DIAMOND POWER INFRASTRUCTURE LIMITED

November 7, 2026

Corporate Relations Department
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Dalal Street,
Mumbai – 400 001
Scrip Code: 522163

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G- Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Symbol: DIACABS

Sub.: Transcript of the Earnings Call held on November 4, 2026

Pursuant to Regulation 30 read with Para A of Part A of Schedule III and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further to our letter dated November 4, 2026, regarding the audio recording of the call, please find enclosed the transcript of the Earnings Call held on Wednesday, November 4, 2026. The call discussed the Company's unaudited financial results for the quarter and half year ended September 30, 2026 (Q2 FY2027).

The transcript is also available on the Company's website at https://dicabs.com/investor/quarterly-results/.

Kindly take the same on record.

Thanking you,
Yours sincerely,
For, Diamond Power Infrastructure Limited

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"Diamond Power Infrastructure Limited

Q2 FY27 & H1 FY27 Earnings Conference"

November 04, 2026

MANAGEMENT: **MR. UMESH CHHAYA – WHOLE-TIME DIRECTOR – DIAMOND POWER INFRASTRUCTURE LIMITED**
MR. AMIT BHATNAGAR – HEAD CORPORATE STRATEGY – DIAMOND POWER INFRASTRUCTURE LIMITED
MR. KUNDIP THAKKER – CHIEF FINANCIAL OFFICER – DIAMOND POWER INFRASTRUCTURE LIMITED
MR. ASHWANI SARAF – CHIEF OPERATING OFFICER – DIAMOND POWER INFRASTRUCTURE LIMITED

MODERATOR: **MR. AALOK SHAH – MONARCH NETWORTH CAPITAL.**

Moderator: Ladies and gentlemen, good day and welcome to the Diamond Cable Q2 FY27 and H1 FY27 Earnings Conference call hosted by Monarch Networth Capital Limited. 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 over to Mr. Aalok Shah from Monarch Networth Capital. Thank you, and over to you, sir.

Aalok Shah: Yes, thank you,. Good morning to everyone. We welcome you for Diamond Power's Q2 FY27 and H1 FY27 earnings con call. Today we are joined by Mr. Amit Bhatnagar, Head Corporate Strategy, and Mr. Kundip Thakker, the Chief Financial Officer, to take us through the numbers and the performance here on. Without taking much of your time, I will hand over the call to Bhatnagar sir. Over to you, sir.

Amit Bhatnagar: Good morning everyone, and thank you for joining the Diamond Power earnings call for the second quarter & the first half of financial year 2026-27. I'm Amit Bhatnagar, and with me on the call are Mr. Umesh Chhaya, Whole-Time Director, Mr. Kundip Thakker, CFO, Mr. Ashwani Saraf, the Chief Operating Officer, and the members of the senior management team.

We will keep the opening remarks brief so that we have ample time for your questions. Let me start with the headline. This was Diamond Power's first INR1,000 crores quarter. Revenue from operations for Q2 was INR1,032 crores, up 135% over the same quarter last year and up 50% sequentially.

EBITDA including other income was INR133 crores, up 189%, at a margin of 12.9%. Profit after tax was INR108 crores against INR28 crores a year ago. That is 3.9x. Earnings per share for the quarter was INR1.87. For the half-year, revenue was INR1,722 crores, EBITDA at INR218 crores, and PAT at INR166 crores.

I would ask you to hold two numbers in mind. First is, in six months, we have delivered 90% of last year's full-year revenue. Second, our H1 profit of INR166 crores is already higher than the INR158 crores we earned in the whole year, in the financial year '26. You will see eight consecutive quarters of growth. Two years ago, in the Q3 FY25, we reported a revenue of INR307 crores and a PAT of INR6 crores. this quarter, revenue is 3.4x that and the PAT is 18x. The scale of the company has grown every single year and is still growing. Three things drove the quarter, and I want to be specific about them.

First, the product mix. Growth came from medium voltage cables of 11, 33 and 66 kV, EHV, and from AL59 conductors the segments where qualification matters and fewer manufacturers compete. Cables were 40% of the revenue, conductors was 31%, and the remaining was data centre cables. Secondly, a new product line that did not exist in Quarter 1, data centre cables from our newly commissioned copper cable line

contributed INR242 crores or 23% of the quarter's revenue, supplied through EPC contractors building hyperscale data centres including L&T, AurionPro, Sterling Wilson, and Blue Star.

Three months ago, this line was zero. Copper capacity of 1,500 tons a month is live and is being scaled to 2,500. I want to dwell on September for a moment because it shows what this platform can do once it is funded. The QIP funds came into the company in August. In September, the very next month, we achieved record production of INR575 crores plus GST. of that, our team made and delivered INR240 crores of data centre cables in a single month. That is a historic month of production and sale for the company, and it was done with these lines, the same people, and the systems we already have in place.

Third, operating leverage. Employee and other expenses came down to 5.7% of revenue from 8.2% a year ago.

That is why EBITDA margin expanded on 240 basis points, even though the contribution margin as a percentage moved from 18.7% to 16.9%. The reason for that percentage move is simple. Higher LME aluminium prices inflate the revenue base. Our contracts carry price variation clauses, so the absolute contribution per ton is protected.

We manage the business on rupee per ton and per kilometre and not on a percentage of metal. I want to be careful about one thing here, because this is a quarter in which every cable company in India has reported a big top line number. And a good part of that is metal. On LME, aluminium is roughly a fifth of a quarter on a year ago, and the copper is up around 40%. and because our contracts pass through metal, through the revenue lines carry that inflation. So the honest question for any cable company this quarter is, how much of the growth is metal and how much is real? Remember, Diamond Power major input is aluminium. If you read the analyst updates from the listed peers, you will see the answer for the industry.

Our revenue grew by 135%. Metal and price variation pass-through account for perhaps a third of that. The rest is real. On actual production, kilometres of cables and tons of conductors made and dispatched, our growth is well above 60% to 70% year-on-year basis. Conductor dispatches were 6,850 kilometres in the quarter.

A data centre line alone, which did not exist a year ago, delivered INR240 crores of product in a single month. That is the difference between a company riding a metal cycle and a company adding capacity, qualifications, and customers. We are the latter. I would like you to judge us on volumes, not on the rupee top lines.

One more point on cost, since you will see it in the peer comparisons. Diamond Power does not spend 2% or 3% of sales on advertising and branding as consumer-facing cable companies do. We sell business to business and business to electrical consultants, to utilities, EPCs, data centre builders, and industry and in that market, for the long-term period, only quality speaks. The industry is presently going through a cycle where quality is considerably compromised under the pressure of maintaining margins and volumes in B2C due to entry of newer players.

For us, quality is our brand, and that is why our employee and other expenses are 5.7% of revenue, and that is why our savings goes completely to the bottom line. Our other income of INR18 crores, is treasury income on QIP funds, invested in fixed deposits, and the tax remains negligible because of carry forward losses.

The profit and loss tells half the story. The balance sheet tells the other half, and in some ways it is more important one in this quarter. At 31st March this year, our net worth was negative by INR604 crores. At 30th September, it is positive by INR764 crores. Net debt of INR527 crores has become net cash of INR572 crores.

Three events that made it happen. The QIP in July, we completed and raised INR1,614 crores entirely due to the fact that we have to bring down our minimum shareholding. The promoter loans, as we mentioned in the last call, have been completely repaid. And most importantly, the profit which we are generating.

The INR12 crores of finance cost you see in this quarter is almost entirely LC discounting and bank charges on a much larger volume of business, a cost of trade, not, not an actual debt. The resolution plan in September was prepaid for full INR501 crores cash consideration a year ahead of September 2027 deadline, availing a prepayment discount of almost INR9.5 crores.

The Company has successfully exited the NCLT process in its entirety, with all planned payments completed. Lender NOC release of charges are in process, and we are now eligible for a credit rating for fresh bank lines which are being tied up. Let me take you

to our orders, customers, and the demand. Our firm order book at 30th September stands at INR3,735 crores at quoted value and around INR4,300 crores at current market prices under the price variation clause.More importantly, it keeps growing while we execute it.

Order inflow in H1 was INR2,217 crores against a revenue of INR1,722 crores, a book-to-bill of 1.29x after 1.63x in financial 2026. The book is 46% conductors including a INR974 crores order of AL59 for 800 kV HVDC line. That is a landmark project which the company is doing.

With this quantum of almost close to INR1,000 crores of HVDC, this will ensure that Diamond Power has all possible PQs which are required to reach out the Indian TBCB players in the global market. 36% of medium voltage cables, and the balance is LT and data centre cables. The conductor strategy is unchanged from what we set out in the last quarter.

The book is essentially of AL59, ECO conductor, and HTLS through TS Conductor partnership building behind it, and we are deliberately not chasing ACSR tonnage. Key wins in and around the quarter include additional MV and LT cable orders from Adani Electricity Mumbai, our third consecutive year of supplying 66 kV EHV cable for the GETCO project in Jamnagar, INR1,370 crores of 11 kV cables for PGVCL's coastal underground schemes, and AL59 conductors from TBCB Supply.

We served around 670 customers in the first half of 2027 across utilities, EPC players, data centres in the industry. Adani Group entities are 43% of the order book, and we aim Adani's share of top line to a stated cap of 20% to 20% over time, with every Adani order placed at market price on a reverse auction basis. We have built a national marketing organization, we have put our city teams in place, we have put a key accounts group, we have now put a separate conductor desk, and more importantly, a separate export team which is drawn from most of the successful competitors who compete in the export market.

I can assure you, in financial year 2027-28, a large contribution shall come from export. We have already put a very large distributor in place in UAE and Middle East. And also, I can happily report to you that this quarter, Adani's sales are less than 30% of our top line. So we are on track to build our customer profile as we had promised to you.

We continue to be bullish on the medium voltage cable segment. Last quarter I said that Diamond Power is becoming a medium voltage and increasingly an extra high voltage cable company with a premium conductor franchisee besides it. Q2 bears that. 11 and 33 kV cables, where 79% of our cable revenue outside data centre, and 33 kV alone was our largest product line.

I want to spend a few minutes on why we remain bullish on this industry, and we were, as we were in August. I will take you through the important demand drivers which we have discussed in the past and are now building out. First, the grid buildout. India is in its largest ever transmission investment cycle, and for us that is the conductor business. 46% of the order books, which is INR1718 crores.

In the last year, we have supplied over 40,000 kilometres of conductors to TBCB developers and to power grid. As I mentioned to you, the single largest order this year is HVDC 800 kV, and we have a long-term backup arrangement with TBCB suppliers so that their wind flow to us. In the last quarter, the important thing we have done is, because the number of TBCB players in the industry is growing substantially, we have now started a back-to-back arrangement at pre-bid stage, which assures us that we get orders when the TBCB bid is awarded to a player.

Second, I'll talk about the renewable evacuation. The clearest example is Khavda in Kutch, the world's largest renewable park, where our AL59 conductor carries the evacuation and our cables run inside the Adani Solar Park. Beyond Khavda, solar is now a product line for our own. 3.3 kV solar cables were INR39 crores in Q2 and are INR221 crores on the firm order book position from key developers like Tata Power, Solar, which we have now classified as a key account in October, considering the fact that we are expecting very large order inflows from Tata Power.

We have now a dedicated servicing team for Waaree, ACME, CleanMax, Enrich. Demand from solar parks is strong enough that we are building a 1,000 kilometre a month single-core 3.3 kV cable plant which will get on stream in the next 18 months. Third demand driver is underground cabling, and this is where our MV cables go.

Medium voltage cables are INR1,328 crores of our order book position, which is 36%. In Mumbai, Adani Electricity has placed a INR152 crores LOI on us. Accordingly with that, we have PGVCL-related contractors who have ordered almost INR195 crores of

these cables in the last quarter itself. Our 66 kV underground program is also on track. We received INR164.5 crores EHV order for Jamnagar, and further 66 kV tenders are in pipeline, and we are expecting a good inflow on 66 kV in the next 90 days.

More importantly, we have now started working in newer markets like the south and east. In Bengal, we have seen more than 5,000 kilometres of 33 kV tenders which are now coming up. I am sure with being a dominant player, we shall be focusing on that market in a big way. In short, Diamond Power has now moved ahead of Adani in Western India and Northern India, and now the focus is pan-India.

We desire to build a market which is equally segregated across the geographies in India. Coming to the fourth, which is the data centre. As I mentioned to you the last quarter, we have made a dedicated data centre team, and I can proudly tell you that most of the leading consultants in the data centre space have now approved Diamond Power., and we are now the preferred vendor considering the fact that we delivered INR240 crores of data centre cable in one single month in September.

The fifth is the industrial capex. The Yamuna Expressway, Mundra Port, Delhi International Airport, NTPC Vindhyachal , the bio-CNG plant at Jhajjar for Reliance, these are some examples of the clients which we have worked on. Our recent 132 kV supply to Siemens India, Duttipuram Port, and Indian Oil Tanking is a validation of how we are now panning across the market and dealing with very sensitive industries like port and refineries.

Our industrial names this quarter was AMNS, JSW, SAIL, Bukharovski, and Serum Institute of India. So we are now across the spectrum, across the industry. Green hydrogen and offshore cables is something which we are now focusing upon, and I can assure you that we will be able to share with you some good news on these markets very shortly.

We are also focusing on EHV cables in a very big way, and we are now focusing on exports, and especially exports in medium voltage and extra high voltage. We have already started building our Middle East market, and now we are working on pre-qualifications in Europe and US market.

It is worth remembering that nine of the world's top 10 cable manufacturers are manufacturers who make MV and EHV cable. Scale in this industry is won on medium

and extra high voltage, where qualification and trust takes years to build, and that is precisely where we have spent the last three years building it.

Now coming to our capex and what infrastructure we are building. This is what we call building the next diamond. I will spend some more time on this section than usual because two things are new since the last call. We have ordered a 6th CCV line and we have frozen the design of a polymer compound backward integration which will be the real differentiator between us and any other cable company in the country.

Let me start with polymers because this is the project investors have asked us most about. The insulation and sheathing compound is between 35% to 40% of the cost of the cable. More than that, the conductor material in most of the constructions, we already make our own PVC compound in-house. What we have never made and what no Indian cable manufacturer makes today is the cross-linked polyethylene polymer for cables above 66 kV. Most of the peers make compounds up to 33 kV.

We are setting up an integrated polymer complex which is INR170 crores of investment at a in a 1.5 lakh square foot building with no land cost because the land already we have. The combined capacity of the project will be 84,500 tons. The phase 1, 6 compounding lines which will cost us INR78 crores. Two PVC lines, two silane lines, one master-batch line , and one peroxide-based line with a capacity of 66,500 tons a year.

They will make PVC, FR, FRLS sheething compound, bedding compounds, Silane XLPE for 1.1 to 11 kV, and peroxide for 33 kV. All of Phase 1 output will be captive. It replaces the compound we buy today. The PVC and catalyst line commissioned first, and the full phase is on stream to be commissioned between June and December 2027 progressively.

Phase 2 is the masterpiece in the entire investment of capex which Diamond is making. It is a Swiss engineer reciprocating line. The same low-shear mixing platform that global compound makers use, making super clean peroxide XLPE insulation for 66, 132, 220, and 400 kV lines. This is going to be 18,000 tons capacity. The line is bought with its know-how package, its formulation, and its cleanliness acceptance. It commissions in early 2028 after the pilot trials on our own raw materials.

The most important part here is Super-Clean. When we say Super-Clean the compound has zero impurities and there is nothing which is impure, less than 100 microns. In EHV cables, the electrical field concentration is very important, and because the life of the cable is 40 years, utilities approve the compound and the compound itself is a brand and a prerequisite for making that cable from the end customer.

And this is where Diamond's investment in EHV compounding plant, the first of its kind and probably the 6th of its kind in the world, will make us the differentiator among everybody else. Presently, we have certain data which tells us that in this compound, the margin is more than INR50 a kg. And at our current volumes, this will really leave an additional EBITDA of INR120 crores when we use it on a captive consumption basis. And that is going to be a major positive for us.

The project model shows a 30% post-tax IRR on a consolidated basis. This project is being funded by INR78 crores from the GCP account of the QIP, and INR100 crores from internal accruals, and a small amount of debt if we feel we need to get it. The other projects already running are the balancing equipment project, the doubling of the copper cable capacity, the 5th and 6th CCV line which is going to get commissioned. And these are very important projects because all these projects are very long-term and we already have the equipment virtually in place.

Our LV cable project, as promised, is going to be commissioned before April 2027, which will get us a very large inroad into LV cables. Additionally, the single-core cable project which targets the solar infrastructure is already on stream. On our last call, we indicated that the financial year 2027, our revenue will be INR4,300 crores to INR4,500 crores. We are still standing by with that number. With INR1,722 crores delivered in H1, we have to get you INR2,580 crores in H2.

The season itself is half as strong. As my new CFO, Mr. Kundip Thakker told me yesterday, that most of the cable companies do 40% revenue in quarter 1 and 2 and 60% come in quarter 3 and 4. I'm sure his analysis and our capacity and understanding will stand good. Diamond Power is constantly now focusing on increasing the manpower bench strength. We have a new Chief Operating Officer and a new CFO, both of whom have a fantastic industry experience.

We have now started working on succession planning and a director's office has been made so that in the next five to seven years, we get our Gen Next to come on board and start being part of the decision-making process in the company. To sum up, a first thousand-year quarter, a half year that has already out-earned all of last year, a balance sheet that has gone from negative net worth to a positive cash flow, a INR3,735 crores order book position and a capacity enhancement program that moves up step by step, voltage class by voltage class.

I can only sum it up by saying Diamond Power is a five-decade-year-old company and it is at the best of the next decade. I want to thank our team and about 2,000 people at Vadodara and Diamond Power employees across the country and our shareholders for their existing confidence and the future confidence on us. Thank you very much for listening me out. Now we are open to questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Nishant Bagrecha with InCred Capital. Please go ahead.

Nishant Bagrecha: Yes, good morning everyone. So thank you for the opportunity. Firstly, congratulations to the entire team on crossing the INR1000 crores quarterly revenue milestone. Sir, I have a couple of questions. Firstly on the order book and the execution visibility.

Your outstanding order book currently stands at around INR3,735 crores. So could you please provide some colour on the order inflows momentum and the inquiry pipeline across MV and EHV cables, conductors, and data centre cables? I mean, also how much of your FY28 revenue target is already backed by the existing orders or a visible pipeline?

Management: So as we mentioned earlier, the market value of our existing orders is around INR4,300 crores, and we are targeting to do almost INR2,500 crores in March. So the remaining is obviously for the next financial year. On an average, our monthly order intake is between INR350 crores to INR400 crores, and always the Q3 and Q4 are the periods when the order inflow increases considerably because all the budgeted tenders of the government get finalized in Q2 and in the beginning of Q3, and that inflow comes to us through the EPC contractors. So we are confident that by the time we end Q3, we will have 50% of next year's target in, and by the time we end Q4, we will have the next year's order book with us.

Nishant Bagrecha: Sure. And just to follow up on this, as you mentioned, the data centre cable contributed almost INR240 crores plus in Q2, which is accounting for a meaningful share of quarterly revenue. So is this largely driven by the execution of a large project, or are you seeing this evolve into a sustained business opportunity? I mean, what kind of revenue potential do you see particularly from this data centre segment over the next two to three years? And are you increasingly engaging directly with hyperscalers and data centre developers?

Management: See, two things. One is, in the current year, we are expecting to do INR750 crores out of our top line from data centre customers, for which we already have the orders from there. Number two, we've been tracking data centre across the country.

My director marketing told me last week that there are 66 cities in India where data centres are coming up, starting from 20 megawatts and going up to now in terms of gigawatts. So we have instructed our teams across the country that now you have a great pre-qualification, you have approvals in place, we need to scan every data centre opportunity across the country.

So starting from 40 megawatt to gigawatt scale, this thing, the entire market we are scanning is 66 cities. As per the last data available with us, there are more than 230 developers who are developing these data centres. And let me assure you that we are at the back of every potential opportunity.

Nishant Bagrecha: Sure, sir. Sir, secondly, my question is on the competition. So again, with the several established cable players stepping up investments particularly in the MV and EHV capacities, so I think the competition is likely to intensify over the next three to five years, right?

So what sustainable competitive advantage do you believe you can build in this space, and particularly in terms of technology like customer approvals, your manufacturing capabilities, and also cost competitiveness. So what are your takes here on the competition?

Management: So you will see two, three things. One is we had day one conviction that the future lies in MV and EHV cables, and that is where we are putting our money in. So when we did the QIP in August, we had 5 CCV lines, and as you know that the standard delivery period of a line is almost two years. We have already ordered our 6th line, and you will

see that we have managed that the delivery is within one year because we had an opportunity to buy it out from an existing order which was given by an international player.

Similarly, we are now focused on two, three things. One is we are doing a very major backward integration on polymers. Now that 35% to 40% of the cost of a medium and extra high voltage cable is polymer. I have data of almost five polymer manufacturing players, one which is the Indian player is making between 13% to 14% net profit on his MV and EHV compounding business, and the four other global players are making unbelievable profit, more than 20%.

Even if I assume to get scale, we pass on 3% to 5% of polymer benefit to our customers, and we are left with 10% additional profit on the polymer part. I am looking at increasing my EBITDA by 3.5% once my polymer project is implemented. That is number one.

Number two, with 11 medium voltage cable lines, I already have the scale and I already have the capacity to consume the polymer which I am making. See, in every product there is a minimum breakeven which is required for this industry. If you want to really make XLPE compounds of the scale and type which we are now wanting to make, you should have minimum 10 operational lines. Otherwise, you will have to sell your compound to others.

So that first mover advantage we have already put in place. I'm sure there are competitors who are going to add the line. They will take two, three years to reach the number I already have. And by that time, I would have doubled my numbers. So Diamond Power, from 2028 to 2032, is in pipeline. By the next the 4th quarter of the year, when we talk to you, we will share with you our roadmap of 2028 to 2032. And I can assure you, we will always be ahead of every other cable company in the country when it comes to medium voltage and extra high voltage capacities and capabilities.

Nishant Bagrecha: Sure. Sir, just on this capacity expansion, so you have indicated earlier that you have planned to add five new MV lines every year from 2028. So what is the incremental capex and revenue potential per line, and how do you ensure that the capacity additions are supported by adequate demand, particularly in the industry segment.

Management: Nishant, we, as I mentioned to you, we will come in detail on that at the end of Q4 because presently we are negotiating with the global players, the quantum of lines we want, the numbers we want. Obviously we want a very good price and we want an assured delivery. So once we are out with a plan, we will share with you.

Nishant Bagrecha: Sure, no problem. Thank you. And I'll.

Management: Nishant, one thing I'm sure I have seen a note which you released regarding our numbers for the quarter 2. I think we've done better than what you projected.

Nishant Bagrecha: Definitely, sir.

Moderator: The next question comes from the line of Vidit Trivedi with Asian Markets Securities. Please go ahead.

Vidit Trivedi: Hi, sir. Thank you for the opportunity and congratulations on great set of numbers. My first question is pertaining to the data centre cables. So could you please elaborate on the nature of this business, particularly on the proportion of repeat orders versus the project-based orders? And second, can you call out the margin difference in the conventional cables and data centre cables?

Management: Okay. First and foremost, data centre cables are not anything different than what normal cables are, but they are mostly single-core cables. They are made with aluminium or copper depending on the intensity of the power which the data centre will require. They are usually 33 kV cables and in some cases 1.1 kV cables depending on the construction and nature of the data centre where it is.

In some cases, data centres are also transmitting power through HTLS cables, and some of them are using 400 kV and 220 kV class compounds also. So this is one on the nature of cable. Coming to the margin, well, the only extra margin you can get is because the pre-qualification terms and conditions are very stringent and data centre consultants and data centre companies are very finicky and very choosy on whom to approve and whom not to approve. So obviously there is a entry barrier there. So this entry barrier leaves at least 2% extra margin for you.

Vidit Trivedi: Got it. Sir very helpful. Secondly, the tax part. So, you know, given that the companies currently has significant carry-forward tax losses resulting in a negligible tax outgo. So

could you quantify the tax shield available in the end and indicate us how long we expect this to continue benefiting from these accumulated losses? And in which financial year do you expect the company to start paying normal corporate taxes?

Management: As on 31st March, our carry-forward loss was INR1,432 crores, Right? Going forward, the manner in which we are growing and the projections we have done, I think quarter 1 of 2029 we will have to start paying tax.

Vidit Trivedi: Thanks a lot, sir. That's helpful. All the best and Diwali greetings to the team.

Management: Thank you.

Moderator: The next question comes from the line of Natasha Jain with PhillipCapital. Please go ahead.

Natasha Jain: Thank you so much, sir, and congratulations on a good set of numbers. So my first question is, can you just quantify so in terms of INR100 sales value, INR84 is your raw mat? And off that, could you just split the metal cost, PVC cost, and any others?

Management: So it depends on the nature of the cable, If it is a medium voltage and extra high voltage cable, the metal is 40%, or in some cases even 35%, and the polymer is 35%. If it is an LV cable, then polymer is 20% and metal is 35%, 45% to 50%. So there is no single formula to say that what is the percentage? It depends purely on the construction of the cable.

Natasha Jain: Got it. And so when you say these percentages, you mean it as a percentage of raw material, right? Or do you mean it as percentage of sales? Got it.

Management: No no, percentage of raw material.

Natasha Jain: Got it. And, sir, my second question is on the EHV side. So could you tell us, what is the market size currently? And what is the market share that you are eyeing here? And also give us some sense in terms of margins, how different is the EHV margin both domestically and if one had to export versus say LV or MV or HV which is lower than your EHV?

Management: So to give you an example of the EHV market, last year Gujarat Energy Transmission Company purchased INR900 crores of EHV cables. And this year, in the first seven

months, they have floated tenders of INR3,200 crores, and another INR900 crores will be closed this month, right?

So this is one utility how the preference is changing from overhead to underground. Now if you want me to put a number to it, it is very difficult because I do not actually have the number. Our assessment is that we want our extra high voltage cable to get into double digit in the quarter three and quarter four of our top line. That is our target.

Natasha Jain: Got it, understood, sir. That's helpful. And, could you just talk about slightly about the margin differential in EHV versus a normal cable portfolio, non-EHV?

Management: So, EHV cable is always a single-core cable, and medium voltage 33 and below 1.1 are usually multi-core cables. So when you are making multi-core cables, the expense of making those cables, probably if you consider per kilometre or per lakh, is more than single-core cable, number one.

Number two, the technology and the entry barriers and the type of people you require to make EHV cables. Obviously, it's an expertized product. So the differential is usually 5% to 6% between a medium voltage and EHV cable and almost 10% between an LV and EHV cable.

Natasha Jain: Understood, sir. That's extremely helpful. And my third question is on the polymer side. So could you also talk about, the polymer import market size and what is the plan to capture eventually? Are we even planning to export or just use it for our own purpose?

Management: So as I mentioned to you that the capacity we are building is meant for 100% captive consumption.

Natasha Jain: Got it. And, could you just give us a little bit of sizing in terms of the screen polymer market?

Management: No, we have not looked at it because we are making it with our intention of doing a backward, thing. So we've not got into prediction of the market. What we have focused is what is the margin the players are getting, and how much EBITDA we can add to our books. And based on that, we have taken this decision. And when we are seeing completely a 10% difference, 10% additional margin we can make on the polymer side, it's a no-brainer for us.

Natasha Jain: Fair enough. And sir, one last question on exports. So, while you've touched that you've started an export team and already doing it in Middle East, could you talk about where are we in terms of US which leg of the entire value chain are we there? And what are we going to export? A little bit on that?

Management: We have already made our application for UL approval for medium voltage cables when it comes to the US market. And we have already sent our samples for type testing when it comes to the Europe market.

We have created a dedicated team within the organization comprising of people who are coming from marketing, operations, production, quality assurance, so that we have, we have actually quantified what is required to be qualified completely without any hurdles when it comes to the export market. And I can tell you, before the end of March 2027, most of the pre-qualifications would have been overcome.

Natasha Jain: Great, sir. That's, great to know. And lastly, these export cables, would they be more copper cables?

Management: So it again depends on the market you are targeting. If you are targeting Africa, it is aluminium cable. If you are targeting Europe and US, it is copper cables.

Natasha Jain: Got it, sir. This is extremely helpful. Thank you and all the very best, and wishing happy Diwali to your team.

Management: Thank you.

Moderator: The next question comes from the line of Achal Lohade with Nuvama Holdings. Please go ahead.

Achal Lohade: Yes, good morning. This is Achal Lohade from Nuvama Institutional Equities. The first question, with respect to the MV cable, if you could help us understand in terms of the market size and what has been the growth in the first half in your estimate for MV cable?

Management: As we have already stated in earlier calls, there are basically five to six fundamental drivers which are growing demand in MV cable. The first being renewable. The second being disaster management, third being vertical urbanization and underground cabling projects, fourth is data centre, fifth is the railways. And if you split my order book

position, you will see that almost 90% orders are coming from these segments and just 10% orders are coming from the traditional industry segment.

So till 2022, we had demand from power plants and petrochemical and steel industry which still continues. But these five segments which I mentioned to you are now equally big and comparable to the market segment of INR25,000 crores to INR30,000 crores which was there in the year 2022 with the traditional industries.

So as you will see, the numbers for medium and extra high voltage cables in terms of growth will get captured and will outshine every other segment of the cable industry. And I can tell you with confidence that it will be even faster growth than optical fibres when it comes to the medium voltage and high voltage.

Achal Lohade: Got it. But in your estimate, first half, what would have been the growth for the industry, you know, as per your estimate, sir?

Management: I am not estimating anything because everybody's numbers are not out, but I can tell you that about the type of enquiries we are getting, right? We have presently INR32,000 crores worth of enquiries which are live to be finalized in the next 90 days by various customers across the country.

Achal Lohade: You said INR32,000 crores?

Management: INR32,000 crores worth of inquiries which needs to be finalized by various clients, with specific orders under pipeline which will go to some or the other cable player.

Achal Lohade: And these are across cables, right? Across types of cables, right? Or it's just the MV?

Management: Across medium voltage and extra high voltage.

Achal Lohade: Got it. The second question, with respect to the polymer, what is the typical asset turn in this business if somebody was to set up for third party? What would be the asset turn in this business, sir?

Management: What will be the? EBITDA?

Achal Lohade: Total INR170 crores? So this INR170 crores capex can give what kind of revenue if you were to sell it outside?

Management: Around INR800 crores.

Achal Lohade: INR800 crores. Sir, if you could help us with respect to the second quarter number, if I see the revenue growth was 135%, but the margin improvement is only 70 basis points. So, are there any one-off costs which kind of impacted the profit number? Because logically, this would have had an even bigger operating margin improvement, right, sir?

Management: No, it's because the -- all the contracts are price escalation based, and the time lag of getting the escalation is 30 days prior to the date of dispatch. So if I am dispatching something in September, I will get the price of August. If I am selling something in August, I'll get the price of July. So when your metal prices are falling, the lag impacts your contribution between -- it depends on the level at which it is falling, but always there is a plus-minus of 1% on your EBITDA on the basis of this aluminium prices, and that is the impact you see. But if you, if you compare it with the original contribution which was envisaged when we took the order, means that the contribution remains constant.

Achal Lohade: That's basically cost-plus kind of a contract?

Management: One minute. Mr. Kundip what would you like to say?

Management: Yes, because sales price has gone up, so denominator is higher, and that's how in percentage terms it is seen as lower figure, but in absolute value we are making the same value. Hope it's clarified.

Achal Lohade: So it's more, more like a conductor business, right? So where it is more of a per ton kind of a margin and not like a cable where the margins tend to be percentage-wise similar. Is that right?

Management: No, see it is percentage-wise, but if you -- when you are talking about EBITDA, it is a differential number.

Management: And in the growing prices of commodity, the percentage may be seen lower because the absolute value of the revenue goes up. But when the prices go down, the reverse will be happening. The margin percentage will go up, but absolute value still remains more or less same.

Achal Lohade: Got it. And just one last question with respect to the conductors to cable mix, you know, in terms of the tonnage, what would that be, as of now, and how would that change, let's say, for FY28?

Management: So it is broadly around 30%, 31%, and it will not change. This is what we are envisaging for the current year and for the next year, because the cable business will grow faster than the conductor business. We are expecting it to be 25, 75.

Achal Lohade: Got it. Thank you and wish you all the best.

Moderator: The next question comes from the line of Abhishek Basumallick with AlphaStreet Intelligence. Please go ahead.

Abhishek Basumallick: Hi, first of all, congratulations on a great set of numbers. I had, one quick question. You're talking about a big quantum jump in revenue over the next three to four years. What is the kind of capex that you think will be needed for the next three to four years?

And secondly, what are the big risks that you can see, that can actually create problems in terms of not able to reach that, reach the goal that you have for yourself of INR10,000 crores of top line?

Management: Two things. First is that to reach that top line, we already have our capex and infrastructure in place. Now, whatever additional amount of capex we are doing, which is broadly around INR366 crores over six, seven projects. They are all projects aimed at increasing the margin, right? It is backward integration, it is getting additional value-added products.

So if you say plain vanilla to increase the top line, I don't think except the balancing equipment, INR75 crores, rest is not going to add to the volume. What, what we are focusing and investing on is where we can go and add our EBITDA margin. That is the first thing.

Now coming to the risk, well, every business has a risk, especially when it comes to infrastructure business, which is the power, road, or businesses which at the end of the day are 60%, 70% dominated by government or controlled by government, there is always a geopolitical risk which is associated.

But as you see things now, is there any alternative to power? Fortunately, we are in a space where there is no other alternative. And as things are moving ahead and fossil fuels are getting costlier, more and more focus is getting into new energy, more and more focus is getting into methods by which the traditional source of energies, which can be fuels, which can be other ways, are now getting converted into greener energies. And at the end of the day, everything is getting converted to electricity.

And the most important thing is that we are the people who carry the power, right? If we don't carry it to the customers, all this investment which is happening across every segment of the electrical industry will not be there. So to that extent, our segment of the industry, which is cables, is irreplaceable when it comes to the growth driver or growth engine of the entire country. So we are not seeing any major risk which can turn the apple cart overnight.

Management: Next, I would like to add that. The geopolitical risk is having a positive impact on our industry, just because as the crude prices go up, more and more, new energy is getting traction. So Government of India or elsewhere, if you see, the focus is on new energy. And when we talk of new energy, the solar wind capacity comes up very fast compared to the thermal, and evacuation need to be planned very quickly. So the demand for cable and all the equipment's related to that are likely to continue and the geopolitical risk is actually fuelling it further.

Moderator: The next question comes from the line of Kriti Tripathi with NVS Brokerage. Please go ahead.

Kriti Tripathi: Hello, sir. Congratulations on the strong set of numbers. So as you mentioned that 60% of the projected FY27 revenue of INR4,300 crores is expected in H2. With margins now already expanding, so can we see EBITDA margins moving from 12.9% in Q2 to say 15% or higher in H2? And over the next two, three years, what kind of margin target have we set, 18% to 20% or above? So one guidance on that. And lastly, sir, what is our capacity utilization in H1 FY27 and what levels are we targeting for the next two, three years? Thank you, sir.

Management: So EBITDA margins will always remain between 11% to 13%. Once our polymer gets on stream by December 2027, in the next year we will like to give you a band of 14% to 16%. Till then, I don't think there's going to be a major change in EBITDA

percentage, but the growth will get you more numbers. Absolute value will get you more numbers.

Management: So return on investment, return on capital employed, that will really improve further.

Kriti Tripathi: Okay, and next question was on the capacity utilization, sir.

Management: So capacity utilization is approximately 45% of what it will be when the entire balancing equipment is operationalized.

Kriti Tripathi: Okay, sir.

Moderator: The next question comes from the line of Ajit Sethi with Eiko Quantum Solutions. Please go ahead.

Ajit Sethi: Yes, thank you for the opportunity and congratulations on a good set of numbers. So I want to understand the total addressable market for the HTLS re-conductoring in India in terms of circuit kilometres. And specifically the existing ACSR lines that can be replaced with HTLS? And also, what portion of this market is already covered by AL59 conductors?

Management: So first and foremost, we have not made a single kg of ACSR conductor for last five years. we have a strong conviction that ACSR conductor has no future, right? Our focus is on AL59 eco-conductors. Coming to HTLS conductors, well, this is basically a very specific segment of the market which it addresses.

If 100 electrons of power is moving through a circuit and you want 120 to move, that is where HTLS can be replaced. Today the scenario in India is that all the lines are already 20% to 25% overloaded, right? So HTLS, as per us, in our internal understanding, does not have a very bullish future, right?

It is, it is probably going to be 2% to 3% or 4% of the conductor market. The underground MV cable and EHV cable is the one which is competing with HTLS, and being underground, it ensures that the power theft, etcetera is reduced.

So we are not very bullish on the future of the HTLS cable. As per our data and understanding, this year around INR5,000 crores worth of HTLS tenders have been floated. They are in the market. Around INR2,800 crores or INR3,000 crores have been

awarded and the others will be awarded. But at Diamond Power, we are very clear, we have a 2-member team to focus on HTLS, but we've also targeted that it will not be more than 5% of our top line at its best.

Ajit Sethi: Okay, understood. And so my last question is on the legacy receivable side of INR1,000 crores. So in the last call, we have said that we are in the process of recovering INR300 crores in FY27. So any update on that, how much receivables have been recovered?

Management: We did, we did not say that in FY27. We, we said that INR957 crores is the legacy receivable. We are positive on recovering INR300 crores, out of which around INR116 crores is now quantified, the process of recovering that in terms of liaison, in terms of presenting it to the customer. To the extent of INR116 crores, we have confirmation from customers that yes, that is payable.

The remaining is going through reconciliation, arbitration process, negotiation process, and we are confident that we will recover this money. If you want a timeline, I'll put a timeline of 24 months.

Moderator: The next question comes from the line of Sanjaya Satapathy with Ampersand Capital. Please go ahead.

Sanjaya Satapathy: Thanks a lot, sir, and fantastic. So in terms of turnaround and top-line growth, and you have already given a lot of things about your margin trajectory. I just wanted to kind of understand a little bit more on that margin. So most of your peers have gross margin in excess of something like 20%, 25%, 25 percentile. So do you think you will be able to go closer to that?

Management: Well, let me tell you that I have already given you what margin we will do. We will do between 11% to 13% EBITDA, and once the polymer comes in, between 14% to 16%. Of late we have seen that the market is facing serious quality issues, right?

There is lot of undercutting which has been done in terms of consumption and quality of the product. We are medium voltage and extra voltage cable manufacturers. We, we are not spending any money on branding, right?

Our competitors are spend between 2% to 3% of the top line on branding. We are spending on quality. And I can tell you that the realization which we are getting is same

realization everybody else is getting. We are ensuring that our quality will speak on a longer period of time. I can only tell you that the margin which we are having presently is the most reasonable margin which you should expect from us.

Sanjaya Satapathy: Understood. And, as far as the tax is concerned, till what time do you think you will have this shield of not paying taxes?

Management: Quarter 1 of 2029.

Sanjaya Satapathy: Understood, understood. Thank you, sir.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Aalok Shah for the closing remarks.

Aalok Shah: Thank you, participants, for joining in and for this healthy discussions. On behalf of Monarch Networth, we would conclude this call. Amit, sir, you would have any concluding remarks? Or we can conclude the call?

Management: No, thank you very much. I think Mr. Kundip Thakkar would like to say something.

Management: Just to add to that, in case your questions are not answered or we have not been able to do that because of time constraints, you can write to us and we will get back to you one-to-one. Yes, thank you.

Management: Thank you.

Aalok Shah: Thank you.

Moderator: Thank you sir. Ladies and gentlemen on behalf of Monarch Networth Capital India, that conc ludes this conference call. Thank you for joining us and you may now disconnect your lines.