

May 26, 2025

The Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street  
Mumbai-400001

The General Manager-Listing  
National Stock Exchange of India Limited Exchange  
Plaza, Bandra Kurla Complex  
Bandra East  
Mumbai-400051

**Symbol/Script Code: (BSE)530555 /(NSE) PARACABLES**

**Subject: Transcript of Conference Call pertaining to the Financial Performance for the Fourth Quarter and Financial Year ended on March 31, 2025**

Dear Sir / Madam,

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the exchanges that the transcript of audio call recording of the Company's conference call held on Thursday, 22<sup>nd</sup> May, 2025 to discuss the financial performance for the Fourth Quarter and Financial Year ended March 31, 2025 is attached herewith.

The transcript is also available on the website of the Company:

*Link to access Investors call recording:*

<https://paramountcables.com/wp-content/uploads/2025/05/Transcript-Q4-FY-25.pdf>

You are requested to take the same on your record.

Thanking You

Yours Faithfully,  
for **Paramount Communications Limited**

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GUPTA

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Date: 2025.05.26  
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**Nitin Gupta**

**Company Secretary and Compliance Officer**

Encl: as above



## “Paramount Communications Limited Q4 FY '25 Earnings Conference Call”

**May 22, 2025**



**MANAGEMENT:** **MR. SANJAY AGGARWAL – CHAIRMAN & CHIEF  
EXECUTIVE OFFICER, PARAMOUNT COMMUNICATIONS  
LIMITED**  
**MR. S K AGARWAL – CHIEF FINANCIAL OFFICER,  
PARAMOUNT COMMUNICATIONS LIMITED**  
**MR. PARTH AGGARWAL – PRESIDENT MARKETING,  
PARAMOUNT COMMUNICATIONS LIMITED**

**MODERATOR:** **MR. SANJEEV KUMAR SINGH – MOTILAL OSWAL  
FINANCIAL SERVICES**

**Moderator:** Ladies and gentlemen, welcome to the Paramount Communications Q4 FY '25 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited.

As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Sanjeev Kumar Singh from Motilal Oswal Financial Services Limited. Thank you and over to you, sir.

**Sanjeev Kumar Singh:** Thank you. Good afternoon, everyone. I welcome you all on behalf of Motilal Oswal Financial Services on this 4Q FY '25 Post Results Con-Call of Paramount Communications.

We have with us today Mr. Sanjay Aggarwal - Chairman and CEO; Mr. S K Agarwal - CFO and Mr. Parth Aggarwal - President Marketing.

Without much delay, I now hand over the call to the management for their opening remarks, which will be followed by Q&A session. Over to you, sir.

**Sanjay Aggarwal:** Thank you very much, Sanjeev and good afternoon everyone. I am Sanjay Aggarwal - Chairman and CEO, Paramount Communications Limited. I welcome you all to this earnings call. I hope my voice is coming clear to everybody. Will somebody please confirm?

**Moderator:** Yes, sir.

**Sanjay Aggarwal:** Okay Great. So let me first start with a small background of the Company:

Paramount Cables was established in 1955. We have a complete range of products for every segment of the cables market. We make Power Cables, we make Telecom Optical Fiber Cables, we make Railway Signaling Cables, we make House Wires and Special Cables and many other special products for the cable industry. The Company has two state-of-the-art manufacturing plants at Khushkera in Rajasthan and at Dharuhera in Haryana with a strong in-house R&D team and a focus on excellence in design and quality.

I am happy to share that the Company has become debt free in the Financial Year '25 and we have liquidated all our debts and obligations during this year. Paramount has achieved its highest ever quarterly and yearly revenue in the current quarter and the Financial Year '25. We have achieved a revenue growth of 47% plus in Financial Year '25, having achieved total revenues of Rs. 1,587 crores for the Financial Year '25. The Company has achieved 3-year CAGR of 39.5% in revenues, 77% in EBITDA, 138% in PBT and 120% in PAT from Financial Year '22-25. The Company has been able to improve its working capital efficiency by having been able to reduce

the working capital days from 155 to just 101 days from FY '24 to FY '25. This means a reduction of nearly 33%.

The Company has achieved a reduction in debtor days from 86-47 days and in inventory from 108 days to 97 days. The Company has achieved positive operational cash flow of Rs. 104 crores against the negative cash flow of Rs. 101 crores in FY '24. Of course, this was majorly caused because of the investor funds that had come during that year and were majorly used into working capital at that time. The Company has consumed 26,601 metric tons of metal that is copper and aluminum in FY '25 as against 16,987 metric tons during the previous year showing a growth in production volume of 57%. So let me just underline that although the revenue growth in FY '25 has been 47%, the actual volume growth in terms of metal consumed has been 57%.

Paramount is further targeted to grow its topline with the CAGR of a minimum of 30% over the next 5 years also, and we hope to exceed Rs. 5,000 crores in revenues by FY 2030. We have been allotted recently 31 acres of land in the industrial area of Narmadapuram in Madhya Pradesh by MPIDC. This land will be utilized by us to set up our new Greenfield manufacturing facility for manufacturing of wires and cables aligning with our growth targets. The Company is targeting to begin commercial production in this plant within FY '26. The Company targets US exports to constitute around 40% of its total revenues in the coming years, mainly through our distribution network in the US.

Now I request our CFO – Mr. S K Agarwal to give a summary of the Q4 consolidated financial performance of the Company.

**S K Agarwal:**

Hi, good afternoon. This is S K Agarwal. Now, I will give a summary of the Quarter 4 Consolidated Financial Performance of the Company.

The revenue in Q4 FY '25 was total Rs. 507 crores as against Rs. 323 crores in the same Quarter 4 last year that is Q4 FY '24. It means it is showing a growth of 57% in the revenue over the same quarter last year. EBITDA during this quarter is 33.5% with a margin of 6.6% as against Rs. 29.9 crores with a margin of 9%-9.2% in the same quarter of the previous year. Profit before tax in this quarter is Rs. 25.4 crore against Rs. 25.9 crores in the same quarter of the previous year.

Out of the revenue during the year, the domestic sale of wires and cables constitute Rs. 361 crores as against Rs. 261 crores in the same quarter last year. That is a growth of approximately 38%. In domestic cable sales, the power cable sales constitute Rs. 301 crores as against Rs. 146 crores in the last year, same quarter. That is a growth of 106%. Power Cable sales constitute around 59% of the total Company sales in this quarter against 45% for Q4 of the previous year. Other domestic sales comprise of Railway Cable sales of Rs. 18 crores, House Wire Rs. 26 crores and Telecom and other sales. The export to US during this quarter was Rs. 146 crores against Rs. 63 crores in the same quarter last year. That is achieving the growth of around 133%. Export still constituted 28.9% of our total sales as against 19.4% in the previous year same quarter.

Now, I will give a summary of the financial highlight of FY '25 and consolidated results for FY '25:

The revenue from operation in FY '25 is Rs. 1,576 crores against Rs. 1,071 crores last year. The growth in revenue is 47% over the last year. EBITDA is Rs. 134 crores against Rs. 97 crores in the previous year. It means that there is a growth of around more than approx. 38% in the EBITDA. EBITDA margin is little bit down that is from 9%-8.5% as against previous year. Profit before tax in FY '25 is Rs. 111 crores against Rs. 82 crore last year, showing the growth of 35% in the value terms. Profit after tax for FY '25 is Rs. 87 crores against Rs. 85.6 crores last year, showing growth of 1.6%. This is mainly because of the tax implication. The last year due to BF losses, the Company was not liable to any taxes, but this year since Q2 of FY '25, there is a liability of the tax payment also. That is the reason the PAT is almost the same over the last year.

Then again, the domestic sales of Wires and Cables in FY '25 are Rs. 1,093 crores against Rs. 794 crores in FY '24, showing the growth of 38% in the domestic sales. Similarly, out of the Domestic Cable sales, the Power Cable sales stood at Rs. 787 crores against Rs. 444 crores in the last year, showing a growth of 77%. Power Cable sales constitute around 50% of the total Company sale in FY '25 as against 41% of the total sales in FY '24. Other sales comprise of Railway Cable sales, House Wire, Telecom and some other cable.

During the year FY '25, the total export sale was Rs. 483 crores as against Rs. 276 crore last year, showing a growth of 75%. And out of the total sale, the export sale constitutes 31% of our total sales in FY '25 as against 26% in the last year. All our export sales were through our established distributor network spread across the USA. The Company has a pending order book of around more than Rs. 650 crore as on 31st March 25 comprising of domestic cables roughly more than Rs. 328 crores and export of the similar amount around Rs. 325 crores. The Company has incurred during the year FY '25, we have incurred capital expenditure of Rs. 64 crores as against Rs. 61 crores in FY '24.

Now, I would like to hand over to our Chairman, Shri Sanjay Aggarwal for further.

**Sanjay Aggarwal:**

I think we have completed our explanation of the results from our point of view and we would be very happy to answer any questions or queries from any of the attendees.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '\*' and '1' on the touchtone telephone. If you wish to remove yourself from the question queue, you may press '\*' and '2'. Participants are requested to use handsets while asking a questions. Ladies and Gentlemen, we will wait for a moment while the question to assemble. First question is from the line of Dhruv Mukesh Bajaj from Dhruv Consultancy Services. Please go ahead.

- Dhruv Mukesh Bajaj:** Yes, sir. Congratulations on a decent set of number on the volume front. My first question was set with the volume consumption growing faster in the sales, I am actually a bit surprised we were earlier guiding to move towards more value-added products; however, our realization seems to be falling down. So what is happening on that front like is it because of lower input costs or some changing product mix that is contributing to this?
- Sanjay Aggarwal:** Our realization that if you would clarify a bit, what do you mean by realization, sir?
- Dhruv Mukesh Bajaj:** Sir, you actually mentioned in your earlier call that our consumption of steel has actually increased by 56%, whereas our sales have increased by 40%, so I was just trying to understand the divergent between the two?
- Sanjay Aggarwal:** Let me explain it to you. You see, metal prices have shown a downward trend in the past 2 years. Not only this year, in the previous year also, the metal prices have been coming down, basically commodity prices that test their peak during FY '23. So as the reduction happens, we have to produce more to sell the same amount, right, so now if I consume 57% more of metal, I have been able to bring up my value of sales by only 47%. So this means that there has been a slight reduction in the metal prices or commodity prices. It is not that heavy a reduction, but still it is there because there is a gap between 57% volume and 47% revenue increase.
- Dhruv Mukesh Bajaj:** Got it. So this is because of lower input cost versus the product mix change, right. I was just trying to understand that?
- Sanjay Aggarwal:** Absolutely. So that means that per unit per KG cost of metal or commodities had a reduction, so I hope this answers your question, right.
- Dhruv Mukesh Bajaj:** Yes, this answered my question. And sir, in our previous call, we guided for 100 basis points margin jump going forward. However, to our surprise, for this quarter, our operating margins fell down significantly from 9% levels to 6% levels despite higher share of exports. So is it because of higher share of Power Cables or some particular revenue booking or what happened on this trend, sir?
- Sanjay Aggarwal:** One minute. Are we discussing gross margin or are we discussing EBITDA?
- Dhruv Mukesh Bajaj:** EBITDA.
- Sanjay Aggarwal:** EBITDA has gone down by around 2.7%-2.8%. That is true in this particular quarter. You have to square this with the huge jump in volumes, the huge jump in revenue that has happened during this quarter. There has been a conscious effort in our Company to, A, consider best possible utilization of the increase in capacity that is happening in these 2 years, plus, there is a conscious effort to derisk ourselves in view of the uncertainties that have been caused in a major segment of our market, which is the US market. So if you have to suddenly jack up your volumes at a short notice, and then at the same time you have to be careful about what is your involvement

going to be on working capital front, for example, so certain trade-offs have to be made, so you see ultimately, I believe that the final outcome is less in percentages and more in absolute rupees. So I am more bothered about how much EBITDA in terms of rupees has the Company earned because the Company is not having any extra debt, the Company is not having any extra capital. Within the same amount of money, if the Company has done a bigger revenue and the Company has been able to find greater profits, greater EBITDA, I think instead of the typical, I would say, theoretical analysis of everything on percentage basis, one has to come down to the real rupees and dollars that you get into your balance sheet, right.

**Dhruv Mukesh Bajaj:** Sir but again, if we increase the capacity by so much so as to cater to demand and earlier we were seeing a good demand scenario wherein we could increase our sales at the same time the margins that will be coming from our products will be fairly decent. So I was just trying to understand from that like is it because of some pushback in USA business that we are reducing our margins such to cater to higher volumes and?

**Sanjay Aggarwal:** As I said, if one has to derisk and it is a combination of factors. Business strategy has to be evolving, not even in a quarterly, I would say, monthly or even a weekly or daily basis. As the situation evolves, it sticks to a certain path that I made this announcement X in my last earnings call and this is what I am going to stick to by road I don't think that Company has a bright future. Every business has to evolve and improvise on a daily basis and we have been changing our strategy on as the situation has been evolving. When we saw the situation becoming difficult on one front, we said okay, let us do something better. End of the day, it is the bottom-line which matters. Of course, analysts love percentages, and I respect them for that. But in addition, at the end of the day, you have to appreciate that the Company has to bring home the bacon, we have to bring home the results, which is the result of the rupee in the next form which the shareholder gets as a profit, right.

**Dhruv Mukesh Bajaj:** Right. But again, our projection and all are based on what the Company has tried and again, so I completely understand your perspective from businessman and that is what I am trying to understand, like are we facing pressure somewhere, that is why we are pushing more volumes, right?

**Sanjay Aggarwal:** What I am going to say when I make, I give you my understanding of the market and the current situation. I am giving it as the best possible understanding of the market today. Now, all of that ultimately understanding could change tomorrow. What has to not change, what must always improve as an owner, what I must say, what as a promoter, as a CEO of the Company, I must deliver the final outcome must be better than what I predicted, what I hoped to get. So ultimately, we are working on the outcomes. Now, I will give you an example. Look at the outcome. In FY '23, I had 50% of my revenues in exports to the US. Now, that is a very nice round number, right. Next year, this drastically went down from 50% to something like 35%. That was a disaster, was it? No, it was not a disaster, because if I did Rs. 400 crores out of Rs. 800 crores from the US and US market had a very weak market for the FY '24, I still grew 35% my domestic revenues, by domestic sales, I was able to double from Rs. 400 crores to Rs. 800 crores in FY '24. That

was the previous rate. So outcomes have to be given the importance. You have to make sure that what you deliver is ultimately for the best. If I had gone and concerned myself about my market shares and this and that probably that would not have been the right strategy.

**Dhruv Mukesh Bajaj:**

No, sir. That makes sense.

**Sanjay Aggarwal:**

That is exactly what we are doing. We are working to make sure that the Company delivers the best possible outcome for its stakeholders, for its shareholders. So this year, if suddenly you want to increase your market share in a segment of the market or you want to, let us say, enter even within Power Cable, I want to certainly jack up my share in one particular segment of Power Cable market for example, how do I do it? I have to do it by being more competitive, by delivering faster and at the same time what I need from that market is to pay me faster so that by working capital, I am able to circulate much faster. You see the results for the Company that I have paid my working capital two-thirds, one-third reduction in the working capital days.

**Dhruv Mukesh Bajaj:**

Right.

**Sanjay Aggarwal:**

At the end of the day, I know that the percentages don't look good when there is half a percent reduction in EBITDA, but I feel much better as a Company, as a CEO on having delivered a much higher profit.

**Dhruv Mukesh Bajaj:**

That is very helpful. I was just trying to understand the scenario like what led to that. And sir, just my last question. So we have shared that we are targeting some 30% volume growth in coming 3-5 years. So is there growth contingent or a new CAPEX for which we have gotten this take a line or does our existing capacity have enough fuel to let us say ensure that we can go at this pace for next maybe 1 or 2 years by the time the new CAPEX comes live?

**Sanjay Aggarwal:**

No. You see our existing 2 plants at Dharuhera and Khushkera, we have been doing CAPEX consistently in the past 2-3 years and we hope that we should be able to achieve something up to around Rs. 2,000 crores from these 2 plants. But beyond which our new Greenfield plant has to start delivering capacity, delivering production. So that is what we are working on. The new plant we have already started on our construction and everything. We hope that before the end of this Financial Year, at least some revenue stream will start coming from the Narmadapurum plant also.

**Dhruv Mukesh Bajaj:**

Got it, sir. That is from my side. Thank you so much.

**Sanjay Aggarwal:**

Thank you.

**Moderator:**

Thank you. Next question is from the line of Praveen Sahay from Prabhudas Lilladher Capital. Please go ahead.

- Praveen Sahay:** Thank you for the opportunity, sir. My first question is related to the order book and where your order book from the export has increased significantly and now it is 50% of your entire order book. And what we had observed that is the power order book is always on the higher side that has reduced. So what you will see the way forward, can we see in the next couple of quarters, our power segment to be a little soft and the export is the one which is going to drive your topline?
- Sanjay Aggarwal:** Firstly, I must appreciate the depth at which you have seen our numbers. But let me just clarify the order book is a reflection of many factors. It is a reflection of how prompt I was in my supplies for that segment in the previous quarter. That is one reflection. The other is that how much orders I am willing to have in my hand on a particular date. Now, on this particular segment, we are slightly different from any of our peers. If you look at our record, we have mostly been saying and sharing that we are not fans of a big order book. We are not very happy to have a large order book. We try to have an order book at least at the firm price basis, only up to the next 2-3 months for which I am able to book my metal. Other than that order book I get I want to have it on a variable basis, so there are many factors which go into the order book. We are not having any concerns as to our capability to get the business, to land the orders on a regular basis. And these are more or less more strategic decisions as to how much order book we want to have in our hand because the more, for example in the export, even if we are saying that it has become 50% of my order book we are slightly concerned to have a large export order book again because we do not want to have our capacity clogged with orders in hand when we could avail of some better opportunities coming our way, which would be possible only if we have some spare capacity on a short delivery basis. So that is something, I think Mr. Parth would like to also add something.
- Parth Aggarwal:** I also add, so basically, the order book scenario also changes from quarter to quarter. For example, in the last quarter, domestic order booking is always slightly lower, people are more on finishing their orders placed and we always see Quarter 4 and in domestic power cables order booking being lower and quarter 1 again the order book starts picking up. So that might be reflected a bit in that scenario.
- Sanjay Aggarwal:** But basically as I said we are not big fans of big order books.
- Praveen Sahay:** Right. It is always better on choose an order and execute it on the timely basis. I really appreciate for that. The second thing, sir, is related to, definitely, it is repetitive to the last participant, the realization number because revenue growth versus volume growth. It is a clear reflection there is some contraction on the Y-o-Y side in the realization for yours and maybe deal with the product mix. Because in this quarter, we had seen the copper or aluminum prices were quite firm, month-on-month they had been very firm and around 17% of our growth in the copper prices we had seen in the Y-o-Y side. So is it only because of a product mix you had seen, that is a contraction in your realization or something else we need to look at?

- Sanjay Aggarwal:** I think it is a quite a complex equation. I think you have really analyzed the matter very correctly. The realization in terms of metal consumption vis-a-vis by revenues has to be a mix, not only of, it is dependent on the average price of little average price of copper and aluminum, but it could also be a measure of the price per KG of cable versus price per kg of metal content in that. That ratio also some keeps changing because of the sort of product mix that one gets. These were a bit complex equations which are hard to predict in advance even and one looks at them more as a result of the numbers that one sees, or rather than as a prediction.
- Parth Aggarwal:** I will add to this. So if you see our metal consumption of FY '24 vis-a-vis FY '23, there was an increase of more than 70% of metal consumption, but the sales increased by I think 34% or something in FY '24 versus FY '23. Well, this year the metal increase is 57% and sales increase is 47%. So from that analysis, you would say that the realization is slightly better year-on-year.
- Sanjay Aggarwal:** So it could be mix of both the metal price and the average content of metal in the total cable price. That could also be changing. That is true.
- S K Aggarwal:** Export the metal cost is low. And domestic the metal cost is higher, so that also changes the equation. So it is not an Apple -to-Apple case. It depends on the different kinds of products, the different kind of sales and a lot of other things.
- Praveen Sahay:** Got it, sir. Really helpful, sir for that. On working capital, we had seen the good significant improvement in the working capital and largely to do with your receivable. So way forward, do you see this kind of working capital especially the receivable days you are going to work with?
- Sanjay Aggarwal:** You see, one would try and maintain these levels and if possible, improve these levels. That is what I can say, because as the working capital requirement goes up ultimately it is for the Company to find additional working capital, which is also not a very easy thing, right.
- Praveen Sahay:** Right. Because that is a significant reduction we have seen in the receivable actually. So that is why is it because of the product or the segment makes which you had entered and --
- Sanjay Aggarwal:** In one way, I can say that we have compromised on margins for the customers which are paying us much faster also. Yes, I think our exposure to government business was also reduced this year. So that would also have helped.
- Praveen Sahay:** So that strategy you are going to follow with the restricted working capital and the slightly lower margin the way forward would be better for you?
- Sanjay Aggarwal:** I can only say that we have no fixed policy except for increasing our profits. The CAGR of revenues and CAGR of profits, that is what we need to maintain, and whatever be the strategy, whatever it takes, we should be willing to innovate, and we should be able to improvise.

- Praveen Sahay:** Right. I really appreciate for that. Sir, the last question on your expansion that is 31 acre of land in the MP which you had taken. Can you give some timeline CAPEX, how much you are doing and what kind of product you are start with and also, if you can give us some like how much of an asset turn you are expecting from this CAPEX?
- Sanjay Aggarwal:** You see, we are looking at roughly Rs. 150 crores of CAPEX in Phase-1 for the Narmadapuram facility. Asset turn could go up to 6 roughly because we will be looking at getting revenues of around Rs. 1,000 crores from this facility within the next 3 years. It won't happen immediately, but we hope to get around Rs. 1,000 crores within the next 3 years from this facility. And what else did you want to know about this?
- Parth Aggarwal:** No, I will correct you. By the end of 3 years, you will expect Rs. 2,000 crores revenue from this facility?
- Sanjay Aggarwal:** No, 3 years in Rs. 1,000 crores and then we will keep adding. We will have to do more CAPEX also here.
- Praveen Sahay:** So Rs. 150 crores of a CAPEX and Rs. 1,000 crores of revenue you are expecting from this plant after 3 years?
- Sanjay Aggarwal:** Right. And this Rs. 150 crores is Phase-1. But you see I am just told that the actual plan is 1200, which is fine. But we will still say Rs. 1,000. We have to be as conservative as possible and deliver as best as we can. That is what we try and do always.
- Praveen Sahay:** And largely to do with the Power Cable here manufacturing or something?
- Sanjay Aggarwal:** It will be both Power Cables. It will be almost, mostly Power Cable from higher, we are going to ultimately target to 20 KB also but in the first phase probably we will be looking at 132 KB and at the same time, we will be bringing in certain new products also which we will disclose later.
- Praveen Sahay:** And one clarification, sir, lastly, that is export is mostly US or some more destinations you do?
- Sanjay Aggarwal:** See Paramount throughout last 40 years, more than 40 years we have been exporting across the world to almost all continents, all geographies, so many countries, more than 30 countries, but once the US market developed, we realized that it was more sensible for the Company to focus on one large market where there was a uniformity of product and the uniformity of demand and where our quality had been accepted and is being accepted as one of the best quality products available in that market and to consolidate on that market. So therefore we have reduced our exposure to most of the other export markets, although we keep doing exports to some other countries. But I must admit that US is now 95% of our exports.
- Praveen Sahay:** And in the order book also the similar 90%-95%?

- Sanjay Aggarwal:** We have export orders from other countries also, but very much lower because we really are not working on the other countries right now, till we exploit the full potential of this one large market.
- Praveen Sahay:** Perfect. Right, sir. Thank you and all the best, sir.
- Sanjay Aggarwal:** Thank you so much. Thank you.
- Moderator:** Thank you. Next question is from the line of Souresh Pal from KRSP Capital Limited. Please go ahead.
- Souresh Pal:** Sir, my question is in Quarter 4, our revenue has jumped very nicely, but EBITDA margins have dipped from 9% to 6%. So what is the explanation for that for this quarter-on-quarter margin dip? And my next question is, are we going to maintain the revenue growth momentum going ahead?
- Sanjay Aggarwal:** I think regarding the EBITDA levels, I have already answered the question, in fact twice. So I hope that I can be excused for that. As regards the margins going forward, revenues going forward, you see, if you look at our CAGR for the last 3 years, it is already 39% in revenues. And if you look at my CAGR on EBITDA level, it is 77%. We do not want to make rash predictions and we have always talked about 30% growth in the last 2-3 years also and we will stick to our minimum target of 30% CAGR over the next 5 years. And as I mentioned just a few minutes ago, we will stick to our target of Rs. 5,000 crores by 2030, which I feel is quite conservative by all standards.
- Souresh Pal:** But sir, what about the margins? What percentage of margins do you think is sustainable because revenue growth at the cost of margin is not acceptable, right?
- Sanjay Aggarwal:** So Mr. Pal, it might not be acceptable to you, but as far as I am concerned, what is acceptable to me is the rupees that go to the shareholder to the stakeholder should increase in a resounding manner, they should increase regularly. If I have to get more rupees of profit by increasing my revenue at a lower margin or I have to do lower sales at a higher margin that is a strategic decision the Company will take as every time it needs to take a decision. So that is the view of the Company and I respect your view. And I have no quarrel with that. But as a Company we feel that what is important is how much profit we deliver to our shareholders and how.
- Souresh Pal:** Sir, going ahead, is this 6% margin is going to be the new normal? 6% or 5% margin is going to be the new normal?
- Sanjay Aggarwal:** No, there is no going to be no new normal. The new normal is a new normal every quarter and look at every Company, every peer or non-peer, any business, the business, percentages, everything changes according to the market situation. And there are market situations, there are market opportunities and within the same industry Company A has a different opportunity or

challenge, Company B has a different opportunity or challenge. So every Company has to look at its own market scenario. Our job as a Company is as I said and I will repeat to deliver the maximum profits for our shareholders. And that whether it comes by a higher revenue with a lower margin or a lower revenue with the higher margin, that is a decision the Company has to take every time it needs to take a decision.

**Souresh Pal:** So sir, going ahead, what percentage of growth in profit can we expect?

**Sanjay Aggarwal:** As I said, we are looking at least 30% CAGR in revenues for the next 5 years, 30% CAGR in the revenues definitely means much better increased CAGR in profits. There has been a certain blockage in the growth of PAT for these 2-3 quarters, because only for the last 3 quarters, we have started paying tax. Prior to that, we were into losses, and we were able to absorb the previous losses and therefore we were not paying any tax. Now, at least for these next 2 quarters also there will be a transition. There will be a changeover. After let us say, Q2 of FY '26, there will be an apple to apple comparison because all the previous quarter being compared will also be quarter, which will have paid full tax. Right now, we are not able to compare apples to apples. We are comparing quarters in which tax was paid to quarters in which no tax was paid. So instead of PAT, we should compare PBT and if you look at PBT that is a better situation, right.

**Souresh Pal:** No, sir. What I am asking is you are giving revenue guidance of 30%-35% for next 5 years. So let me ask what percentage of growth in PBT level do you expect going ahead?

**Sanjay Aggarwal:** What percentage of, can you please repeat?

**Souresh Pal:** I am saying you are giving a guidance of 30%-35% CAGR for revenue topline. I am asking what is the CAGR expected in PBT level going ahead?

**Sanjay Aggarwal:** I think this is exactly what I said, sir. I said that if my revenue, if my topline is having a CAGR of 30%, the CAGR in PBT has to be much higher. Now, instead of 30% it becomes 45% or 50% or 60% that time will tell. But common sense tells us, I am not making an announcement or a projection, but a common sense is that if my CAGR in revenue is 30%, my CAGR in PBT should be at least 60%.

**Souresh Pal:** But sir, for that to happen, you have to increase your margins, right? Just now, you told that you are going to sacrifice margins for increasing revenue. So if your PBT has to grow at a faster level than your revenue, your margins must increase? That is why I am confused actually?

**Sanjay Aggarwal:** No, sir. I think you will have to repeat because I think you spoke a bit faster, but your voice was not clear. Can you just speak a bit slowly?

**Souresh Pal:** Yes, sure. You are saying that growth in profit before tax level will be much higher than growth in the revenue growth for that to happen your margins must increase or else it is not possible. So 2 minutes ago you told that Company will decide whether to sacrifice margin for topline growth

or not. So when you are saying that profit before tax level will go at a faster level than revenue that means margins have to increase from here on. That is what I am not understanding?

- Sanjay Aggarwal:** Mr. Pal, let me just say that I am not a committed ideologist for margins or for this or for that. As I said, my only ideology is that my Company has to deliver more profits for the shareholders and the basic rule is that as long as I keep my growth intact, as long as I am growing at 30% minimum, I will be delivering more profits. As to your question about sacrificing margin for revenue, I can explain it to you. If instead of 30%, I decide I am able to grow at 50%, but I cut down my EBITDA from X% to Y%, but still deliver more rupees that is the actual comparison what I am trying to say.
- Souresh Pal:** Got it, sir. Understood. Thank you, sir.
- Sanjay Aggarwal:** Thank you.
- Moderator:** Thank you. Next question is from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.
- Kaushal Sharma:** Hi Sir, am I audible?
- Sanjay Aggarwal:** Yes, you are audible. Please
- Kaushal Sharma:** Congratulations, sir for the good set of number. My question is on your export size. As you said that we are exporting, we are targeting around 40% and we are seeing that there is a tariff situation going on in the US.
- Sanjay Aggarwal:** No, I think there is some disturbance. Kindly repeat and if there is some background noise, please try to be away from it.
- Kaushal Sharma:** Now is it fine, sir?
- Sanjay Aggarwal:** No, it is still not clear.
- Kaushal Sharma:** Just wait on the line, sir. Now is it fine?
- Sanjay Aggarwal:** Yes.
- Kaushal Sharma:** Yes. So my question is on your export size, like you suggest that we are targeting around 40% to the tariff war going on in the industry like that for the reciprocal tariffs that we have posed at this time. So what kind of margin impact are we expecting from this tariff or what is the existing import duty that is being pulled by the US on our goods and if the reciprocal tariff is implemented on us, so what could be the impact on overall situation?

- Sanjay Aggarwal:** You see, let me tell you that these are all matters of conjecture and what I expect could be totally different from what the next person expects. And let me just share some things with you. The fact is that there has been one tariff change, big tariff change which happened in the month of April also already, right. There was a 10% tariff which was imposed. Now, whenever there is a sudden change in tariff or anything else in a market, the existing suppliers will mostly have to suffer some initial discomfort, some initial pain, which happened to us also, because if you have goods in transit, if there is something that you have manufactured, there are some buyers who will be willing to share the pain, there will be some buyers who might not be willing to share the pain. You will have to, it becomes a mix of so many factors, but end of the day after the in-transit matter or whatever is fluid that has been settled, then you tell the buyer that gentleman, I am willing to supply only if you are happy to bear the cost. So after the change over period, the transitional period, if you have a strong position in the market, which Paramount luckily has a reasonably strong position in the US market, we were able to get the customers to agree to bear the cost fully. So it is a transitionary, during transition there will be problems. So now if the reciprocal duty gets imposed at some point, we really don't know. But what we are sure of is unless India is treated very negatively by the US government in comparison to the countries that are competing with us. If that happens, yes, there could be a problem. If we are dealt with on a similar level or the earlier competitive situation is restored, we feel that we are in a reasonably strong position because we have grown so much in the last 5-7 years in this market on that competitive position only. Tomorrow, if the competitive position of India increases vis-a-vis countries like Vietnam or Cambodia or let us say, even South Korea that could significantly alter the situation. Now, these are the things. There is no graph, there is no commitment I can make tomorrow that this is what is going to be the result of this. It could turn out to be very positive for us. It could be turning or it could turn out to be negative for us, but what I can assure my investors is we are not particularly in a difficult position. When my revenues from the US went down by 30%, I was able to double my domestic sales even in just previous to previous year in FY '24 itself. By Rs. 400 crores of domestic sales, we were able to pull up to Rs. 800 crores. So that is only because of the reputation which Paramount enjoys, it is because of the registrations, the customer approvals across the board that Paramount has because of our long legacy and history of being in this industry since 1955. So that is something 45+25=70 years is a track record of Paramount and that I would always say is our basic and the biggest strength.
- Kaushal Sharma:** Thank you, sir, for a very detailed answer on this. And sir, what is the effective import duty imposed by the US to us currently?
- Sanjay Aggarwal:** Currently, their duty imposed is around between 14%-15% depending on the exact product.
- Kaushal Sharma:** Thank you, sir. Thank you very much and congratulations once again.
- Sanjay Aggarwal:** Thank you.
- Moderator:** Thank you. Next question is from the line of Tushar Raghatate from Kamayakya Wealth Management. Please go ahead.

- Tushar Raghatate:** Good afternoon sir, thank you for the opportunity. Sir, just extension of the earlier participant question. Sir, you said that currently our duty is 14%-15%, just wanted to know the competitors duty as of now?
- Sanjay Aggarwal:** You see, as of now it is very fluid. But I have been exporting to the US now since 2018. And in 2019, India was removed from the MFN status under the GSP by US and since then we have been paying roughly 4%-5% customs duty on most of the products whereas most of our competitors have been paying 0, some because of their trade packs with the US and some because of their poor country status. So we were practically the only country exporting to the US with customs duty being paid roughly 4%-5% and despite that we have grown. Now, after the imposition of reciprocal duties, right now every country has been uniformly slapped with 10%. So that practically puts the situation back to where it was earlier. The comparative disadvantage remains to Indian exporters is the same, right. We don't know what will happen after 8th of July, when the US government actually announces what all deals has been made with various countries and what are the reciprocal duties they are going to impose on other countries is what is the duty that actually India will end up having to bear.
- Tushar Raghatate:** Fair enough, sir. Sir, I could see like, from FY '14 till FY '25, so earlier we used to have trade receivable as a percentage of sales in the range of 30%-40%, currently in FY '25, 13%, huge improvement in the trade receivables part. Just wanted to know what would be the sustainable level for that? And sir, inventory has been fluctuating as a percentage of sales. I won't consider that, but a sustainable trade receivable going forward and in the case if prima facie you said that 40% would be US going forward. In case, situation is not under favor and you started domestic as a percentage of our sale being higher number, so how could that change our working capital going forward?
- Sanjay Aggarwal:** You see, our CFO will answer your question in detail, but just a comment from my side. You see, working capital again is a very complex mix of business decisions that one takes and the business scenario that one is having. What is the percentage of customers that are willing to pay in a shorter period? What are the percentages of customers who are not? What is your need to go to that particular market? So it is again a mixed equation. So what is the sustainable level of working capital in terms of, if you look at it, the sustainability of working capital, I would ideally like it to be the lowest number because that gives me the highest chance to grow my revenues because ultimately, the number of times I am able to circulate my same amount of working capital, it gives me bigger revenues, bigger revenues mean better profitability, right. But it is also a function of what particular markets one is doing business in. But as to your question on the exact numbers, I think Mr. S K Agarwal will just tell you.
- S K Agarwal:** Mr. Tushar, thank you very much for your good question on working capital. See, I would like to mention here that the number one, your Company Paramount is not having any banking facility at present. Last year, our working capital level was a little bit higher because last year, we received huge money from the investors also.

- Sanjay Aggarwal:** Last year means FY '24?
- S K Agarwal:** FY '24, so that is the reason our working capital level was a little bit higher. In the current year, we have been able to reduce our working capital days, number one because of the prompt payment from our customers that is supplying against tariffs or taking the advance payment only to manage our working capital in a better way. And secondly, you can see in Quarter 4, we have been able to achieve a turnover of Rs. 500 crore. It means selling the product at a faster speed and liquidating our inventory at a faster space. So that way the Company has been able to manage our working capital, and that endeavor will be in the future also. But the combination, whatever you are saying, everything depends on the nature of customers and the nature of delivery and lot of other factors, the export and domestic combinations. There are a lot of other factors. If I make more supply to the government party, the number of working days may increase little bit. So that is the situation. But ultimately, yes, I agree with you the Company's interest is always to keep the working capital at the lowest level and see, with the available resources, we are able to achieve higher and higher turnover.
- Tushar Raghatate:** Yes, sir. Just wanted to know, like in case if our revenue is 100% domestic on that front, what would be the trade receivable as a percentage of sales, I just wanted to know that?
- S K Agarwal:** In case, if I have the domestic sale 100%, so that two also depends what how much supplies to the government and how much supply to the non-government entities.
- Parth Aggarwal:** I will just interrupt, sorry. In domestic sales also, there are many segments, right. It is not just domestic in one segment. There are private customers, there are EPC player, there are government business. So everyone might have a different payment scenario like Shambhuji said as per the business available opportunities available, it would be decided, but like he has guided we will try to follow the similar numbers that we have shown this year.
- Tushar Raghatate:** Fair enough, sir, that was helpful. Sir, I just wanted to know the CAPEX which you are planning, it will start contributing in the revenue from Q1 FY '27. Is my understanding, correct?
- S K Agarwal:** Yes, this is what we target. At least, we shall start the commercial production during this financial year itself, the current Financial Year '26 itself.
- Tushar Raghatate:** From Q4 you are saying, right?
- S K Agarwal:** Yes, may be
- Sanjay Aggarwal:** Maybe Q4 this year or maybe Q1 next year hopefully, yes.
- Tushar Raghatate:** Fair enough, sir. That was really helpful. Thank you.
- S K Agarwal:** Thank you

**Sanjay Aggarwal:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question of the day. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.