. We are not locking on any equipment pricing now.

Raghavendra Singh: And what is the expected time for Phase 2 start and Phase 3, or, like, any kind of a time horizon you can indicate?

Sharad Taparia: Phase 2 commercial ramp-up should happen in Financial Year 27-28. After that, we will decide when to invest into Phase 3.

Raghavendra Singh: Okay. Thank you very much.

Sharad Taparia: Yes.

Moderator: Thank you. Next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the follow-up. Sir, on the relays side, if you can talk about, it's been delayed for and not much commercial revenues are expected in this financial year. For FY28, how do we see the revenues there on the relay front? And plus on the margins also, this was expected to be a lower margin product for us. So, if you can talk about the margins also on the relay side?

Sharad Taparia: My expectation actually has been I mean, it kept on getting delayed for a for quite some time now, so I can't comment exactly how much business can be generated until we start some business. So, I don't want to comment anything on the revenue from relay for the next year. My judgment is that it should happen.

This year, we should complete all our testing for multiple products with multiple customers, and do some pilot lots also. So, next year should as per my judgment, we should have a good year for relay. But that completely depends on how our success is on the on these testing and pilot lots, the initial lots, which are going to happen this year.

There are some iterations. We had to do certain iterations. We did some testing, and then customer wanted some changes, then we are again doing some changes in the design, and again testing. So, these iterations are going on. Now, we are almost towards the end stage. This is the situation.

Ankit Gupta: So, on the margin, sir, if you can talk about?

Sharad Taparia: Margins should be somewhere between 15% to 20%, is my judgment, gross margins.

Ankit Gupta: Sure, sir. Sir, this segment, can it become like a INR40 crores, INR50 crores business for us given how big the opportunity size is next year, if not more?

Sharad Taparia: Yes, it's possible, because once the product is approved and it is start selling, then scaling is very easy.

Ankit Gupta: Sure and sir, on the Quantum side, there has been delay on commercialization. So, for FY28, how should we look at the numbers? Phase 2 will be is complete now, and you know, customer approval also will be during this year. So, for FY28, how should we look at the ramp-up and revenues for that segment?

Sharad Taparia: FY28 revenue, I can't comment at the moment, because it depends totally on how much share the customer is going to give us. We will start with one customer first. And so, I don't know. It could be a large, very large range, I would say. Something like maybe somewhere between INR10 crores to INR30 crores, INR40 crores, something like that which is a very large range because I don't know how much share the customer will give us. That is my judgment.

Ankit Gupta: Okay. And where are we in approval from other customers here on the Quantum side, apart from this one customer?

Sharad Taparia: We are talking to three, four customers, and everybody was waiting till the time we implemented the Phase 2. So, now that is implemented. Now, we are going to discuss with them on the specific pricing, and samples, and all that. We are we are initiating all those talks with them.

Ankit Gupta: Sure. And at full scale, how much can the Phase 2 generate in terms of revenue whenever we reach optimal capacity utilization?

Sharad Taparia: That totally depends on the product mix, but it can be somewhere from current capacity, what we have implemented, it can be between INR40 to maybe INR60 crores, something like that. And but depending on which magnet we get, suppose it's a larger magnet, then we can augment this capacity with some small investment and, again, reach a little higher turnover also. So, it really depends on the product mix.

Ankit Gupta: Okay. Thank you and wish you all the best. Thank you.

Sharad Taparia: Yes.

Moderator: Thank you. Next question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai Hi, thanks for the opportunity again, sir. Sir, on the Quantum side, I think last year, we talked about that there are challenges in terms of import and hence we could not do the revenue. So,

post Phase 2, we still have to import blocks, right? So, will that constraint remain in terms of import dependence and hence the potential of China imposing restriction and hence our facility remaining idle or going forward also?

Sharad Taparia: Yes, those complications are there, but we have some solutions. But I don't want to mention those solutions what we have. We have some answers to that, but I can't mention on this call.

Dhwanil Desai: Okay. So, is fair to assume that if as and when the product approval process is complete, we should be able to utilize capacity to whatever extent possible? So, getting blocks and etc. should not be a big challenge, which used to be the case earlier.

Sharad Taparia: Yes.

Dhwanil Desai: Okay, got sir, got it. That's it from my side. Thank you.

Sharad Taparia: Thanks.

Moderator: Thank you. Next question is from the line of Rahul Rao from Athletico Analytic Services LLP. Please go ahead.

Rahul Rao: Hi, again. So, you mentioned that you've received some orders for alloys from certain aerospace customers. Without naming the customer, obviously, could you specify whether this is a defense, aerospace, civil aviation, is it domestic, is it foreign? Any idea on that, please?

Sharad Taparia: We got some order from oil and gas industry and also industrial applications. So, right now, these are the major orders that we are catering to and there are some other small applications for remelting of alloys. And certain other defense, sorry, certain other industrial applications only. There are two, three other customers who are like that.

Rahul Rao: Okay. But I believe you just mentioned that aerospace. That was my question.

Sharad Taparia: In aerospace also, we have.

Rahul Rao: There are no orders?

Sharad Taparia: We have one or two customers, I think, for aerospace. And those are small orders, but yes, we are catering to those.

Rahul Rao: Okay. Thank you. That's all.

Sharad Taparia: Yes.

Moderator: Thank you. Next question is from the line of Sanjay Kumar from Xponent Tribe. Please go ahead.

Sanjay Kumar: Sir, first on Quantum, you said that three, four customers, if you can say to which industry do these customers belong to, or the application of our magnets, the end application of our magnets? And is there a chance for any of these customers to fund the Phase 3 for us?

- Sharad Taparia:** Application is electronics industry and automotive industry, currently, that we are talking to. And one customer for motors, for other applications, specialized motors. These two, three applications that we are speaking to the customers. And what was the other question you asked?
- Sanjay Kumar:** Is there a chance of the customer funding the Phase 3?
- Sharad Taparia:** Well, we are requesting the customer to sign agreements with us and to fund it, and we are proposing that we will return the money by way of amortization over the product. So, eventually, customer does not spend anything, but we can return the money back. That is our proposition to them.
- Sanjay Kumar:** Perfect. Okay. And second, we have recently included forging as part of our business description in the MOA. So, can you talk about our vision or your strategy for this alloys business? I know you did comment on INR70 crores to 80 crores for FY28, but how big can this be over the next, say, 3, 4 years, and what are the adjacencies like forging are you planning to do?
- Sharad Taparia:** Yes. There are few applications where sometimes we need to supply forged products to our customers. So, therefore, we are looking at that. We are, right now, outsourcing it, but we are looking at that whether we can do that ourselves. Some customers needed to be done in-house. So, we are looking at that.
- And In terms of scalability, it's a very scalable business. We have to find products which have given us suitable margin. Sometimes, we are facing competition from China where the margin is very, very thin. So, those products, we don't want to get into. So, we are looking at the whole landscape, but there is in this business, potential is quite large.
- Sanjay Kumar:** And second on relays, our product has some issues, according to one customer. So, because there are different parameters, bouncing rate, pull-push force, utilization categories. So, have we rectified these issues, and has any customer approved the relay product?
- Sharad Taparia:** Our product is already approved as per the UC standard. Now, customer sometimes need, they demand more than the standard also. So, when they give feedback regarding that this product is not suitable, it is according to their needs that they are talking, that it is not suitable, and what and what extra precision they want.
- For energy meter industry, UC1, UC2, UC3, these are the standards that are specified by the utilities. And they need to be fulfilled by the energy meter company. Energy meter companies have their own internal standards. So, if they want a higher standard, then, accordingly, the design has to be modified and they have to pay accordingly. So, it is a matter of what they want. And therefore, we have to redesign accordingly.
- Sanjay Kumar:** Okay. And so, given the approvals, so do we have some sort of off-take agreements with these customers, or that will happen only post the pilot supplies?

- Sharad Taparia:** Post the pilot lot. In principle, we have met with these customers, they are agreeing to buy. But right now, we don't have any agreements in place. But once we the product is satisfactory, it is fulfilling their test conditions, then all customers will sign some kind of buying-selling agreement. It will be a buyer-seller agreement.
- Sanjay Kumar:** Okay, got it. And final question, relays also have application in automobiles, and you also spoke about some standard products, current modules for automobiles. So, where are we in that product development stage for the automobile sector, be it relays or the standard products that you're talking about?
- Sharad Taparia:** Modules, we are already supplying. Some modules have started supplies to automotive and we are advertising across the across the world. We are selling on some online platforms also. The international platforms, we are selling the modules. So, that business has started in this year. Regarding relays, have also have application in automotive, but those relays are quite different.
- We have started our business with latching relay, but eventually, we will look at all the products which are related to this capability of switching. But that will happen later on, because we have to make this latching relay business a successful and then, we will expand our scope to other types of relays.
- Sanjay Kumar:** Got it. Okay. And if I can add one more question. So, we're present in gas meters, energy meters. Do we have any products for instance, water meters?
- Sharad Taparia:** Yes, we are already developing one product and it is in the pilot lot stage. So, we have supplied about 2,000 - 3,000 parts, and the customer is testing it, and then the commercial supplies will start.
- Sanjay Kumar:** Okay. And how big this product can be for us, sir, let's say, in 2 years to 3 years' time?
- Sharad Taparia:** This particular product potential can be somewhere between INR5 to INR10 crores. A single product.
- Sanjay Kumar:** Okay, with one customer. And there could be other customers as well.
- Sharad Taparia:** Yes, but it is a design given by this customer, so each customer, again, has to give their own design, and then we have to work accordingly.
- Sanjay Kumar:** Okay, that's it from my side, sir. Thank you and all the best.
- Sharad Taparia:** Thank you.
- Moderator:** Thank you. We will take our next question from the line of Love Gupta from Counter Cyclical Investments. Please go ahead.
- Love Gupta:** Sir, we had plans of consolidating all our plants in one location. So, how is that progressing? What is the timeline? What are the expected benefits we expect to realize from that? And the current facilities, will we be monetizing those once the plants are shifted to a single location?

- Sharad Taparia:** We had a lot of delay in legal matters on the land front, and so now we are resolving all that. And now, the progress is good. So, I'm still expecting 2 more years before we move into the new facility. And the existing facilities are on rented premises, so we can't monetize those. But we will shift all the operations to the new facility, but we will save on the rent cost. Rent cost is about close to INR5 crores per year today.
- Love Gupta:** And what sort of capex are we looking including land for this project?
- Sharad Taparia:** On land, we have already invested. Maybe we will invest some more in the coming year. But building itself, we could be looking at about INR30 crores, roughly.
- Love Gupta:** All right, and the land cost was?
- Sharad Taparia:** Land cost was about INR25 crores.
- Love Gupta:** All right, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.
- Ankit Gupta:** Thanks for the opportunity again. Sir, you did speak about the reason for our EV segment bouncing back. I think we were largely working with European customers and European and American customers here. So, at least whatever we read, there hasn't been a significant, like we can say, the market share of EV clients compared to the Chinese players. So, I want to understand the sustainability of the uptick in demand that we have seen from the EV segment.
- Of course, you did elaborate about the demand sustaining, at least, in the second half of this financial year and some visibility for H1 also. But if you have to do a guess about how do you see this demand sustaining for us from the EV segment for FY28 and FY29, second half, and full year FY29?
- Sharad Taparia:** This I do not have any concrete information about the number that are going to happen, but my judgment, I can give you, that on one side, this oil prices and the petrol, fuel prices going up has really created interest across the world for EV segment and it is happening in India also, so that is a good outcome out of this crisis.
- Secondly, geopolitical situation, so Chinese really dominating this market. Some countries are imposing certain restrictions on these Chinese cars to come in. So, that will help the Western players to sell their product. India, I believe, is doing quite well, because Indian companies have introduced a product at very competitive prices.
- So, they should do very well, like Mahindra, Tata, and all the other rest of the two-wheeler companies. According to me, I'm quite bullish about the EV business in the coming future. Even other than the Chinese players, they, I think, these companies should do well. That is my judgment, sir.

Ankit Gupta: Sure. Is it that we have had some breakthrough with some other players, or is the existing customer demand which has come back which has propelled our growth for this quarter?

Sharad Taparia: Existing customer demand.

Ankit Gupta: Okay.

Sharad Taparia: We already had some programs running, those, because of the demand, those programs got, let's say, deferred. Customer also started adopting the same platform for other products. So, partly, recovery has happened due to that also. So, but mainly, due to their existing programs.

Ankit Gupta: Okay. So, is it that some of the products which were going to into EV side also had applications on the hybrid side? Can that be an assumption here, or no?

Sharad Taparia: Yes. They are very secretive about which product exactly our part is going into, but we have some judgment. It's mostly related to current sensing, and hybrid cars also are using the current sensing. So, it's possible that they are using this product into I mean, our product goes into inverters that I can tell you. So, wherever there are inverters used, that this product is useful.

Ankit Gupta: Sure. Sir, can you share the number for EV segment for this quarter and for the for H1?

Sharad Taparia: Sorry?

Ankit Gupta: How much revenue was contributed from the EV segment in this quarter and for H1 also?

Sharad Taparia: In totality, I can tell you that our total revenue from automotive...

Ayush Jain: In this quarter, INR24 crores. INR24 crores was the total automotive sales.

Ankit Gupta: Okay. And how much was it in Q1?

Ayush Jain: Q1, INR15 crores.

Ankit Gupta: Okay. And last year, last year's Q2?

Sharad Taparia: Last year Q2 was about INR10.5 crores.

Ankit Gupta: Okay. Sir, this last question before I hop back in the queue. Sir, normally you do get projections from the customers for going forward also. Of course, on the EV side, we have seen some of this projection's not coming through, but given how the ramp-up has happened on the EV side for Q1 and Q2 of this financial year. They would have also given you some projections for FY28 and '29 also. So, any views you can share on that?

Sharad Taparia: No. Right now, we just have a judgment that it is going to be at similar level, but it's not a concrete forecast that they have given.

Ankit Gupta: But you do have firm orders for H1?

Sharad Taparia: We have orders for H2. We do not have orders for H1 of FY28.

Ankit Gupta: Okay, got it, sir. Thank you and wish you all the best. Thank you.

Sharad Taparia: Thanks.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Sharad Taparia for his closing remarks. Over to you, sir.

Sharad Taparia: Yes. Thank you, everyone, for participating in this call on a Saturday afternoon. We hope that I have been able to answer all the questions that you have. And I am quite bullish about our business and thank you all. Thanks.

Moderator: Thank you very much, sir. On behalf of Permanent Magnets Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.