"Laser Power & Infra Limited
Q1 FY27 Earnings Conference Call"
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MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Laser Power & Infra Limited Q1 FY27 Earnings Conference Call, hosted by ICICI Securities 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities Limited. Thank you and over to you, sir.

Aniruddha Joshi: Yes, thanks, Anushka. On behalf of ICICI Securities, we welcome you all to Q1 FY27 Results Conference Call of Laser Power & Infra Limited. We have with us today senior management represented by Mr. Deepak Goel, Chairman and Managing Director, and Mr. Amit Kumar Goel, CFO.

I congratulate the entire team of Laser for a stellar listing. And now hand over the call to the management for initial comments on the quarterly performance. Post that, we will have Q&A session. Thanks, and over to you, Deepak, sir.

Deepak Goel: Good morning, everyone. On behalf of the entire Laser Power & Infra Limited team, I welcome you to our first Earning Call as a listed company. Our listing in July 2026 marked an important milestone in our journey that began more than more than three decades ago. I would like to thank all shareholders for the confidence placed in our IPO. We value this trust, and we recognize the responsibility that comes with it.

As we begin this new chapter, our focus remains on disciplined execution, prudent capital allocation, strong cash generation, and sustainable value creation for all shareholders. Since this is our first earning call, I would like to spend some time explaining how our business works, how our manufacturing and EPC capabilities come together, and where we see the next phase of opportunity. I will then cover the key operating developments for the quarter, following which Amit will take you through the quarter 1 financial performance and the IPO capital structure.

Laser Power operates across power transmission and distribution value chain. We have two principal business segments. The first is manufacturing. We produce cables, conductors, and specialty products used across transmission and distribution network. Second is our EPC. We undertake power distribution infrastructure projects covering supply, installation, testing, and commissioning, and final handing over.

Over the years, we have steadily expanded our capability across this value chain. We source key inputs directly from established primary producers, undertaking significant processing and manufacturing in-house, and supply our products both to third-party customers and to our own EPC projects. This integrated model is central to the way we operate. It gives us greater control over quality, material availability, and delivery schedules.

It allows our project team direct access to products manufactured within the company, helping us coordinate with procurement execution more effectively. For our customer, this means dealing with a partner that understands both product and its final application in the network. For Laser Power, it means participating across a large part of the value chain rather than operating in only one product supplier or only as an EPC.

Our manufacturing operations are supported by three manufacturing units, with an aggregate installed capacity of around 85,000 metric tons. Their locations give us access to major sources of raw material like aluminum, steel, and polymers, along with proximity to port and transport infrastructure.

While our manufacturing footprint is in Eastern India, our business is not limited to the region. We supply products and execute projects across the country for state electricity distribution companies, utilities, Indian Railways, and the private sector EPC players, in addition to international customers.

Our manufacturing and EPC business have different operating cycles, but they complement each other. Manufacturing is a shorter cycle in nature. Existing orders are manufactured, dispatched, while new orders continue to replenish the pipeline. This cycle generally ranges between 3 to 6 months and through the actual period depends on product specification, customer inspection, and delivery schedule.

In the manufacturing, the closing order book is only one part of the picture. As we execute and dispatch existing orders, fresh orders continue to enter the pipeline. It is, therefore, important to consider order inflow and execution together rather than looking at the closing order book in isolation.

Our EPC business has a longer execution cycle. A project progresses through procurement, supply, followed by installation, testing, and commissioning, and final handover. The timing of the revenue billing and collection, therefore, depends on the project's progress, achievement of contractual milestone, and customer certifications.

EPC project can also run between 18 to 36 months depending on their scale, geography, and complexity. Based on our current portfolio, the broad execution cycle is around 2 years, through individual project timelines may vary.

The working capital requirement of the two businesses are also different. In the manufacturing, we fund our raw material through work-in-progress and finished goods until dispatched and collection. In EPC, the procurement and the initial mobilization often takes place before the corresponding installation, certification, and collection milestones are completed.

Working capital requirement can, therefore, be higher during the early stage of a project and beginning to moderate as the project moves through to execution and billing. Understanding these operation cycles is important when evaluating our order book, quarterly revenue, and margins, and working capital movement.

The addressable market for our business is significant and continues to expand. According to CRISIL's Intelligence, India's conductor market increased from approximately 102 billion in FY20 to approximately 185 billion in FY25, and this is expected to reach 230 to 250 billion by FY30. This growth is expected to be supported by transmission, network expansion, renewable energy evacuation, railway electrification, re-conductoring, and export demands.

Within this broader market, the product mix is also evolving. Conventional conductors continue to form a large part of the demand, but utilities are increasingly adopting advanced and high-capacity conductors to carry more power, reduce transmission losses, and upgrade existing networks.

CRISIL expects demand for HTLS conductors to increase as the country adds higher voltage transmission lines and the utilities address right-of-way constraint through these re-conductoring and uprating existing corridors. Our manufacturing and EPC capability allows us to participate across both new transmission line infrastructure and upgrade of existing networks.

One area that I am particularly excited about is the opportunity in advanced conductors. India's electricity requirement is growing rapidly, and the utility needs to carry more power through existing transmission networks. Building new transmission corridors, however, requires additional land, towers, and right-of-way approvals, which can take considerable time.

Uprating and upgrading existing transmission lines provides a practical alternative. By replacing conventional conductors with advanced high-capacity conductors, utilities can increase their capacity of existing corridors without rebuilding the entire transmission infrastructure.

We identified this opportunity early and partnered with TS Conductors, a US-based technology company with established international experience in the next-generation conductors. Under this partnership, Laser is a licensed manufacturing partner to produce TS Conductors' advanced AECC technology in India. The technology combines both higher power-carrying capacity capability with improved operating performance.

It protects carbon fiber composite core and is designed to reduce sag and transmission losses while offering greater reliability under demanding conditions. It is also compatible with conventional installation practices and standard fittings, which simplifies the deployment and maintenance for the utilities.

Delivering these benefits require more than conventional conductor manufacturing capacity. Advanced conductors are a specialized segment, where participation requires access to proven technology, extensive product testing and qualification, and the ability to support installation and execution on ground. Our partnership brings together TS Conductors' proprietary technology and international experience with Laser's established capability in design, testing, and manufacturing, and installation of project execution.

The opportunity is also becoming visible through tendering activity. Over the last 1 year, utilities have approximately floated tenders worth INR3,500 crores involving HTLS conductors and re-conductoring. We have participated in approximately INR1,250 crores of these tenders. Over time, we expect our AECC and wider portfolio of advanced conductors to increase the technology content of our product mix, expand the range of projects in which we participate, and support improved realizations and margins.

Coming to the quarter, Quarter 1 of FY27 reflects healthy growth and continued execution across both businesses. Revenue from operations increased by approximately 15% year-over-year to INR5,215 million. EBITDA grew by approximately 26% to INR659 million, and EBITDA margins improved to 12.6% from 11.5% in Quarter 1 of FY26. Amit will take you through the financial performance and the key drivers in greater detail.

Our order book stood at approximately INR27,884 million as of June '26. This comprises of INR14,327 million of manufacturing order and INR13,557 million of EPC order. The completion of our IPO has strengthened the foundation of our next phase of growth. A substantial portion of the fresh issue proceeds was allocated towards reduction of our borrowings.

As these proceeds are utilized, we expect leverage and financial cost to reduce progressively. A strong balance sheet would also improve our financial flexibility and support the banking facilities required for larger manufacturing orders and EPC projects. We have also built sufficient manufacturing capacity for the next phase of growth. Having expanded installed capacity meaningfully over last 3 years, our immediate focus is on improving utilization, increasing the productivity of our existing assets, and growing the contribution from higher value-added products.

In certain expansions and operations improvement initiatives have already been implemented. We also have land available within our manufacturing footprint to support our further expansion as demand develops. Future capex will be undertaken in a phased manner, aligned with our customer demand. With this foundation in place, our strategy and priorities are clear.

First, to execute our manufacturing and EPC order book with discipline, while maintaining higher standards of quality, safety, and delivery. Second, to increase the contribution of specialized cables and advanced conductors supporting improved realization and a richer product mix.

Third, to improve working capital efficiency and strengthen the conversion of operating earnings into cash flow. Fourth, to use our stronger post-IPO balance sheet to pursue growth opportunities, while maintaining prudent leverage and disciplined capital allocation. Fifth, to continue investing in people, technology, customer relations, and execution capability, which remains fundamental to our long-term success.

Before I conclude, I would like to thank our employees, customers, suppliers, banking partners, shareholders for their continued trust and support. We are at the beginning of our journey. As a public listed company, we are committed to earning that trust, one quarter at a time. With this, I will now hand over to Amit, who will take you through the financial performance, working capital deployment, and post-IPO capital structure. Amit, over to you.

Amit Goel: Thank you, Deepak sir. And good morning to everyone. I will take you through our financial performance for Q1 FY27, the segment results, working capital development, and impact of IPO on our capital structure. For today's discussion, all financial figures are on a standalone basis unless otherwise stated.

Revenue from operations for Q1 FY27 stood at INR5,215 million, representing year-on-year growth of approximately 15% compared with INR4,541 million in Q1 FY26. EBITDA increased approximately 26% year-on-year to INR659 million compared with INR524 million in corresponding quarter last year. The EBITDA margin improved to 12.6% from 11.5% in Q1 FY26. Profit before tax increased approximately about 27% year-on-year to INR286 million compared with INR222 million in Q1 FY26. PAT stood at INR211 million with PAT margin approximately at 4.1%.

Coming to the segment performance, the manufacturing business reported a revenue of INR3,824 million compared with INR3,932 million in Q1 last year. Manufacturing EBITDA stood at approximately INR388 million.

The EPC business delivered a strong year-on-year growth with a revenue increasing approximately 129% to INR1,391 million from INR609 million in Q1 FY26. EBITDA increased to INR276 million from INR93 million in EPC segment. EPC profitability can vary between quarters depending on the mix and stage of project under execution.

The Q1 margins should, therefore, be viewed in context of projects executed during the quarter rather than treat as a steady quarter run-rate. Finance cost stood at INR362 million during Q1 FY27 compared with INR296 million in corresponding quarter last year. Finance cost absorbed approximately 55% of quarterly EBITDA and remained a principal factor moderating the conversion of operating profitability into PAT.

It is important to note that Q1 financial results cover the period ended June 30, 2026, while the IPO was completed in July '26. The Q1 finance cost, therefore, does not reflect the benefit of reducing borrowing through the utilization of IPO proceeds. Approximately INR4,900 million of IPO proceed was utilized towards the repayment of loan outstanding. Gross debt currently stand at approximately INR3,600 million.

It is important to note that the company also maintain a fixed deposits of approximately INR2,400 million with bankers primarily as margin money. After adjusting these deposit, the company's net debt position become negligible. The reduction in borrowing is expected to result in a progressive decline in finance cost.

As the debt repayment was completed during Q2 FY27, the full benefit will accrue over subsequent quarters, while only the proportionate benefit of the post repayment period will be reflected in Q2. As business grows, company will continue to use working capital facilities to support business order, manufacturing orders, and EPC execution.

Our objective is, therefore, not to eliminate the operating borrowing, but to maintain a leverage at a prudent level aligned with the cash generation and the scale of business. Working capital remained an important area of focus during Q1. During the final quarter of FY26, we commenced project with an aggregate value of approx INR8,000 million.

These project were in the initial stage of execution during Q4 and Q1 of this year, requiring procurement, mobilization ahead of corresponding installation, billing, and collection milestones. This contributed to increase in inventory working capital requirement during the quarter. As these project progress through installation, certification, billing, and collection, we expect associated working capital to gradually moderate over the coming quarters.

We remain focused on aligning procurement with execution schedules, improving certification and billing timelines, accelerating collection, and converting project inventory into revenue and cash. To summarize, Q1 FY27 delivered healthy growth in revenue and EBITDA supported by strong EPC execution and broadly stable manufacturing profitability.

While the finance cost continued to constrain our conversion during the quarter, the utilization of IPO proceed towards debt reduction should progressively strengthen our capital structure and improve the conversion of operating earning into net profit. Our financial priorities for remainder of FY27 are clear: improve working capital conversion, realize benefits from the debt de-leveraging, and support the business growth, while maintaining prudent leverage and capital discipline. Thank you for the time, and we will now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Praful Kumar from Dymon Asia. Please proceed.

Praful Kumar: Good morning, sir, and congratulations on a very successful IPO and execution. Sir, a couple of things. First was on the new products. Can you talk about the new products pipeline that you have developed? What are the key differences between the existing products in terms of conductors today in the market and what technology have you, you know, worked on that and how scalable that can be?

Moderator: Sorry to interrupt, Mr. Praful. We are actually not able to hear you clearly. Could you please come closer to your device and then speak a bit louder?

Praful Kumar: Yes. Am I audible now? Hello? Am I audible?

Deepak Goel: Yes, yes. Now you are audible.

Praful Kumar: Yes, yes. Hi. So, congratulations on a very strong listing and execution. Sir, just first question is on the new products that you discussed at time of IPO that your team was working on in terms of R&D conductors. What are the new products that you have got the breakthrough? How scalable that can be? How they differentiate with existing products in India right now? So, that's the first question, sir.

Deepak Goel: Yes. Thank you, Mr. Praful. And I would like to answer that question in another way. If you look at our country, the kind of power generation requirement that has come up, we are planning to increase our power generation capacity from almost 500 gigawatt to 900 gigawatt in next 5 or 7 years. That's the that government has undertaking.

It's a very big plan that the government has undertaken. And you can very well understand the kind of ROW issues that we face. Erecting new towers or getting new lands is a challenge that is going to keep on increasing in the years to come. And when we understood this challenge very early, and then we identified a company in US for tying up for this technology.

And we tied up with this technology about year and a half back, and ever since then, we have been constantly trying to make headways into the business. We have participated in tenders worth more than INR1,250 crores. And these tenders are under active evaluation. With this technology, the kind of development that will happen will be unique in itself.

It has certain advantages that no other technology provider in the world is able to achieve. I would like to just highlight a few advantages of these this technology. One of them is the kind of strength this conductor has. It has almost 1.5x more strength than the existing conductors that are being installed.

And apart from that, the conductors have a very big advantage from installation practices side. In these advanced conductors that came up earlier, installation practices were quite complex. And with this new technology, the installation practices have been made easier. So, that helps to expand the transmission network quickly and with a lower cost.

So, in this way, we expect the business to grow in this sector in the coming years. And this is about the new technology that I've already talked to you about. The addressable market of this new technology in last 1 year, tenders worth almost INR3,500 crores have already come about. So, we expect this amount to grow in the coming years.

So, this is quite a addressable market. Apart from that, we are also making high-voltage cables. And in last nine quarters, we have increased our high-voltage cable sales from 9% of our total revenue to almost 29% of our total revenue in last nine quarters. So, HT cables is also a sector which is growing in its own way, and we are capturing that growth as well.

Praful Kumar: Superb, sir. And secondly, sir, on margins, then given the product mix over medium term, what margin expansion we can expect? I'm not asking for a quarter, but next, say, 12 to 18 months in the business, given the backdrop of this unique technology that the orders will come in and execute?

Deepak Goel: Yes. Coming to the margin levels, over last 5 decades, our performance has been quite stable. And the EBITDA margins that we have maintained in the past few years or even in the last financial year, with this new product coming in, we expect the margins to remain stable and the revenues also to grow at a steady level as we have been growing in the last 5 years at around 15% to 16%. We expect this growth to continue in that same manner.

Praful Kumar: Okay. Thank you, sir, and all the best.

Deepak Goel: Thank you.

Moderator: Thank you. We take the next question from the line of Bala Murali Krishna from Oman Investment Advisors. Please proceed.

Bala Murali Krishna: Hi. Good morning, Deepak. First of all, regarding the numbers, why we are not talking about these consolidated numbers, and everywhere we are quoting standalone numbers, even in the press release or in the presentation, or even in the call? So, whether we closed that subsidiary or there are no subsidiaries to consider consolidated numbers?

Amit Goel: All right. So, so to answer that, so since our standalone number is more reflection towards our operating business and the subsidiary currently, we have just one subsidiary having nil revenue in this year that was created as an SPV for a particular project. So, hence we are focusing on the standalone numbers.

And if you see the number difference between console and standalone, there is no revenue difference, and it's a minuscule difference at EBITDA level. So, hence we thought that more reflective number for our financial should be the standalone, hence, hence we are presenting that standalone as a number.

Bala Murali Krishna: So, but when you see in the bottom line, there is a huge difference. So, it matters to the company, no? So, even there is an EBITDA level or revenue level there is no difference, something is going to the subsidiary, so then it matters. So, we should, normally every company quotes about consolidated number, maybe they can report standalone separately, but people should consider consolidated rather than standalone. So, if it is not required, then we should remove that subsidiary.

Amit Goel: No, sure. So, so if you see as per regulatory requirement, the number we have uploaded on sites is both, standalone and consolidated. And though for the presentation purpose, since we thought that is more representation of our number, and there is a very, even at bottom line, that difference is roughly about like INR20 lakh, INR30 lakhs.

So, it's very minuscule difference. So, hence we didn't place that. And once we start getting revenue, most likely from next year in that SPV, we will start putting consolidated numbers as well in the presentation.

Bala Murali Krishna: No, when you see bottom line, the profits are dropped from INR50 crores to INR20 crores, which is not a small number, I think.

Management: I don't think so. You can check that one. If you see consolidated number, the PAT is INR20 crores.

Amit Goel: Okay, okay. What you are talking about from the last year comparison. So, please note that in last year when we say console number, in consolidation there is a one-time revenue there is an extraordinary profit of INR32 crore, which was reported last year. And hence, that that one-time revenue can't be considered as ongoing thing. So, that standalone number are better comparable, and that was the strategy. Basis that only, we have presented our number.

Bala Murali Krishna: Okay. So on the growth front, so last three, four years, top line, maybe 10%, 15% numbers, but at the bottom line, we have grown 7x from INR20 crores to INR150 crores. So in the current financial year, so can we expect that 70% growth or 50% growth in the bottom line?

Amit Goel: I didn't get that question, but what I can hear that whether the bottom line will grow and by how much. So, we have to consider that we, since we have repaid, we have used our IPO proceed to repay the debt. So obviously that benefit is going to flow in bottom line and that's also a significant increase in our bottom line by that. And business as you know, it will happen.

Bala Murali Krishna: Just to follow up on that. So, if we remove that finance cost reduction, so we've grown from INR20 crores PAT to INR150 crores PAT in the last four years, four or five years. So, the CAGR would come around 70%. So, in few years we've grown 100% PAT from 20 to 40, 40 to 100, 100 to 150. So, the current year, can we expect this kind of INR100 crores to INR50 crores to INR40 crores PAT?

Amit Goel: We are, we are not actually trying to provide any specific guidance on how the FY27 will look like. But at broader level, what we mentioned are revenue to grow. Basis are five years CAGR, we can see it. Then EBITDA to maintain. And then the finance cost and all those things will follow to the bottom line.

But at the same time, when you say INR150 crores of last year, I would urge to consider that INR120 crores last year as INR32 crores was a one-time benefit and which is not going to flow this year. So, the comparable number would be around INR120 crores. From there we have to compare things.

Moderator: We take the next question from the line of Vidit Trivedi from Asian Market Securities. Please proceed.

Vidit Trivedi: Hi, sir. Thank you for the opportunity. So, my first question is with respect to the conductors. So, you recently secured your first commercial HTLS re-conductoring order under the TS partnership. So, just wanted to know if you could give some more color on the size of this opportunity, the current pipeline, and what's the expected revenue contribution from HTLS and other advanced conductors over the next 2 to 3 years? And also, are the margins materially higher than the conventional conductors?

Deepak Goel: Yes. Thank you. And I'd like to highlight that this is a segment which is involving partnership with a company in US called TS Conductors. So, this is patented by him. It's a patented technology, and whenever a patented technology is introduced into the market, it does carry certain advantages. Now, those advantages will come to us as and when we start executing projects.

As we told you earlier, we've already bid in projects worth almost INR1,250 crores, and all those projects are under evaluation. As soon as those evaluations come through and prices open, we expect our revenue generation to come from those new products. And as soon as those revenues come in, of course, since the products are a bit premium in nature, they should improve our margin levels. Having said that, we hope to do that in the next few quarters, and we'll wait for the results to come out.

Vidit Trivedi: Got it, sir. Sir, in continuation of this, if you could please speak a bit more on the realizations part done in the conductor segment, and also, what's the split between cables and conductors in the manufacturing division?

Amit Goel: So, in manufacturing division, our cable and conductor split usually between 90% and 10%. And that's how, because till now we are selling those conventional conductors, and with this HTLS segment coming into the picture, that proportion may increase with this specialized conductor, but on those, we'll be able to comment once we get our firm orders and how the things are progressing.

Vidit Trivedi: Got it. So, so 90% is the conductor segment and 10% is the cables' part, right?

Amit Goel: No, it's otherwise. So, 90% is cable and 10% is conductor, as of now.

Vidit Trivedi: Got it, sir. Thanks a lot. Just one more question, if I may squeeze in. So, your current capacity is at 62%. So, how should we think about the utilization over the next 2 to 3 years? Again, will it be dependent on the order winning from this 20 -- the order pipeline that you have mentioned a couple of minutes back?

Amit Goel: Yes, it happens like since this is a new technology, we also built the capacity to deliver the new product as well. So, as soon as we go get those orders, these cap utilization will improve. And also we need to understand that in our sector what happens, you can't increase your capacity overnight. So, definitely, if we need to capture the future revenue growth, we have to increase this before-hand. So, at times at initial period, it is the level of utilization may come at lower side once we increase, but gradually it settle down.

Vidit Trivedi: Got it, sir. Thank you and all the best.

Amit Goel: Thank you.

Moderator: Thank you. We take the next question from the line of Raman KV from Sequent Investments. Please proceed.

Raman KV: Hi, sir. Thank you for allowing me to ask questions. I just have two questions. One, post the repayment of the debt using our IPO proceeds, how much interest saving can we expect on a quarterly basis?

Amit Goel: So, the interest saving typically our cost of capital is roughly 9%, and we have repaid INR490 crores of debt. So, accordingly, the interest saving will come through, and that should be nearly somewhere INR40 crores in a year at PBT level, and that can be termed into quarter that way.

Raman KV: So, INR40 crores of interest savings will be on annual basis.

Amit Goel: On annualized basis.

Raman KV: Okay, understood, sir. And sir, on the cable front, my second and last question, is with respect to cable. On a cable front, our capacity utilization is 80%, roughly around 80%. So, I just want to understand what's the peak revenue can we do with the cable from the cable division? One is that. A follow-up on that is, are you because if my understanding is right, because of the demand, you can easily able to ramp this capacity to 90%, 95% by the end of Q4. So, are you planning to come up with new manufacturing capacity? And if so, can you just give a brief about it?

Amit Goel: I'll explain this in two, three parts. So, one, when we say about the utilization, the utilization will definitely depends on revenue. So, what kind of revenue and what kind of order we are executing, and depends on product also at times, because there are certain products which utilize higher capacity, there are certain products which utilize lower capacity for revenue generation, depend how complex product it is. And the capacity what we have declared, and as far as the ramp-up of the capacity, if you see over the years, we invest every year in some capex to improve our capacity, and we will continue to do so as our strategy.

The third part I want to mention that if we say my optimum utilization level, so I can what we are reporting is actually the when we say 85,000 metric ton capacity we have, it is actually a optimized one only. So, we are not, so we can go up to utilization of 90%, 95% of the capacity. But as a strategy, what we keep doing that at 75% once we reach to the 75%, 80%, we enhance our capacity. So, that's how we are working over the years, and it we will continue to do so.

Raman KV: And sir, the first question, how much peak revenue can we expect from the cable business, like at our peak utilization full year?

Amit Goel: So, peak revenue can easily touch to about 65% of the utilization. That exact number can't be placed here because that will again depend on the product, what kind of product demand we get. So, everything will depend on product mix and duration. It will depend.

Deepak Goel: Having said that, we do, we do plan to bring about better revenue from high-voltage cables, HT cables segment, which has, which we've already told you, has increased in the 9 quarters from 9% to 29%. So, our focus is on HT cables going forward. And apart from that, the new product range that we are bringing in, as and when the order starts flowing in, we also expect the revenue to come from that segment as well.

Raman KV: So, just a follow-up, if I can squeeze, one, one aspect on the margin front, because you are saying you are planning to increase your share of high-voltage cable. So, what's on a ballpark basis, what's the margin difference when we compare to, or when we compare a normal cable versus a high-voltage cable versus a conductor business?

Amit Goel: So, it's roughly like 2%, 3% of margin difference between the normal cable and HT cables at EBITDA level. That's how we look at our business, yes.

Raman KV: And what about the conductors? Is it like a better margin business than high-voltage?

Amit Goel: Conductor, the conventional conductor have the lowest margin in the portfolio, and for any conductor business is more like commoditized. If you talk about the specialized conductor, HTLS conductor, that should fetch higher margins, but we'll be able to comment once we get the order and let's execute some revenue out of that. Because till now we have not booked any revenue, but expected a little higher side on that. Yes.

Raman KV: Understood. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Sidhaant from Sanshi Fund. Please proceed.

Sidhaant: Hello, sir. Firstly, congratulations on the great listing. Just two very quick questions. One on the HTLS conductor, do we also make the carbon composite core that goes inside it, and who would be the other players that are making this core?

Deepak Goel: Yes. So, I'll give you a bit of context on this subject. Actually, as we've explained earlier, the technology provider is a US-based company called TS Conductors, and that is the company which manufactures the carbon core, and it is a patented technology, and they produce this carbon core from U.S. and export it to India, like the other peers who are also in the same segment. They are also importing cores from maybe USA, company in USA or maybe in Japan or maybe in France. So, these are products that are made outside India and imported into India for this particular segment and for this particular solution.

Amit Goel: It's only carbon core we speak about, and then the conductor is being manufactured in India in our factory, and the business HTLS is like that only.

Deepak Goel: And after that, the installation part is also done by us.

Sidhaant: Understood. Thank you.

Deepak Goel: Thank you.

Moderator: Thank you. We take the next question from the line of Gaurav Uttrani from Mirae Asset. Please proceed.

Gaurav Uttrani: Hi, sir. Thank you for the opportunity, and congratulations on the listing. Sir, just I have just one question here on the tax what we have seen that we are paying or we are setting off on a deferred tax side. Can you just explain the transaction, like what sort of deferred tax is still pending, and how it will be utilized over the year? And last year also we have seen that there was a large amount which was pertaining to deferred tax which was reducing our tax expense. So, just wanted some clarity on that part?

Amit Goel: Yes. Hi, Gaurav. And so, Gaurav, like as we have done an acquisition, and due to which we got a carry forward loss in FY23, and for that we are getting that tax benefit across 3 years. So, first of all, on INR500 crores, the tax saving, entire tax saving would be roughly somewhere INR125 crores, INR130 crores.

And for accounting purpose, we are showing that as a deferred tax, but there is no cash outflow since then on my taxes. And this entire will cash deferred benefit will be set off in this financial year. So, we expect post FY27, we have to pay taxes, so that's how the entire composition of tax would be.

Gaurav Uttrani: So, FY28, tax amount would be normal, which we can actually see in that?

Amit Goel: Correct. So if you see the P&L, Gaurav, so we show that tax expense through deferred because that's the accounting. So, so it is not that there would be some improvement in P&L on account of tax or some loss would be there on account of tax, because that that's been already considered. It's only cash outflow of tax will happen from next year, but our P&L of FY27 or FY26 consist the tax cost, so that is always after tax right.

Gaurav Uttrani: Got it, sir. All right, sir. That that was all from my side. Thank you.

Amit Goel: Thanks, Gaurav.

Moderator: Thank you. We take the next question from the line of Pranav Jain from Ageless Capital and Finance. Please proceed.

Pranav Jain: Hi, sir. Thank you for the opportunity, and congratulations on a very successful listing. Sir, on the re-conductoring part, sir, while our four other companies also have a TS Conductor partnership, we are the only ones, I believe, who have finished testing and are eligible to bid. So, virtually, and please correct me if I'm wrong, if when we do bid for re-conductoring projects, we do not have any competition, right?

We're the only ones bidding for it, at least when it comes to the TS tech. Apar and Sterlite have the CTC Global tech with which they bid, but that won't be eligible for the re-conductoring that we're doing, right? So, just wanted to get an idea on that?

Deepak Goel: Yes, I'll address it in a way where we have made headroom because we made our technological tie-up in March '25. Since then, it's been almost, I think, more than a year. When did we tie up? It was March '25, right? Yes, '25. So, it has been quite some time, almost like 1 and a half years, and it really takes a lot of time for the development to take place.

You need to develop the product, you need to type-test it, you need to do prototype testing, and various other skills need to be acquired as far as erection is required, erections, approvals, and other things.

So, those headrooms have already been created by us, and that is the exact reason why we could participate in tenders worth INR1,250 crores, and we expect these tender results to come out very soon, and that should clear up the growth trajectory for our company, how it is going to be looking like in the coming quarters.

Pranav Jain: So, so on these INR1,250 crores tenders, we are, and just to reconfirm, we are the only people who have bid for it, right?

Deepak Goel: In some of the tenders, there are multiple bidders. In some of the tenders, there may be lower number of bidders, but single bids would not be something that I would really stress upon. It's just that the bids are there. There may be in some bids, there may be few players, and in some bids, there may be many players.

Amit Goel: So just to clarify here that any tender comes, it doesn't come with a specification that you need to bid with TS technology. The business or tender comes for re-conductoring. So, all previous technology, all the partners, everybody are eligible to bid in the project. So, that's how it's going on.

Pranav Jain: Understood. That makes sense. And, sir, on my second question, sir, while we know re-conductoring reduces costs and also has very good time efficiencies. Players like Power Grid, who set up these transmission lines, their returns are fixed as a fixed percentage of the capex they do. Now, re-conductoring, the costs go down. So, what incentivizes them? Is there a move towards grid line efficiency that will pay out Power Grid, or can you just explain how is that looking like?

Deepak Goel: I will address that question in two different parts. One would be efficiency of the conductor. That is one part that the utilities are already looking at, that whatever technology they want to adopt, that should be having some incentive for the better efficiency that it has. So, that is one part that the utilities have started adopting. And the second part of it would be, the second question was about, can you repeat the second question?

Pranav Jain: My question was that Power Grid generally makes a fixed percentage, fixed ROCE on the amount of capex that it does, and now re-conductoring reduces that capex, so just on that part.

Deepak Goel: Yes. So for that, I would like to address another point that Power Grid does this on lines where they have ROW challenges. Now, let's say if they have a line which is almost like 30 years old or a 40 years old line, and there they are not able to build new lines, that is where this re-conductoring business comes in because as I told you earlier, this is a solution for re-conductoring where new lines and acquisition of new land is a challenge.

And, therefore, this product helps from that point of view, because Power Grid wants to transmit from point A to point B maybe double the amount of current that is flowing right now. So, the only solution and the quick solution that comes in is by re-conductoring, not by erecting new towers which may take time.

Moderator: We take the next question from the line of Krupa Sanjay Desai from Electrum Capital. Please proceed.

Krupa Desai: Hi. Am I audible?

Amit Goel: Yes.

Krupa Desai: Yes. So two questions from my side. Sir, in the last 3 years, our capacity has gone from 62,000 metric ton to 85,400 metric ton, but the actual production has remained flat only, despite such high industry demand. So, what could be the reason for this?

Amit Goel: So what happens like that's absolutely correct, but as we mentioned in our initial speech also that we are moving towards specialized product. So, specialized products are like, they may be lesser it may be lesser in volume, but it contributes to the bottom line and it contributes also to the top line, because those are little costly and little value-added product.

So from that angle, if you see our revenue is increasing constantly, and as far as the volume is there, production volume would be like roughly flat and that is happening because of this. And as we grow, now our mix and everything are more or less optimized, as we grow, you will see that growth in coming time.

Krupa Desai: Okay. So, when you are guiding 15% to 16% growth, it's volume growth or is it revenue growth?

Amit Goel: So till date whatever we have mentioned about CAGR of last 5 years, we are guiding accordingly, and that is that is more or less the revenue what we are talking about.

Krupa Desai: Okay, sir. And what about the mix, would the EPC and manufacturing mix continue to be what it is right now, or it could change?

Amit Goel: Yes, it will remain similar and that's our strategy, because we consider EPC as a forward integration for our products, and it's been like final use of our product vertical. So, the mix would be going to be remain like that.

Krupa Desai: And what are the EPC margins right now?

Amit Goel: EPC margin again, it's very EPC margin, though there is a segment reporting which we have done, and where we said that EPC margin roughly stands between somewhere 15% to 20%, but EPC margin can't be look at a particular quarter or at a particular moment, because that will depend on a single project milestone, what kind of at what stage it is. So, it varies in reporting timings always. But that's how we typically see that. It broadly remain in this range.

Krupa Desai: Can you repeat the margin range?

Amit Goel: Yes. So, we said 15% to 20% somewhere it remains, generally what we report on EPC margin, EBITDA margins.

Krupa Desai: Okay. And, sir, on the operating cash flow side, so do we expect to be positive in this year, operating cash flow?

Amit Goel: If you see in Q1 also, we have done a significant improvement. It's just very minuscule negative, and in past, except last year, in past 3, 4 years, we never had a negative cash flow. So, definitely, we are looking...

Krupa Desai: Hello?

Amit Goel: Yes. Krupa. Yes, hope you heard.

Krupa Desai: Yes. And, sir, is this 15%, 16% growth very conservative? Can we do more like?

Amit Goel: It's very difficult to comment, Krupa, sitting at Q1. We are not coming up with any specific guidance, and what we are saying that we are confident to do a growth, the way we have done in past.

Krupa Desai: Okay. Thank you. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Dharma Teja from Teja Investments. Please proceed.

Dharma Teja: Hello, sir. Good morning to everyone. I just want to know how management currently drives 65% of revenue from public sector entity, right, sir?

Deepak Goel: We can't hear you. Can you be louder, please? Can you pick up the phone?

Dharma Teja: Sir, I just want to know how management wants to diversifying, because it's mostly 65% of revenue coming from public and government spend, right? How it was moving away from that and focusing on private sector for next 3 to 5 years?

Amit Goel: So, how our revenue composition usually look like, so EPC projects, whatever we do, is 100% coming from the government, because they are the main utilities who use, who establish all those transmission and distribution lines, and we usually don't take that subcontracting jobs, hence EPC revenue typically comes from the 100% from the government. In manufacturing side, usually it's 50-50, between government and private sector, and that's how we will continue.

Dharma Teja: Okay, sir. Thanks.

Moderator: We take the next question from the line of Akash Ravel from Sanghvi Family Office. Please proceed.

Akash Ravel: Hi. Thank you, sir, for the opportunity, and congratulations on the great listing. Sir, I have a question regarding the re-conductoring part. So, how the AECC technology is picking up in the international market, and what is the cost differential and installation difference between the tech generation 1 and the AECC technology, which we have? So, just wanted to understand.

Deepak Goel: Yes. So, actually, this technology was commercialized in 2016 and has been in proper use in the U.S., Europe, and China. So, it has been a proven, it already has a proven track record of more than 8 to 10 years in these countries. And apart from that, when you are talking about the advantages, there are several advantages that come with the technology. Installation practices is one of them, because you are handling a core which is more robust.

So, what happens is during installation, the conventional erection teams are able to handle this product much more easier, because the earlier first-generation technology used glass as an encapsulation, and in this technology, we are using aluminum as an encapsulation, which makes it easier for the erection team to handle, and thereby bringing down the cost of erection as well as the hardware required for the erection of these conductors.

So, in that way, we do have advantages over the earlier generation.

Akash Ravel: Okay, sir. So, if the technology is available for the past 10 years. Why this has not picked up in India? Because we had transmission issues going on for the last 3, 4 years?

Deepak Goel: Yes, so the basic funda behind this was that the person who invented this technology wanted to establish this technology internationally in the developing developed countries. So, what he did was, post-2016 he installed them in various developed countries so that the performance of the conductor can be established.

Post that, he chose, he started looking out for a partner in India, having understood that the Indian market has also matured for this product. And post due diligence of the Indian market, they found us to be the most suitable partner, and we were chosen as the first partner in India for commercializing this product here.

Amit Goel: There is a process, so with this process, obviously, it takes time. So, we did tie-up 1 and a half year back, and it's progressing well since then.

Moderator: We take the next question from the line of Pratham Samdadiya from Vasuki Capital. Please proceed.

Pratham Samdadiya: Hello, sir. Thank you for the opportunity and congratulations on the great debut in the capital markets. So my question was on the working capital front. As you also mentioned that we are turning green or minuscule red on the operating cash flow part, so what are we expecting on the working capital days? Are we optimizing the working capital and reducing the working capital cycle or anything else?

Amit Goel: Yes. So our working capital typically range between 110 to 120 days, 100 to 120 days, actually. And there could be some spike in a particular reporting date because of various reason, the EPC project at what stage it is, at the same time there are manufacturing clearances, which we got, like, for example, in this quarter if I have to talk about June '26.

We have seen that there is a spike of inventory of FG and WIP by INR90 crores, which little, but that's give the visibility that since we are all order to make, once we get the order, we start producing material.

So, this will convert into revenue in coming quarters. So, it's all depend on the reporting date, but typically we see our working capital days to remain like this on a standard basis, and in every period, some spike may come, but gradually it will normalize. So, that's how it works in our industry.

Moderator: Ladies and gentlemen, we take that as the last question for the day. I would now like to hand the conference over to management for closing comments. Over to you, sir.

Deepak Goel: Thank you very much, and everyone, for joining us today for this question-and-answer session. We appreciate your interest in the company and look forward to communicating with you again in the future. Have a good day. Thank you.

Moderator: On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

(This document was edited for readability purpose.)