



Dynamic Cables Limited



PhillipCapital

## “Dynamic Cables Limited Q2 FY’26 Earnings Conference Call”

**October 28, 2025**



Dynamic Cables Limited



PhillipCapital

**MANAGEMENT:** **MR. ASHISH MANGAL – MANAGING  
DIRECTOR, DYNAMIC CABLES LIMITED  
MR. MURARI LAL PODDAR – CHIEF FINANCIAL  
OFFICER, DYNAMIC CABLES LIMITED  
MR. GOVIND SABOO – INVESTOR RELATIONS  
ADVISOR, DYNAMIC CABLES LIMITED**

**MODERATOR:** **MS. NATASHA JAIN – PHILLIPCAPITAL (INDIA)  
PRIVATE LIMITE**

**Moderator:** Ladies and gentlemen, good day and welcome to Dynamic Cables Q2 FY'26 Earnings Conference Call hosted by PhillipCapital (India) Private Limited.

As a reminder, all participant lines will be in 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Natasha Jain from PhillipCapital. Thank you and over to you, ma'am.

**Natasha Jain:** Thank you. Good afternoon, everyone. This is Natasha Jain from PhillipCapital. I welcome all of you to the 2nd Quarter Earnings Conference Call of Dynamic Cables Limited.

From the Management, we have Mr. Ashish Mangal – Managing Director; Mr. Murari Lal Poddar – Chief Financial Officer; Mr. Govind Saboo – IR Advisor.

I request the Management to give their opening remarks, post which we shall open the floor for Q&A. Thank you and over to you, sir.

**Ashish Mangal:** So, hello and good afternoon, everyone. I, Ashish Mangal – Managing Director of Dynamic Cables, extend a warm welcome to all of you to our Earnings Call.

I am pleased to share that Dynamic Cables has delivered yet another strong and consistent performance in Q2 & H1 FY26, marking our highest-ever revenue and profitability for the period. This achievement underscores our focus on meticulous execution, operational excellence, and a sustained growth mindset. Our robust order book continues to reflect the deep trust and confidence that our customers place in our capabilities, reaffirming our strong market position. We believe that our new growth initiatives will lay a solid foundation for long-term sustainable expansion.

Our continued emphasis on financial discipline has yielded encouraging results, leading to a meaningful reduction in overall debt. Alongside, our capacity, debottlenecking initiatives have enhanced production efficiency and ensured timely fulfillment of our supply commitments.

Looking ahead, we remain optimistic about the long-term opportunities in India's power infrastructure sector, supported by strong tailwinds from renewable energy, rural electrification, underground cabling, and the transition to higher voltage lines driven by rising per capita power consumption. Over the past decade, the private sector's increased participation in power distribution has also benefited us, given our enduring partnerships with leading private corporate groups in this space. With our healthy order book and a strong execution framework, we are confident of sustaining growth momentum and creating consistent value for all stakeholders.

Before concluding, I would like to highlight that our ongoing capacity expansion plan is progressing well and remains on schedule for commissioning in second half of FY26.

With that, I now invite our CFO – Mr. Poddar, to Share the “Financial Highlights for the Quarter.”

**Murari L Poddar:**

Good afternoon to all. We are pleased to report another strong performance, achieving our highest-ever first half revenue and profitability. During H1FY26, sales increased by 23% year-on-year, while operating profit rose by 27% to Rs.57.8 crores.

Operating margin stood at 10.6%, driven by effective cost-management initiatives.

Profit after tax grew by 49% to Rs.38 crores, underscoring the company’s continuous focus on operations excellence and financial discipline.

Customer-wise contribution in H1 FY26 was, government sales 12%, private sales 78%, exports 10%.

Product wise contribution in H1 FY26 was, HV sales 55%, LV cable 37%, conductors 8%.

As of 30th September 2025, our order book stands at INR 721 crores, providing strong revenue visibility.

Thank you and now we are open for questions.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Piyush Sevaldasani from Sundaram Alternates. Please go ahead.

**Piyush Sevaldasani:**

Hi, sir. Thank you for the opportunity and congrats for good set of numbers. Sir, my first question is on the demand. Are we seeing any slowdown in the demand scenario and how do we port the second half because for us the order book has not really grown over the past three quarters; it is around Rs.720-730 crores marks only. So, if you can just talk about why has the order book really not grown?

**Management:**

Hi, Piyush. So, on the demand scenario, this year actually has been some extraordinary monsoon period was there and due to which our customers, which are typically the EPC players, who kind of do the project execution work on the ground, they were not able to work properly and there were some delays in their execution process and that is why back-to-back impact came on our order book also, because they were not able to place further orders as there was some execution slowdown on the ground. So, this was one of the major reasons for kind of demand slowdown or I would say flattish order book kind of growth was not there for this quarter or this half. So, this was the major reason.



- Piyush Sevaldasani:** So, are we seeing order inflow coming back now in third quarter, in second half, do we expect order inflow to revive back?
- Management:** After the extended monsoon, it was followed by the festival season, Diwali and all those things, there was early Diwali also. So, probably we are hoping that overall demand scenario still remain intact and we see good order flows and everything. But I think the project execution should start aggressively now in the third and the fourth quarter.
- Piyush Sevaldasani:** Sir, my second question is on the gross margin, which has sharply jumped in 2nd Quarter, almost 2% increase year-on-year. Is this one-off or what has led to this sharp jump in gross margin?
- Management:** Yes. So, it is a slight increase of I think around 50 to 60 basis points in this quarter and that was largely attributable to the customer mix and the product mix. So, fortunately for us, there were some good orders which got executed during the quarter. And we hope that this margin traction should continue as we are developing new projects, we are getting into new customers, these private utilities have come up, smart meeting projects are coming up and all those new areas which are coming up for us, they are helping us in margin expansion.
- Piyush Sevaldasani:** And sir, last question is on employee cost and admin expenses. There is a very sharp increase, almost 40% increase in employee cost and 30% increase in admin cost, even sequentially, there is a sharp jump. Is there any one-off or should we assume this Rs.12 crores employee cost per quarter to be normal and admin expenses of around Rs.15 crores?
- Management:** So, basically, what we generally keep is that our admin cost, our employee cost are around 10% of our revenue. And on quarter-on-quarter basis, there are some 10, 20 basis points here and there. And that is largely because of some incentive bookings and other things which keep on going. Plus also, there were some new joiners in this half as we are venturing into the new areas, we are seeding new technical tie-ups and all those things. So, both the things put together, it should cover up. But yes, on an annual basis, you can say that it would be in the range of around 10%, half a percent up or half a percent down. That is what is the range on a quarter-on-quarter basis.
- Piyush Sevaldasani:** Sure, sir. That is it from my side. Thank you and all the best.
- Management:** Thank you. Thank you so much.
- Moderator:** The next question is from the line of Mr. Jai Chauhan from Trinetra Asset Management. Please go ahead.
- Jai Chauhan:** Good afternoon. Thank you for the opportunity. Sir, my question is regarding long-term product roadmap. Management has been clear that current CAPEX includes an E-beam facility to capture high-growth solar market. However, many large competitors are using vertical VCU lines to manufacture extra high-voltage cables, a segment I guess Dynamic does not currently



address. So, looking at the new land parcel that you acquired for future growth, is entering the EHV market is a part of company's long-term vision or does management see more profitable path focusing on the LV, HV, and specialty cable segments?

**Management:**

EHV as a segment is a completely different ballgame, because it requires specific technology and it has a very niche market in the overall wire and cable space if you talk about. The project gestation is also very high and CAPEX is also quite high, asset turnovers are bit lower as compared to the other wire and cable segment. So, it has a completely different dynamics. In the long-term, of course, being a cable company, EHV is also in our long-term expansion strategy. But as of now, we are not considering EHV for our near-term growth. So, that is what I can say because we find that there are many low-hanging fruits related to our business where we want to focus. As you rightly said that solar DC cables is one area where we are aggressively focusing. The new facility is also planned around that. Plus, our existing plant has a lot of fungibility which gives us flexibility in terms of venture into other specialty cables. So, we are kind of more inclined towards that rather than allocating capital as of today towards EHV cables.

**Jai Chauhan:**

Thank you. That is it from my side.

**Moderator:**

The next question is from the line of Mr. Nitin Jain from Fair Value Investment Advisory. Please go ahead.

**Nitin Jain:**

Thank you for the opportunity. My question is that current borrowings have jumped significantly over March '25. So, if you can provide some color on this, that would be great?

**Management:**

So, if you look at the overall borrowing, it has dipped, because we were earlier issuing LC to our creditors which we are now kind of making direct payments. So, that is how if you look at, if you combine both LC and on-balance sheet borrowing, you will be able to understand that what is our debt position, Secondly, I would like to say that all our term liabilities are completely paid off. So, whatever borrowings which we look at is the working capital borrowing which keep on changing on an everyday basis. So, these are the two points which I would like to highlight with regard to the borrowings.

**Nitin Jain:**

And what has been the volume growth this quarter?

**Management:**

So, volume growth has been around 20% to 23%.

**Nitin Jain:**

So, just a follow up to that, the revenue growth has been lower than that. So, is there a reason like -?

**Management:**

So, H1 volume growth is around 20% to 23%. I am so sorry.

**Nitin Jain:**

And for this quarter? I think last quarter it was 28%.

- Management:** So, this quarter would be a little lower, but I mean the prices have remained almost constant, there is hardly any variation in the aluminum prices which is our key raw material. So, you can kind of take a hint that the revenue growth is equal to the volume growth.
- Nitin Jain:** Okay, great. Thank you so much.
- Moderator:** The next question is from the line of Mr. Balasubramanian from Arihant Capital. Please go ahead.
- Balasubramanian:** Good afternoon, sir. Thank you so much for the opportunity. Sir, my first question, we have enhanced capacity production from Rs.100 crores to Rs.135 crores per month. And how much CAPEX we have incurred for debottlenecking and incremental CAPEX side?
- Management:** So, last year we had taken some debottlenecking initiative. The total CAPEX which we have incurred is around Rs.15 crores and majority of it was incurred last year and some of it was incurred in the current first six months also.
- Balasubramanian:** New plant is coming up probably by end of this year and will be available from next financial year onwards. And I think with Rs.35 crores CAPEX, I think most of the incremental revenues are around Rs.200 to 250 crores. I just want to understand what are the key assumptions behind this target, example, product mix, utilization rate, number of shifts, and like what kind of achievements we can expect next financial year from this new plant?
- Management:** Generally, we do around six times our gross block investment, that is the asset turn which we target to do in the new plant as well.
- Balasubramanian:** Okay, sir. Sir, on that solar cable side, TAM is nearly Rs.6,000 to 7,000 crores. And what is our strategy to gain market share? And how much target we are planning over next three to five years?
- Management:** Yes. So, typically, we are currently doing around 10% to 15% of our revenue contribution comes from the solar cables. And in the solar cables, there are aluminum cables as well as alternate cables as well as DC cables. So, currently, we are only supplying alternate cables to our customers. With the new plant in place, we would be able to supply the DC cables also. That would substantially increase our penetration and our wallet share with our same customers, same segments. So, this is what our idea is with the solar cable.
- Balasubramanian:** Sir, please share that order breakup and which are the segments we are witnessing strong demand and which are the segments we are lagging on the order inflow side?
- Management:** So, if you look at the demand inflow, it has relatively remained constant in the current quarter. So, our three, four segments, which are the power distribution segment, smart metering segment, renewable energy segment, and other some specialty cables, so, these are the four segments which are the major segments for us in terms of revenue also and in terms of our order book also. So, largely,

what we can say is that the demand scenario has been consistent over this quarter. And our next two, three quarters of growth should come from these existing areas where we are.

**Balasubramanian:** Okay, sir. Thank you.

**Moderator:** The next question is from the line of Mr. Ayush Chabria from Shravas Capital. Please go ahead.

**Ayush Chabria:** So, I just wanted some clarification on in the annual report we have given a bank guarantee to Indo Krates, which is a related party. I am just trying to understand the nature of this transaction just to get some clarity from the management end?

**Management:** So, basically, sir, Indo Krates has given corporate guarantee against our bank guarantee limits, which we avail from the bank. So, this is a transaction, just to clarify.

**Ayush Chabria:** just trying to understand what Indo Krates does, just to get an idea.

**Management:** So, Indo Krates has a immovable property, which is mortgaged with the bank as a collateral security for the working capital facility which Dynamic cables avails.

**Ayush Chabria:** Understood, understood. Also, any guidance for the upcoming year, sir, just to give us an idea of what once the capacity ramps up?

**Management:** We generally do not give any yearly guidance. But yes, if you look at our track record, we have been growing at around 20% annually CAGR for the last five years, 10 years, any time period if you look at it. So, this is what our long-term guidance is. We intend to grow at 1.5x the industry growth. So, if industry growth is around 12-13%, we should grow at 20%. If industry growth is at 8-9%, we would be targeting to grow at 13-14%. So this is the broad area, which we endeavor to grow.

**Ayush Chabria:** Understood. All the best. Thank you so much.

**Moderator:** The next question is from the line of Mr. Raman KV from Sequent Investments. Please go ahead.

**Raman KV:** Hello. Sir, I just have a few questions. Sir, one is with respect to the US market. In the initial call you mentioned you will start delivering your exports to the US market in Q2, Q3. Did we do any exports during this quarter and what is our current order book with US market? And with the recent US announcing duties in India like 50% tariff, will that be an impact on our top line?

**Management:** So, just, Raman, this US exports starting in Q2, Q3, that was kind of the plan in the pre-tariff regime. But I think we will have to wait for this clarification on the tariff side before we get into the US market. So, we are just waiting for these clouds to shut out first and then probably



we will be able to get it. However, in the parallel side, till we are kind of waiting for the tariff clarity, we are actively going ahead with our product approval in the US market.

**Raman KV:** So, currently we do not have any order from US market?

**Management:** No, currently we do not have any order. We are just waiting for the tariff scenario to be clear.

**Raman KV:** Okay. And sir, in the last call, you said you bought around 15000 square meters of land for further CAPEX. Is there any plan with respect to our new CAPEX coming up for the company, because my understanding is the new unit which we will be commencing in H2, it will be fully utilized by the end of FY27?

**Management:** So, currently we are focused on getting the existing plant commissioned and probably you will have to wait for our guidance on the new CAPEX post that only.

**Raman KV:** And the new plant itself which is built on 35,000 square meters, only 10,000 to 15,000 square meters has been used for CAPEX. So, there can be a Brownfield expansion as well?

**Management:** 50% has been used.

**Raman KV:** Yes, exactly. 50% has been used. So, there is a highly chance of a Brownfield expansion if I am right?

**Management:** Right, right.

**Raman KV:** Thank you, sir.

**Moderator:** The next question is from the line of Mr. Naman Parmar from Niveshaay Investments. Please go ahead.

**Naman Parmar:** Yes, good afternoon, sir. Thank you so much for the opportunity. Firstly, on the current order book side, how much export contribution is there?

**Management:** Around I think Rs.90 to 100 crores is export in the current order book.

**Naman Parmar:** Secondly, on the demand side, specifically the growing demand right from the data centers and a very new facility, so, are we tapping this particular area or we are being focusing on this only the smart meter renewable and specialty side?

**Management:** Data center is a huge opportunity, because I think you must have also gone through the reports and all those things which people are talking about, and we are also targeting that area which in our earlier calls also we have discussed about trying to be a relevant player in this entire data center ecosystem, for which we have started taking steps like vendor registration and all those things. But I think nothing is going to happen in that space in a very near-term basis. So,





we will have to kind of wait for this entire story to unfold and the growth to unfold from this particular segment. That is what my sense is. So, probably two quarters down the line, we would have more clarity on this entire business ecosystem which has huge potential, and we as a company are also excited to kind of penetrate into this segment for our growth.

**Naman Parmar:** So, any product for that particular industry or in R&D process or anything?

**Management:** Yes. So, basically, a few of the cables which are used in data center, we are already manufacturing then there are a few other cables which we are developing. And we are also trying to engage with the customers and getting ourselves registered with them so that whenever there is an opportunity, we get a chance to work with them.

**Naman Parmar:** Okay, understood. And lastly, how do you expect the H2 to be performed in terms of how the order book will be flowing in and how the execution will be going on, because as you have seen, the H1 was mostly impacted due to -?

**Management:** Our order book is a testimony of how the H2 will be performed. Our execution cycle, you know that it is anywhere between three to nine months kind of cycle. So, that is all I can say about it. We typically avoid giving guidance as you know.

**Naman Parmar:** Yes, yes. Okay. Thank you so much for answering.

**Moderator:** The next question is from the line of Mr. Nikunj Bhanushali from Kosh Wealth Management. Please go ahead.

**Nikunj Bhanushali:** Yes. Thank you for the opportunity. I am just new to the company. So, I wanted to understand what is the CAPEX that has been going on. So, one is the debottlenecking and one is the new facility. So, could you put that in numbers, please?

**Management:** So, debottlenecking is over. So, there is no more CAPEX which is allocated towards debottlenecking. Most of it was completed in the last financial year itself. Currently, we are going ahead with a new Greenfield plant. So, the entire CAPEX allocation which you see in the current year, going forward majority of the CAPEX will be allocated towards that Greenfield plant. That Greenfield plant is a fungible plant and apart from the normal cables, it also has a E-beam curing facility which would enable us to penetrate more into the renewable energy segment, particularly the solar DC cable segment.

**Nikunj Bhanushali:** Okay. And in terms of capacity or in terms of numbers in the top line, what would be the total capacity that would be added?

**Management:** So, we typically do around 6x of our fixed asset investments. So, if we are putting around Rs.40-45 crores in the new plant, we would be able to achieve whatever number it comes.

- Nikunj Bhanushali:** Okay. Thank you. And previously, you had mentioned that we are waiting for a couple of approvals from the US in the US market. So, any update on that?
- Management:** The US market approvals are going on, but as we were discussing earlier in the call, the major problem there is the tariff scenario. So, in the current tariff scenario, it is very difficult to market or enter the distribution market in the US. So, we are just waiting for this tariff scenario to kind of clear out.
- Nikunj Bhanushali:** Okay. Sure. And just one last question, like what utilization levels are we aiming for in the current financial year?
- Management:** So, currently, typically, optimum utilization is around 85-90% because there is some seasonality involved and then there is some product customization which is required. So, that is what is the typical utilization levels which we can achieve at an optimum level from our stated capacities.
- Nikunj Bhanushali:** Okay. Thank you so much.
- Management:** The next question is from the line of Mr. Nikhil Purohit from Fident Asset Management. Please go ahead.
- Nikhil Purohit:** Hi, thanks for the opportunity. Sir, just a follow up on the earlier participant's question. So, Rs.135 crores per month, that is what we are capable of doing post-debottlenecking. After this, we take the 90% utilizable capacity from this side, right, from the Rs.1620 crores that comes. So, Rs.135 crores into 12 and then 90%, right?
- Management:** Yes, that is the optimum capacity utilization.
- Nikhil Purohit:** Sorry, I did not understand. So, what are we targeting this year the utilization rate?
- Management:** So, that is what I am saying we do not give any annual guidances, but we are able to say that our current order book is kind of a reflection of our future sales and that is how you can calculate.
- Nikhil Purohit:** Okay. Okay. And our exports as a percentage of sales, I think it was Rs.56 crores in H1.
- Management:** Around 10%.
- Nikhil Purohit:** So, going by that, could you give any target exports for the whole year? And is there any margin differential between?
- Management:** It would be in the range of 10% to 15% only, because in our order book also, if you look at it, around 14%, 15% of our order book is our export order. Margin-wise, it is almost benign. So, whether we do domestic or we do export, there is hardly any margin differential.

- Nikhil Purohit:** Got it. And just one last question. What is our CAPEX for the full year? I know 35 crores is coming for the new facility, but for the full year, could you quantify that?
- Management:** Around Rs.40 crores to 50 crores. So, in H1, we have done around Rs.25 crores and I think in H2, we will be doing an additional Rs.15, 20 crores.
- Nikhil Purohit:** Got it. Thank you.
- Moderator:** The next question is from the line of Subhanu Bangal from 3Head Capital. Please go ahead.
- Subhanu Bangal:** Hello, I am very new in this company. My question is, can you give me the revenue mix category wise figure in H1? I missed this answer.
- Management:** If you want, then HT cable is around 54%, LT cable is around 36%, conductor and others are around 10%. So, this is what the revenue mix is. Product-wise, in terms of customer mix, government business was around 11%-12%, private customers account for around 78% and exports account for around 10%.
- Subhanu Bangal:** Okay, thank you. My next question is, going forward, what will be your category-wise major focus?
- Management:** So, our major focus is, if you look at the trend, we are trying to reduce our government business and we are trying to increase our private business. And also, we are focusing on maintaining our export share. So, this is the strategy which we are working on. In terms of products, in the last two, three years, we have targeted the renewable energy market, which is the solar cable market, and smart metering cables. So, these are the two, three growth areas which we have been able to develop in the last two, three years. Going forward, we feel that these growth engines will continue. And apart from that, we are also keeping a close eye on the US market as well as the data center market.
- Subhanu Bangal:** Currently, solar cable mix is around 12%. Can we expect this can be touched 20%?
- Management:** It can. I mean, there is a huge potential for that. But let us see post-expansion, what best can we do with our renewable energy segment.
- Subhanu Bangal:** Okay, okay. Thank you.
- Management:** Yes, yes.
- Moderator:** The next question is from the line of Nitin Jain from Fair Value Investment Advisory. Please go ahead.
- Nitin Jain:** Yes, thank you for the follow-up opportunity. So, I just wanted to dwell a little bit on the H2 revenue that we expect. So, I know that you have mentioned that order bookings have been



slow due to extended monsoon and festivals. But traditionally, you have been an H2-heavy business. So, compared to the 20%-22% kind of growth that we have seen in H1, should we see a pickup in H2?

**Management:**

Typically, the nature of business does not change, because every year there is a monsoon and every year H2 is heavy and Q4 is heavier. That is because of the entire construct of the supply chain. So, there are government budgets which kind of flew in, in the last quarter, which fuel the EPC execution who are our customers. So, that is when the execution takes place, our cable supplies also take place in the Q4. That is the typical nature of the business. And this still remains. This year, the unfortunate or the typical thing which happened was that monsoon started early and ended late. So, the execution bottleneck was little longer than usual. Secondly, the monsoon was quite widespread across the nation. So, it was not only limited to the coastal regions or other places, but it was widespread across. So, that is why the region of execution was also impacted because of the nature of monsoon this year. So, this was the typical thing which happened in the current year.

**Nitin Jain:**

Right. So, now that that factor is behind us, we should see a pickup in the growth, right?

**Management:**

Yes, there should be, of course.

**Nitin Jain:**

Okay. And also, my next question is on margin. So, you have done very well on gross margin, but not all of it has translated to EBITDA margin, because your employee and other expenses have grown much faster. So, how do we see this going forward, sir?

**Management:**

What I always say is that it is a 80-10-10 business roughly; 80% is raw material consumption, 10% is our admin and employee cost, and 10% is our EBITDA margin. Now, 0.5% to 1% here and there keeps on happening quarter-on-quarter basis. But largely, the nature of business does not change much for us.

**Nitin Jain:**

Okay. And the CAPEX that you said was about to go live in H2. When do we expect it to go live?

**Management:**

So, it will kind of go live at the end of H2 only. So, we should expect the capacity in the next financial year itself.

**Nitin Jain:**

Okay. Okay. Thank you.

**Moderator:**

The next question is from the line of Gunjan Kabra from Niveshaay. Please go ahead.

**Gunjan Kabra:**

Hi, sir. Thank you so much for the opportunity. So, first, we wanted to understand what kind of business opportunity for cable division can come up when best battery energy adoption increases, and are we also looking towards supplying to that segment? And what is the contribution from smart meters right now, and how are we seeing this segment to grow in our overall pie?



- Management:** So, we have a fair bit of around 10% of our business is being contributed in H1 from smart metering. And going forward also, I think we have a healthy order book and this may increase also. But yes, 10% is the kind of contribution which we have kind of delivered in the smart metering segment. What was your other question, Gunjan?
- Gunjan Kabra:** The question was on the battery energy storage. So, when that adoption increases, which is still at a very, very nascent stage right now, but what is the kind of opportunity for cables that can increase and are we also developing on that side?
- Management:** So, we still have to study typically on best what will be the cable requirement, what kind of cables would be required, whether is it a sizable market of any interest to us or not. But yes, we are quite focused on the renewable energy segment, which is kind of related to the battery storage. But yes, on battery storage standalone basis, we have to still kind of do our research or do our groundwork as it unfolds.
- Gunjan Kabra:** Okay. And the execution due to monsoon that we are discussing right now was low, so going forward in the next year, maybe the execution will be very strong. But for this year, because it was slow, so can the execution in the next two quarters for Dynamic Cables be a little slow when we compare it to the last year? And what is the kind of order flow or tendering that is happening right now on the distribution side, like on the transmission side is fine, but on the distribution side, what is the kind of tendering that is happening right now when we compare it to the last year?
- Management:** There is no problem in tendering actually. This is an interesting fact. So, there are a lot of tenders which are available in the market. A lot of work potential is there for our customers. And the only problem is that the execution has slowed down a bit. And because of this, the conversion of the EPC contracts or the tendering is not flowing into the cable orders. So, we are also hoping that once the execution picks up on the ground, then all these tendering tailwinds would kind of reflect into the cable order book as well.
- Gunjan Kabra:** But has the cable supply happened to the EPC players for which the orders have got late, I mean, the execution has got slowed down, but the cable inventory is there with them or how is the scenario?
- Management:** Both ways. So, cable inventory is stuck with us, also with our customers also.
- Gunjan Kabra:** Okay. So, if it is stuck with the customers also, then do you think there can be a little slowdown for the next two quarters, because right now during this season also monsoons have got stretched, so, for the next two, is it that the execution can slow down a bit for the cable companies also?
- Management:** We will be able to get this clarity somewhere in November, December, because we are just getting out of the monsoon season, just after the monsoon season, Diwali was also a little early this year, so, as soon as we came out of the monsoon season, we got into the festival season.



So, now the things are kind of started seriously working on ground and probably we will get a more sense of it 15 days or 20-25 days down the line, because now the cable execution period has started just five, seven days back.

**Gunjan Kabra:**

Okay. And for every transmission line of the higher kV that is getting set up in our country, so, for that, is it like the new distribution network is being set up or somewhere the existing distribution network can also be used I mean, in terms of opportunity size also I wanted to understand?

**Management:**

So, there are two kinds of distribution networks -- one is a horizontal distribution, one is a vertical distribution. So, in the horizontal distribution, the geographical region or the distribution area kind of expands. So, if I am able to kind of connect with you, the geographical expansion or the area of distribution expansion takes place in the horizontal thing. In the vertical side, the power load or the voltage which is currently used in the existing distribution, that gets upgraded.

**Gunjan Kabra:**

That gets upgraded?

**Management:**

That gets upgraded to 12 kV line or 33 kV line, whatever is the demand requirement in that particular region. So, that is how it takes place. So, the entire cable demand is now concentrated or focused on both these things. So, there is a vertical expansion as well as there is a horizontal expansion.

**Gunjan Kabra:**

Okay. So, is it like suppose, for example, 220 kV new transmission line is getting set up, so, accordingly, you are saying the new distribution line, either the upgrading will happen or new transmission distribution line will be set up?

**Management:**

Yes, both things will happen. If you have to set up an EV charging station at a highway, then it will be a new distribution line. However, if in some locality, there is an 11 kV line supply and let us say 100 EVs come in their household in that particular locality, that line has to be upgraded from 11 kV to 33 kV. That is what I am talking about. The same thing happens with the new industries coming up, with new appliances coming up, with new households coming up. So, entire ecosystem is kind of working that way.

**Gunjan Kabra:**

Okay. And on the smart meter side also, the margins are very much similar to what we are doing in the power distribution cable?

**Management:**

Almost, almost.

**Gunjan Kabra:**

Oh, yes.

**Management:**

Because we are typically working with the private players and they are quite efficient in their procurement as well.

- Gunjan Kabra:** Okay. Thank you so much and good luck.
- Moderator:** The next question is from the line of Gaurav Gandhi from Glorytail Capital Management.
- Gaurav Gandhi:** Thanks a lot for the opportunity, sir. Hi, sir, everything is going good for the company. Just need clarity on one thing that in your annual report for FY24 in balance sheet, there are two items in our balance sheet, car loan, Mercedes Rs.6.2 crores and Mini Cooper Rs.1.8 crores, sir. Whether these are for one car or multiple cars and how such high costs for car are justified, can you please throw some light over here?
- Management:** So, these are for multiple cars, it is not a single car. And these were kind of bought way back. So, it is not a single current purchase which we are kind of talking about.
- Gaurav Gandhi:** All right. Thank you.
- Moderator:** The next question is from the line of Subhanu Bangal from 3Head Capital. Please go ahead.
- Subhanu Bangal:** Thank you for the opportunity again. Sir, what is our current utilization level? And my second question is, can you tell me the product-wise margin like HT, LT?
- Management:** So, we do not kind of share the product-wise margin. We can say that on a blended level, you have the margins because what happens is that product-wise margins keep on varying quarter-on-quarter basis. Largely, they are on the similar lines only. So, there is not much variation on a broad basket level. And secondly, what was your other question?
- Subhanu Bangal:** Another question is on current utilization?
- Management:** Capacity utilization. So, we added around Rs.135 crores per month of our total utilization available with us. And in the current quarter, if you do math, it comes to around 70%.
- Subhanu Bangal:** Okay. Thank you.
- Moderator:** As there are no further questions, I now hand the conference to Natasha Jain from PhillipCapital for closing comments. Thank you and over to you, ma'am.
- Natasha Jain:** Thank you. I would request the management to give closing remarks, if any.
- Ashish Mangal:** Thank you, everyone. Thank you for showing faith in us. And we are looking forward to seeing some good numbers in this coming quarter.
- Moderator:** On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.