

# PERMANENT MAGNETS LIMITED



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**Date : November 17, 2025**

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

**Scrip Code : 504132**

**Sub: Transcript of Conference Call with reference to the Unaudited Financial Results for the quarter and half year ended September 30, 2025**

**Dear Sir/Madam,**

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, we are enclosing herewith a copy of the Transcript of Conference call conducted on November 14, 2025 to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2025.

The above information is also available on the website of the Company i.e. [www.pmlindia.com](http://www.pmlindia.com)

Request you to kindly take the same on record.

**Thanking you,**

**Yours Faithfully,**

**FOR PERMANENT MAGNETS LIMITED**

**RACHANA SAWANT  
COMPANY SECRETARY**



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*(All correspondence has to be made at our Mira Road address only)*

**CIN-L27100DN1960PLC000371**





Permanent Magnets Limited

“Permanent Magnets Limited  
Q2 FY25-26 Earnings Conference Call”  
November 14, 2025



Permanent Magnets Limited



**MANAGEMENT: MR. SHARAD TAPARIA – MANAGING DIRECTOR –  
PERMANENT MAGNETS LIMITED  
MR. SUKHMAL JAIN – SENIOR VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER – PERMANENT MAGNETS  
LIMITED**

**MODERATOR: MR. SAYAM POKHARNA – TIL ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Permanent Magnets Limited Q2 FY '25-'26 Earnings Conference Call hosted by TIL Advisors. 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..

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

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

We will begin with a brief overview of the quarter and the half year from Mr. Taparia, followed by a Q&A session. Please note that any forward-looking statements made during this call must be viewed in conjunction with the risks and uncertainties that we face. These risk factors have been outlined in our annual report. With that, I would now like to hand over the call to Mr. Taparia. Over to you, sir.

**Sharad Taparia:** Thank you, Sayam. Good afternoon, everyone and thank you for joining us today for Permanent Magnets Q2 and First Half FY26 Earnings Conference Call. I will begin with a review of our performance for the past quarter and half year. Revenue from operations for Q2 stood at INR49 crores, representing a decline of 12% year-on-year. Revenue from operations for the first half was INR102.7 crores was reflecting a decline of 7% year-on-year.

These declines are mainly due to lower exports, particularly to the U.S. and weaker domestic demand in the energy meter segments. EBITDA margin were less in Q2 largely because of the reduction in exports to U.S. This was a direct result from the recent changes in tariff policies, which created some uncertainty and led to one of our U.S. customers to defer the orders during this quarter.

However, the situation has since improved, and there has been a resumption of business from this customer in the recent months. The domestic energy meter business also recorded lower demand from our customers, both year-on-year and sequentially primarily due to customer-specific factors that were outside of our control. Alloy segment saw higher volumes in Q2 compared to Q1.

Now on the project execution front, both alloy and relay facilities are progressing as per our plan. The new furnace for alloy facility is expected to be installed by December, as we have previously communicated. The visibility for orders for incremental capacity for alloy in Q4 is already there, so it will be possible to immediately increase productions once the new capacity comes online.

The relay facility is scheduled to become operational in Q4, but commercial orders are likely to start in Q4 as customer approvals continue to take longer than anticipated. Some trial orders will likely be supplied in Q4 with commercial production ramping up thereafter. Now regarding Quantum Magnetics, Our joint venture agreement with Lorentic Pte Limited was executed in August.

Since then, the first phase of our capital expenditure plan has started with equipment orders placed and some equipment is already on the way to the facility. Further project updates will be provided as progress continues. In the existing components business at Quantum Magnetics, the Chinese government has announced certain relaxations relating to rare earth supplies, at present, we are awaiting import approvals after which manufacturing operations for components will be resumed.

Now looking ahead to the second half of the year, our main focus will remain on timely completion of key projects across alloys, relays and the joint venture. These initiatives are expected to support future growth, both in terms of expanded capacity and broader market participation.

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

**Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Praneeth an Individual Investor.

**Praneeth:** So I was wondering in terms of the JV that we are for magnetic assemblies and rare earth magnets, I was wondering what is the status of it? I understand we're making progress. But like what type of assemblies would be manufacturing? Could you give some idea on what could be the product in terms of assemblies and magnet themselves and the final industries?

**Sharad Taparia:** JV is formed to manufacture rare earth permanent magnets. And the objective is to do it using India supply chain completely from India. World over, there are geopolitical issues related to mainly due to Chinese supplies and all customers want Indian Supply chain and that is what our plan is. So going forward, that is the plan in phase-wise manner, we are going to implement that plan.

**Praneeth:** But in terms of sourcing, where you'll be getting the raw materials because rare earth primary mining and processing still remains with China. So locally, how has the progress been? And do you think you'll be able to start commercial production with local sources? Or would you need to start still supplement it with imports from China?

**Sharad Taparia:** India has Fifth largest reserves of rare earth metals. And so our plan is to source the material from India itself, already some discussions have happened with government of India and Indian rare earth even is the government, which is already doing the mining of rare earth metals, and our plan is to source from them. If the capacity falls short, then we will also import from other countries and that we are already discussing with them.

**Praneeth:** And the final customers will be the automobile industry, right?

- Sharad Taparia:** Final customer, there are multiple applications. Automotive is one of the big applications, electronics, consumer electronics, mobile phones, these are the windmill energy and motors, there are many applications like that. So we are targeting all of these applications.
- Praneeth:** Got it. When do you expect to, I understand if this is going in a phase wise manner, but when could you see commercial production to start at least the pilot phase in the next few quarters? Or how long would what is the tentative time line?
- Sharad Taparia:** See, the pilot phase has had, the first phase sales had already started for assembly. Our first phase was to assembly. As I started last year, then due to the restrictions imposed, it stopped from this financial year. Our next phase is to start with block cutting, from blocking cutting onwards to magnet production that is expected to go live by next year. So by, let's say, financial year '26, '27 it will start, somewhere let's say around first it will start.
- Praneeth:** Understood. So the INR5 crores of orders that we completed during FY '24 was with assemblies. Is that right?
- Sharad Taparia:** Yes, only assemblies, yes.
- Praneeth:** Okay. What assemblies were these like in terms of, let's say which industry will this get into?
- Sharad Taparia:** Consumer electronics, mobile phone application.
- Praneeth:** And for these assemblies, we still imported all the components from abroad, right?
- Sharad Taparia:** Yes.
- Praneeth:** Got it. And in terms of the rest of our business, how do we see it because the smart meters and all the industries have faced their own sector difficulty during the year with execution delays and all of that. But how do you expect it to pick up at this point of time? Because I understand the contribution has been changing. But in terms of our technology upgradation to stay relevant and those kind of things, what you are doing at this point of time? How is it progressing in finding different industries for, let's say, our application with our capabilities?
- Sharad Taparia:** Sorry. So your question, can you again repeat what specific...
- Praneeth:** Right now, I understand we have capabilities. We already started approaching new customers. So with this capabilities, are you approaching other industries and what industries are those?
- Sharad Taparia:** Yes. We are so for the energy meter industry, we are going towards manufacturing of relays, which includes the shunts and CTs in that whole assembly. So that is like a forward integration to us. So we are with that, we are approaching multiple companies, multiple new customers. And for the other businesses, we are already looking out at newer customers that is going on.
- Praneeth:** But I understand that we wanted to forward integrate in terms of, let's say, for meters for a long time, and we have not able to be delivered. Like what have been the limiting factor so far?

- Sharad Taparia:** We were in the shunts business, and we have this is a recent development that we decided to go into relays business. So that we have taken the step already. Shunts business by itself was very specific and customized for each customer they were using. And that got changed because customers started buying assemblies of relays, which included the shunt. So now we are forward integrating ourselves.
- Praneeth:** Have we completed the forward integration in terms of capability or is that in still process?
- Sharad Taparia:** Yes, we have signed an agreement with U.K. company REL, and we are using their designs to manufacture the relay. So that plant is being set up now and trials are going on with the customers. Customers want to put some products in the field test. And also, we have to take some certifications. So all that work is going on right now.
- Praneeth:** So in terms of...
- Moderator:** Sorry to interrupt you, Praneeth. May I request you to please rejoin the queue. We have participants waiting for their turn. The next question is from the line of Ankit Gupta from Bamboo Capital.
- Ankit Gupta:** Sir, with both the relay as well as alloy capex getting completed in this year as well as first phase of capex getting completed in Quantum Magnetics in the coming few quarters. How should we look at the growth of the company in FY '27? So if you can elaborate on that, how should we see a step jump in revenues and profitability in FY '27 in both standalone for this Quantum?
- Sharad Taparia:** Yes. I'm quite optimistic on the growth prospects for '27. But that depends on how much order booking we are able to do for alloy business particularly. That seems to be well on the way because we are currently running at 100% capacity. And now we are increasing the capacity, that capacity also, we see visibility, good visibility. Customer is already engaging with us. So my expectation is a good level of growth in FY '27.
- Ankit Gupta:** Sure. On the relay side, how do you see growth?
- Sharad Taparia:** On the relay side, we are still in the testing phase. So by March '26, we should have some more visibility on which customers. But here, the customers are generally testing pilot, they test smaller lots first, they put it in the field, and they get the result, then they again take a bigger lots, they put it in the field.
- So it goes like that. So I think the real commercial larger volume sales can happen from middle of next financial year. Till that time, some sales will happen. Our judgment last year actually, our judgment was that we should be already started selling, but customers are slower to take the product.
- Ankit Gupta:** Okay. Is it because of the Chinese pricing where majority of the imports come from?

- Sharad Taparia:** No. Pricing is not the issue. The establishing customers are giving a warranty of 10 years to utilities, and they are demanding the same from us, so they want to do elaborate testing on the product. So we are going through that phase now.
- Ankit Gupta:** Sure, sure. And sir, on the Quantum side, if you can indicate how FY '27 is looking like because the first phase would be over. So with some orders in hand, how should we look at Quantum next year?
- Sharad Taparia:** If you're looking right now with this relaxation coming in place, we feel that it is looking good, and we should be able to implement our strategy by March '26, we should be able to implement and start our production for the first two products that we are already doing. And then we will take steps to already we are engaging with other customers.
- So it will be starting up by March '26, it will start up and then how depends on the engagements after that. So I can't say today, but everybody is looking for a proof of concept and this plant is set up in India, even government of India is keenly -- is keen on Indian producers to do this. They are announcing some incentives for that. So all that is going to happen between now and March 2026.
- Ankit Gupta:** And we do have some orders in hand for the first phase of expansion for utilizing the first phase of expansion, right?
- Sharad Taparia:** Yes, yes, that we already have, but we are not able to supply due to the restrictions. Now that restrictions are relaxed, but the actual notification is yet to come. So we are still waiting.
- Ankit Gupta:** And how should we look at the margins at our overall company level with alloys and relay scale up happening next year. So when the EV scaled up, we had a very good EBITDA margins of 20% we had crossed 20% also in certain quarters. So with now with EV not doing well, but alloy and relay scaling up, on an EBITDA level, how should we look at the margins for the company from FY '27 onwards?
- Sharad Taparia:** EV business, particularly export is a little variable. So for example, in this year, first quarter, we saw a little bit of more sales on that front, so our margins improved. So that may go up predominantly as per the demand of the customer. I am expecting a better sale in alloy business. And so overall, I feel that margins should EBITDA margin should be similar to last year levels only.
- Ankit Gupta:** So that 17%, 18% is what we should expect with alloy scaling up?
- Sharad Taparia:** Yes, 16% to 18%, something like that, we may expect.
- Moderator:** The next question is from the line of Sanjay Kumar from iThought PMS.
- Sanjay Kumar:** First question on alloys, the new capacity is fully booked or only partially booked? When can you book it fully, the 750 ton annual capacity that we'll have in alloys' post furnace?
- Sharad Taparia:** It is partially booked. We have booked, when we say booked, it is a visibility given by the customer. They send the purchase orders generally 1 month to 2 months in advance only. They

don't send the full year purchase order in advance because it also depends on the material prices, but they give a visibility to us based on that, we can say that it is partially booked, and we are already engaging with about 4 or 5 customers. So we are working with them. Visibility is very good.

**Sanjay Kumar:** What is the application of these 4, 5 customers? Are these repeat orders or are the onetime orders?

**Sharad Taparia:** Yes, mostly repeat orders. They are in multiple applications. One is oil and gas, other is for powder metallurgy parts, so there are multiple applications.

**Sanjay Kumar:** Okay. Anything related to aerospace?

**Sharad Taparia:** Some aerospace, defense-related volume also, but that is a smaller volume. Some of that is also there.

**Sanjay Kumar:** So what revenue can we expect from alloys in FY '27?

**Sharad Taparia:** That depends on how much actual offtake customer will take, but we may be in the range of INR40 crores to INR70 crores maybe something like that is my expectation today.

**Sanjay Kumar:** And it can increase also?

**Sharad Taparia:** Yes, it can increase also, yes. We are trying to pitch to many other customers in India as well as exports.

**Sanjay Kumar:** Okay. Second, on relays, how many customers have we submitted or working for valuation? Where are the approvals taking such a long time?

**Sharad Taparia:** We have given samples to about three, four companies till now. We are yet to take the certification, the official certification from laboratory. So we are doing that work in parallel. And the customers are testing these relays on the field. First they test in inside their plant, then they will take some pilot lots and then they will test those pilot lots. So we are at that stage now.

**Sanjay Kumar:** So it's only a matter of time or is there a chance that will not be approved?

**Sharad Taparia:** It is a matter of time. We have to tweak sometimes if they want, they are already we are the second supplier. We are not the first supplier. So they are already buying this product. And now when they change or they introduce one more supplier, then our product, first of all, should meet the specification in the standard and it should be equal to their existing supplier quality also. So they compare both together. Currently, all products are imported.

**Sanjay Kumar:** So by first supplier, you mean imported Chinese imports?

**Sharad Taparia:** Yes, most of them are imported.

**Sanjay Kumar:** Okay, okay. And in relays, what will be the FY '27 revenue potential?



- Sharad Taparia:** That depends on how much a customer, how fast because our earlier, our expectation was that we will start selling in this financial year only, that was not right. Customer took a longer time. So next year, I would like to be conservative. I'm a little cautious that we don't know how much they were doing, but my expectation is maybe somewhere between INR20 crores to INR50 crores possibility is there.
- Again, depending on how fast and how quickly pilot lots go, how fast their testing process is. They do endurance testing, end of life testing. I mean, they do a lot of long-term testing to check because the meter has to perform in the field for more than 10 years, so they do accelerated testing. Many things they do. It can be more also depending I mean, how the how fast the product is about how fast, because there are some customers who are buying more than INR100 crores each.
- Sanjay Kumar:** Okay. And they're willing to replace those imports with our product if they find that this.
- Sharad Taparia:** Yes. They are willing to we are willing to, yes, yes.
- Sanjay Kumar:** Okay, okay. So this INR20 crores to INR50 crores FY '27, but your total capacity at peak or full utilization can be INR100 crores, right.
- Sharad Taparia:** Yes. First, we are setting up 5 million, then we will go to 10 million and 10 million will be INR100 crores level. But first, we are setting of 5 million, which will be established by March '26, between March and April. And then looking at the customer demand, we will scale it up.
- Sanjay Kumar:** So 5 million per month you're saying?
- Sharad Taparia:** No, per year.
- Sanjay Kumar:** Per year. Okay. So 5 million will give you INR50 crores revenue.
- Sukhmal Jain:** Yes.
- Sanjay Kumar:** Okay. And third on Quantum Magnetics. For the assembly business that we were doing, which has been passed, can you not source raw material or the blocks from, say, Japan or U.S. any other country?
- Sharad Taparia:** So we were importing the magnets directly. Right now, we do not have the block cutting facility. That is the Phase 2, which is going to happen in March. So right now, we were importing the magnets and that was restricted. That we are unable to import from other countries because all the other producers in the world are now full of demand due to this Chinese restriction.
- Moderator:** Sorry to interrupt Mr. Kumar. May we request to please rejoin the queue. We have participants waiting for their turn. The next question is from the line of Bhavesh Chauhan, an Individual Investor.
- Bhavesh Chauhan:** Sir, in terms of margins, I have 2 questions actually regarding margins. One is what is sustainable margin in our industry? And also recently, as we have seen last few quarters, the

EBITDA margin has come down around that 12% mark. So when do we see a recovery in that?

**Sharad Taparia:** Yes, our business is comprising of multiple divisions, multiple products. So product segments being energy meter, automotive. And within automotive also, we have EV, we have relays and we have alloys. So margins are different for different products. So depending on which product we sell more, the overall margin depends on that.

Our expectation, given the product mix that we see visibility for next year, it should be around between 15% to 18%, 16% to 18%, something like that, overall. That is the expectation today. As we go ahead, it may change depending on customer demand. Suppose, for example, we get more orders of EV business like the way we did for quarter 1, then we will have higher margins.

**Moderator:** The next question is from the line of Deeya from Sapphire Capital.

**Deeya:** So can you provide a margin mix of how much for EVs, relays and alloys.

**Sharad Taparia:** Sorry, I could not understand, can you repeat?

**Deeya:** Can you provide how much margins does energy meter gets, how much you will get Alloy and relays.

**Sharad Taparia:** Margin levels are different within these businesses. Alloy business, margin depends on whether we are doing production out of virgin alloys, we are doing recycled materials. So those are different markets. And for energy meter business for relay business, I've already indicated that depending on the customization level.

It can be from between stand to about 10% to 25%, roughly, this is the levels depending on product to product. And for the EV-related or automotive-related businesses, again product to product different margins are there, ranging from 15% to about 40%-50% in some cases depending on volume and complexity.

**Deeya:** Right sir. And can you provide the current revenue mix that we have?

**Sharad Taparia:** Current revenue mix is about 45% energy meter application, around 30% automotive and balance are other divisions. But last quarter, for example around 7% was alloy. So last quarter numbers I can give to you. Energy meter was 37%. Automotive was 22%, Magnetic Assembly about 9%, CT was about 10%, alloy 7% and balance other applications.

**Deeya:** All right. And can you quantify how much revenue growth we can see for FY '27. I know it depends on the kind of demand we get from our alloy business and also relay, but like an approximate.

**Sharad Taparia:** It could be between 20% to 30% is my expectation today, depending on the visibility that we have, it may become higher if we get more alloy orders or EV orders or relay orders and this is my general judgment today.

**Deeya:** And sir, this year, sir?

**Sharad Taparia:** And this year, about 15% is our expectation, we will close growth.

**Deeya:** Okay. So 15% for this year and 20% to 30% for FY '27?

**Sharad Taparia:** Yes, yes.

**Moderator:** Thank you. The next question is from the line of Sanjay Kumar from iThought PMS.

**Sanjay Kumar:** Sir, on the Quantum magnetics, let's say, the import relaxation was received or we get our license, how much revenue can we do from assembly alone?

**Sharad Taparia:** Our import relaxation is announced in the media, it is still not come officially to the suppliers. So once it comes, then we will again start business, and that turnover can be about only from the assembly business can be about INR5 crores to INR10 crores, only from assembly business. And plus, we will add the block cutting once that starts, so that will be another addition to that turnover.

**Sanjay Kumar:** How much will that add?

**Sharad Taparia:** Again, that depending on how quickly all the machines are installed, but could be between maybe INR20 crores, INR30 crores could somewhere around that. But again, a lot of complexities are there to still set it up to start running all the quality levels to establish. So I'm we can't say that for certainty.

**Sanjay Kumar:** And what is the capex plan phase wise and what time lines are you looking at, sir for Quantum Magnetics?

**Sharad Taparia:** Our total plan to FY 2030 is 5,000 tons production which is about INR3,700 crores revenue till FY 2030, that is the plan we have. Total investment required for this will be between INR550 crores to INR750 crores. And so that will, of course, go step by step. First step is to establish this production proof of concept and then all the other steps will take place.

**Sanjay Kumar:** Can we not set up a pilot plant of, let's say, 500 tons or 200 tons to establish proof of concept?

**Sharad Taparia:** Yes, that is what we are going to do.

**Sanjay Kumar:** Okay. So for that, what will be the capex?

**Sharad Taparia:** These two, Phase 1, Phase 2 and then Phase 3 will be to manufacture the block itself in India, that will happen in the year 2027 sometime, And first phase, capex can be about for 500 tons, it can be between INR50 crores to INR100 crores roughly.

**Sanjay Kumar:** Okay. And how do you plan on funding it?

**Sharad Taparia:** That we are still discussing whether we will do that by way of debt or equity or a combination in the subsidiary company.

**Sanjay Kumar:** And what kind of revenue can you do from this 500 ton pilot facility?

**Sharad Taparia:** The 500 ton will be about INR300 crores - INR350 crores, something like that, INR300 crores to INR350 crores.

**Sanjay Kumar:** Okay. And all of that will be a mix of consumer electronics and auto, I'm guessing?

**Sharad Taparia:** Yes, 500 will be a mix of everything because first, let's say, I mean, we will start with maybe 100 on proof of concept, then maybe immediately scale to 100, immediately scale to 500, it will be like that.

**Sanjay Kumar:** Got it.

**Sharad Taparia:** Then it is of the capacity of the proof of concept is done and it is only simply multiplying the capacity. Right now, we are absorbing technology, we are setting up equipment. There is a lot of unpublished knowledge in this business. All that has to be absorbed and implemented.

**Sanjay Kumar:** Okay. And have you started talking to these auto OEMs.

**Sharad Taparia:** Yes, already we are talking to customers. Already they have given us their inquiries. They have given us their specs. So we are now talking to them and trying to get some kind of commitments also.

**Sanjay Kumar:** So can those commitments be in the form of fixed price offtake at the revenues to protect ourselves?

**Sharad Taparia:** That also we have an option we are speaking with them. That option also we are speaking with them.

**Sanjay Kumar:** Okay. And any updates from government on PLA.

**Sharad Taparia:** The government has announced and certain news has been published in the media of INR7,300 crore scheme, which the government will announce, that scheme is expected to come by maybe December or January, sometimes like that scheme details, all the details will be announced.

**Sanjay Kumar:** And we will be participating in that?

**Sharad Taparia:** Sorry.

**Sanjay Kumar:** We should apply for it? Or we've already applied for it?

**Moderator:** Sorry to interrupt Mr. Kumar. May we request you to please rejoin the queue, sir. Thank you. The next question is from the line of Love Gupta from Counter Cyclical Investments.

**Love Gupta:** So I just wanted to understand your expectations for the second half of the year given the tariff situation. And at what level do you expect to end the year at in terms of revenues and operating margins?

- Sharad Taparia:** Our expectation is roughly about maybe 10% to 15% growth. So we may end up between, let's say, INR220 crores to INR230 crores top line roughly, that is the expectation today, it may change based on the customer demand coming in this quarter. But today that is our visibility.
- Love Gupta:** And in terms of margin? Operating margin?
- Sharad Taparia:** Margin, similar level as last year, similar level.
- Moderator:** Thank you. The next question is from the line of Dhwanil Desai with Turtle Capital.
- Dhwanil Desai:** Sir my first question is, you talked about some impact because of the US tariffs and our largest customer on the meter side is based out of US. So how do we see the situation? And in light of tariff, do we need to bear some costs? how do you look at that relationship depending upon various scenarios playing out maybe at 25% at 50%. How what is your understanding with based on your interaction with customers?
- Sharad Taparia:** So, we are producing the product as per their design. It is not our standard product. So we are not they are also not asking us to bear that tariff. And it is clear that we will not bear the tariff. They are actually, our product is exempt as per the list in the United States, but the customer is still struggling to clear under that particular heading so they have to pay the tariffs.
- So we are now discussing alternate place of manufacturing also, including Europe, major portion of manufacturing to be done in Europe, which will reduce the tariff, it will increase the cost which the customer is willing to pay, but it will be still lower than the tariff which has been charged from India.
- In parallel, India tariff itself is likely to be relaxed if the trade negotiations between government of India and United States goes through. So, both these options we are working on. But the product being very specific, it is difficult for the customer to change to a new supplier very quickly. It takes a long time for product approval. So, we don't see going to be any change in our sales for the immediate term.
- Dhwanil Desai:** Okay. Sir, second question on the EV side, you said that Q1 order flow was good, and it keeps on varying. So two questions. One is our long-term business that we used to do, which are customized product mostly for the European manufacturers. Is it kind of is there any sign of change your revival in that? That's the first question.
- And second, we were working on that standardized product, which can be taken off the self. So any progress on that? Have you made any headway on that, if you can answer on that?
- Sharad Taparia:** So first is on the visibility of EV, there does not seem to be any change, it's at the same level, although first quarter was better in terms of sales. But overall demand from EV seems to be same level only. And second, we have made progress in the standard modules. We have launched a range of standard current sensors, which are used in automotive applications. Some of the products are already being supplied to 2-wheelers, EV 2-wheelers are already started using these products.

We have now started talking to some bigger automotive players in India also and other applications other than automotive also, for example, UPS application, and there are other applications which use standard current sensors. So that progress is happening. And I believe in FY '27, some sales we should be able to see maybe it could be in the range of maybe INR2 crore to INR5 crores. And then once that success comes, I think worldwide, we will start competing with international players in that business segment.

**Dhwanil Desai:** And last question, sir. So, you talked about 10% to 15% growth for the current year, but H1 is almost flat. So, for that to happen, the next 2 quarters, H2, we have to do INR120-odd crores, which is INR60 crore odd quarter. So, is this delta of INR10 crores from current run rate of INR50 crore going to come from the alloys part or anything else that we have some visibility on?

**Sharad Taparia:** Yes, yes, mostly from alloy part only. Alloy, we are running already full capacity today. So that will happen. And partly in January, February, March, we will set up the new furnace. So some sales we have accounted for. So mostly, it's from alloy only.

**Moderator:** The next question is from the line of Ragavendra Singh an individual investor.

**Raghvendra Singh:** This is regarding the subsidiary, Quantum Magnetics, if you can know a bit about the financial planning and like what is the return ratios we are expecting from it? Because obviously, in Phase 3, we will have to seek financing. So what is the return on equity we might be planning for it?

**Sharad Taparia:** Right now, we are making all those plans, but broad level on INR3,700 crore final revenue, we can expect an EBITDA of roughly about INR550 crores, broadly, these are the numbers.

**Raghvendra Singh:** And how much capital equipment which you'll require for the INR3,000 crores in FY '30?

**Sharad Taparia:** So that's roughly INR550 crores to INR750 crores for 5,000 tonnes. This is a broad judgment, but it really depends on, many companies have their own plans, but it depends on where you source the equipment from whether it is Europe, China or Japan, so it can fluctuate quite largely these numbers.

**Raghvendra Singh:** What is the EBITDA number?

**Sukhmal Jain:** About INR550 crores.

**Raghvendra Singh:** INR550 crores. And the total investment is INR350 crores, is it?

**Sharad Taparia:** No, INR550 crores to INR750 crores. And that too, depending on we have certain assumptions, but that depends a lot on the where we source the equipment out. So that number can go up or down.

**Raghvendra Singh:** So the EBITDA itself can be matching 0.75.

**Sukhmal Jain:** EBITDA?

- Raghvendra Singh:** EBITDA itself maybe 75% of the investment I mean.
- Sharad Taparia:** Yes. Yes. That is our estimate today based on the situation today.
- Raghvendra Singh:** And do we need to keep a lot of inventory for this or working capital requirements are not so much?
- Sharad Taparia:** No, it will be standard working capital, nothing exceptional. So once the product is approved by customer, every month, we will take deliveries, it is a standard manufacturing supply.
- Raghvendra Singh:** And about the prices with the customer for competition with China supply, are customers willing to pay a premium on non-China supply?
- Sharad Taparia:** Yes. Some customers are willing to pay that premium. But as a total purchase suppose they are doing 100% purchase, how much will they buy at a premium from us, that is still a question mark. Today, they all because of this geopolitical problem, they are very, very aggressive and keen to buy from non-Chinese source for example, next year, if this gets cleared up. And if they get regular supplies, then again, industry may want Chinese prices only. So it is a very fluid market and automotive is a little price-sensitive.
- Sukhmal Jain:** But what we feel is important pricing. Government will protect this industry for strategic reason.
- Sharad Taparia:** Government will also protect Indian industry.
- Raghvendra Singh:** Last question, the Lorentic, the partner, what are they bringing? Are they bringing some technology which we require or it's purely financial?
- Sharad Taparia:** We have the connections and the required technology source. So their responsibility will be to provide us that technology.
- Moderator:** The next question is from the line of Praneet, an Individual Investor.
- Praneet:** So I was wondering in terms of the prices. So will we be able to match up to China's or our cost price will be still higher than China's? If there were to be a situation that the situation becomes fluid and customers are not willing to pay the price, will we be able to sell at the Chinese prices or not?
- Sharad Taparia:** Yes, so in the rare earth magnet, there are multiple markets. There are some low-end products also low-quality products also there. We don't want to compete in that segment. We want to compete only in the higher segment, good quality higher-quality products. And there, we will be able to match the Chinese prices mostly. But customers are willing to pay the premium.
- Sukhmal Jain:** Right now, they are willing to pay some premium also.
- Moderator:** The next question is from the line of Sanjay Kumar from iThought PMS.

- Sanjay Kumar:** Sir, you said that we are supplying standard current sensors to EV 2-wheelers. Have we can we not pitch it to 4-wheelers, passing vehicles also? And what will be the input value of all the current sensors by Indian volumes today?
- Sharad Taparia:** We have started pitching to all companies, including 4 wheelers also. This is a standard current sensor range website also. It is typically 300 to 1,000 MPL current sensors, and it can be applied. It can be used in automotive, it can be used in UPS type of applications, other industrial applications.
- And right now, one customer has already started using. We are talking to a few more companies. There are some pilot lots also given to some companies. So all that work is going on. And total import value, we cannot estimate, we have not estimated today. Particularly, this product will sell from about INR200 to, let's say, INR500 each sensor depending on the complexity and depending on the brand that the customer's mind.
- Sukhmal Jain:** Well, there can be a huge market for us.
- Sharad Taparia:** Yes. And here, many customers have their own designs. What they are doing is they are building the current sensor assembly within, on their PCB. What we have introduced is a fully calibrated current sensor which directly the customer can use on their PCB. So their designers do not need to work to create a design to test the design that is a solution that we are providing. So it can be a good market in future.
- Sanjay Kumar:** Okay. And how do we compare with, say, lending or other coming cheaper...
- Sharad Taparia:** Yes, we have compared our quality, our quality levels are good, similar, we are able to match their quality and we are cheaper.
- Sanjay Kumar:** Okay. Okay. And also CT contribution has been growing for us in the last few years and quarters. What is the application of these current transformers? And how big can it be for us going forward?
- Sharad Taparia:** We are manufacturing mostly current transformers, which are made out of nanocrystalline and amorphous cores. So these applications, we are consistently increasing this business is consistently increasing. We have also backward integrated now to produce the nanocrystalline and amorphous ribbon in-house, which is mostly getting imported from outside of India. So that also we are doing.
- So in the future, I believe this business has a good scope to further. In energy meter segment also, this current consumer segment, the current transformer products are used, along with the relay. So it will be a complementary product to our relay manufacturing.
- Sanjay Kumar:** Okay. Okay. And on alloys, the INR50 crores revenue you're expecting in FY '27. How much is virgin alloy and how much is recycled alloy for us?
- Sharad Taparia:** 80% is virgin alloy based on today's visibility, 80% virgin with 20% recycle type of alloys.
- Sanjay Kumar:** Well, that means the margins will be good for us in alloys business or at least better?



- Sharad Taparia:** Yes, it's right. Flexibility and good encouragement from customers also. I'm quite optimistic about this business for the coming future.
- Sanjay Kumar:** Got it. Final question. Any new products in the base business that can move the needle for us or increase the growth trajectory for us?
- Sharad Taparia:** Right now, these are the products we are focusing. Our target is that we should start having commercial sales for all of these new projects that we have done, there are some products and some pipeline, some developments going on from other products also, but those are all still pilot stages like we are doing on Stator-Rotor manufacturing are one automotive company. Stator-Rotor is a part of a motor and that the market overall market is quite big for that business also. But we will do step by step.
- Sanjay Kumar:** This is Stator-Rotor for EV which application for ?
- Sharad Taparia:** Right now, the application for coolant pump.
- Moderator:** Ladies and gentlemen, this will be the last question for today, which is from the line of Praneeth an individual investor.
- Praneeth:** So in terms of the, let's say, the joint venture, is the partner going to also invest some money or is there only be investing technology as per the arrangement right now?
- Sharad Taparia:** Yes, there will be 50-50 investment from partner and from PML.
- Praneeth:** So if there were to be further equity infusion, it will be split between both of you?
- Sharad Taparia:** Yes. Yes.
- Praneeth:** Understood. And in terms of building out the production facility, let's say the phase-wise, I understand you're going phase-wise. But how confident are you in reaching the INR3,000 crores mark because it's still a high revenue mark for like at this point of time compared to our revenue. So what gives you the confidence of reaching that levels apart from the demand because there might be.
- Sharad Taparia:** Right now, it is too early, that is our plan, and then it's a dream to do that. We are right now in the phase of setting up and at least doing a proof of concept. So a lot of steps are yet to be crossed for that. So first, we have implemented progress in each phase.
- So I am confident we will be able to do it. But how fast can we do? That is a question. In fact we are trying to do best possible, most aggressive way than we can. But geopolitically also things change. And many new things, many new problems come up, and we have to solve all those problems. But we are on that job.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Sharad Taparia for closing comments.

**Sharad Taparia:** I thank all of you for coming and for your participation in this call, and your trust in the company. Thank you so much.

**Moderator:** Ladies and gentlemen, on behalf of TIL Advisors, that concludes this conference.