# "Transformers and Rectifiers (India) Limited

# Q2 & H1 FY27 Earnings Conference Call"

# October 13, 2026

**MANAGEMENT:** **MR. SATYEN MAMTORA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

**MR. MEHUL SHAH – CHIEF FINANCIAL OFFICER –**

**MODERATOR:** **MS. KRISHNA PATEL – EY**

**Moderator:** Ladies and gentlemen, good day and welcome to the Transformers & Rectifiers (India) Limited Q2 & H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference call over to Ms. Krishna Patel from EY. Thank you and over to you, ma'am.

**Krishna Patel:** Thank you, Iqra, and good evening, everyone. A warm welcome to all participants joining the Q2 FY27 and H1 FY27 Earnings Conference Call of Transformers and Rectifiers (India) Limited. Joining us today from the management team are Mr. Satyen Mamtora, Managing Director and CEO, and Mr. Mehul Shah, Chief Financial Officer, who will discuss the company's operations, financial performance for the quarter and half-year, and address your questions thereafter.

Before we begin, I would like to remind you that certain statements made during this call may constitute forward-looking statements. These statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ from those expressed or implied.

With that, I would like to hand over the call to Mr. Satyen Mamtora, Managing Director & CEO, for his opening remarks.

**Satyen Mamtora:** Thank you, Krishna. Good evening, everyone, and thank you for joining us today to discuss the performance of Transformers & Rectifiers (India) Limited for the second quarter and first half FY27. TARIL's Q2 FY27 performance reflects better execution, improved capacity utilization, and operating leverage across manufacturing facilities.

As of 30th September 2026, our unexecuted order book stood at 7,237 crore, up by 32% year-on-year, providing strong revenue visibility over the medium term. The order book is executable over the next 18 to 24 months.

During Q2 FY27, we received order inflows of 1,169 crores, 97% year-on-year growth over low base of last year this time.

Major orders we received during this quarter were:

- First-ever order of nuclear power sector, supplying generator transformers for NPCIL Kaiga Units 5 and 6, marking the strategic entry into high-level infrastructure and high-value infrastructure segment
- Received large transformer order from Megha Engineering and Infrastructures Limited in August 2026 with execution scheduled over the next 35 months
- Received LOI from APTRANSCO in August 2026 for power transformers manufacturing with deliveries planned within next 13 months; won a large order from Damodar Valley

Corporation in October 2026 for manufacturing and supplying 500 MVA and 200 MVA transformers to be executed in next 15 to 28 months

- Secured a large order from GETCO in October 2026 for 80 MVAr reactors and 125 MVAr reactors, and 500 MVA auto-transformers with the delivery schedule of next 24 to 30 months.

These wins demonstrate the breadth of our capabilities across large power transformers, auto-transformers, and shunt reactors. We currently have 21,000 crores of inquiries under negotiation, of which bidding for 80% is domestic orders and 20% export orders, with equal mix between the government and private customers, with utilities and industrial customers.

Other quarter updates:

- During the quarter, we successfully completed dynamic short circuit on three transformers, a significant technical milestone that values our products, our ability to withstand extreme electrical and mechanical stresses under fault conditions, in accordance with the stringent international standards.
- Our ongoing transformer manufacturing expansion at Changodar is near completion, with the commercial production expected to commence around Diwali. The additional capacity will further strengthen our capability to execute our growing order book and support the next phase of the revenue growth.
- Backward integration projects are progressing as per timeline.
- In September 2026, we established a subsidiary in UK to strengthen our customer support and expand our presence in the UK and European markets. Over time, we plan to develop our local assembly and sales capabilities with the potential to evolve this operation into a manufacturing base serving the region.
- Following our Q2 performance, we remain confident of achieving FY27 guidance and continue to remain on track with our growth plans for the full year.

Our focus for the remainder of the year of FY27 will be on clear priorities: accelerating execution of our existing order book and ramping up expanded manufacturing capacities, progressing our backward integration initiatives, and maintaining disciplined and sustainable ramping up our progressing our backward integration initiatives, maintaining disciplined and sustainable profitable growth.

From an industry perspective, the underlying demand environment continues to remain supportive. India is witnessing a significant investment across power generation, transmission infrastructure, renewable energy integration and grid modernization. Emerging areas such as data centers, railway electrification, EV infrastructure, and energy transition projects are creating additional sources of electricity demand and, consequently, opportunities for the transformers industry.

With our broad product portfolio, manufacturing capabilities, established customer relationship, and presence across more than 40 countries, TARIL is well positioned to participate in the multi-year opportunity across domestic as well as international markets.

With this, I hand over to Mehul Shah, our CFO, to run our past financial performance. Thank you, and regards, and Happy Diwali greetings.

**Mehul Shah:** Thank you, sir. Good evening, everyone. I will take you through the financial performance of Transformers and Rectifiers Limited for the second quarter and the first half of financial year '27. Let me begin with our standalone performance for the quarter. During Q2FY27, revenue from operations stood at INR709 crores, 66% year-on-year growth and 27% quarter-on-quarter growth.

Revenue growth during the quarter supported by improved capacity utilization and execution. EBITDA for the quarter stood at INR114 crores, 203% Y-o-Y and 53% quarter-on-quarter growth. EBITDA margin improved to 16.1% compared to 8.8% in Q2FY26 and 13.3% in Q1 FY27. This reflects the benefit of higher operating leverage and improved utilization level during the quarter.

Moving on our performance for the first half of the year. For H1 FY27, revenue from operations stood at INR1,268 crores, a growth of 35% year-on-year. EBITDA stood at INR185 crores, 47% year-on-year growth, with the EBITDA margin improving to 14.6% from 13.4% in H1 FY26. Coming to the balance sheet, our leverage profile remained comfortable as of 30th September 2026.

On a standalone basis, total debt stood at approximately INR575 crores, comprising long-term borrowing of around INR125 crores and short-term borrowing for around INR449 crores. The debt to equity ratio stood at approximately 0.35x, reflecting a manageable leverage position as we scale operation and invest in future growth.

Standalone cash and cash equivalent stood at approximately INR77 crores as of 30th September 2026. In addition, the company continues to have access to other bank balances and unutilized QIP proceeds earmarked for its backward integration initiatives, providing funding flexibility for the planned capital expenditure program.

Working capital remains a key area of focus. As of 30th September 2026, standalone inventory stood at approximately INR654 crores, while trade receivables stood at around INR1,053 crores, out of which INR825 crores is current and rest is the non-current debtors. Net working capital days stood at around 154 days, comprising inventory days of approximately 93 days, receivable days of around 117 days, and payable days of approximately 56 days.

The working capital cycle reflects the nature of the transformer business, which involves long manufacturing cycle, milestone-based billing, testing requirements, and project-linked customer approvals. We continue to focus on collection, inventory planning, and milestone execution to improve capital efficiency as the scale of operation increases.

To sum up, TARIL continues to operate from the position of financial strength. The growth in revenue and profitability during Q2 FY27 and H1 FY27, together with a manageable leverage profile, provides a sound foundation. Our financial priorities remain disciplined capital allocation, tighter working capital management, and the timely funding of capacity expansion

and backward integration initiatives. Thank you. I now hand it over back to the moderator for the Q&A session.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Harshit Sachdeva from Columbus Capital. Please go ahead.

**Harshit Sachdeva:** Hi, sir. Good evening. Congratulations on a great set of numbers, sir. Really impressive. Sir, could you just elaborate a bit more on the Kaiga orders and the Megha Engineering order that you received? That's part one, I mean, size and what are we supplying and who did we compete against? Or did they directly come to you? And second, sir, I mean, a new company, Kanohar, just got listed. Do we compete with them in any segment? So, that's two questions, sir. Thank you.

**Satyen Mamtora:** The NPCIL order for Kaiga project, we were competing with Crompton and other large transformer manufacturers. These are basically generator transformers for the nuclear power project. And as far as Kanohar is concerned, yes, we do compete with them in the segments of 132 kV and 220 kV.

**Harshit Sachdeva:** Okay. Sir, on the Kaiga order, I mean, any MVA or any order numbers that you could give and is it repetitive in the nature that now that you're qualified?

**Satyen Mamtora:** Yes. This is repetitive in nature. These are generator transformers and the NPCIL is putting up a few more projects of nuclear power in India. So yes, this will be repetitive in nature and the rating of the transformer is 400 kV plus.

**Harshit Sachdeva:** Okay. And sir, just last clarification. If let's say a INR100 crores nuclear plant – I mean, I'm just throwing a random number there. What would be the value of the transformer components or the goods that we supply on any new greenfield nuclear project?

**Satyen Mamtora:** So, greenfield nuclear new projects would be close to about 15% to 18%.

**Harshit Sachdeva:** Okay. Thank you, sir.

**Satyen Mamtora:** Of the cost of the transformer.

**Harshit Sachdeva:** Okay. Thank you, sir. Thank you for the clarification, and best wishes for Diwali. Thank you, sir.

**Moderator:** Thank you. Next question is from the line of Vignesh Iyer from Sequent Investments.

**Vignesh Iyer:** Sir, congratulation on a great set of numbers. There's just one question from my side. If you could share, you know, the mix of orders in terms of how many -- how much percentage of the total outstanding order book would be 400 kV plus and how to be less than 400 kV? If you could share the same.

**Mehul Shah:** Yes. So, roughly we have around 55% of order which is having a high voltage class. 55% to 60% is a high voltage class, 400 kV and above.

**Vignesh Iyer:** Okay. And what would that number be for quarter two FY27 out of the total executed number?

**Mehul Shah:** Roughly we have executed around 56% of the power transformer in this quarter, so.

**Vignesh Iyer:** Right, sir. Yes. That's all from my side. Thank you.

**Mehul Shah:** Okay. Thank you.

**Satyen Mamtora:** Thank you.

**Moderator:** Thank you. Next question is from the line of Mihir Vyas from 9 Rays EquiResearch. Please go ahead.

**Mihir Vyas:** Hi. Thank you for the opportunity. And I just wanted a clarification on our cash flow. Can you give some guidance from when can we expect positive free cash flow?

**Mehul Shah:** Yes. So, see, currently, since we are into the stage of the capacity expansion as well as the backward integration, and we are targeting of end of this financial year to start reducing our working capital cycle days, and that will give us a positive cash flows.

**Mihir Vyas:** What is the internal target of working capital cycle days, if you could share?

**Mehul Shah:** It would be roughly 120 days-130 days.

**Satyen Mamtora:** It should be below 120 days. We are trying to, you know, reach at 120, and once we reach there, we would like to see close to between 110 days and 120 days this year.

**Moderator:** Thank you. Next question is from the line of Yash Gupta from Asit Koticha Family Office. Please go ahead.

**Yash Gupta:** Yes. Good evening, everyone. Sir, just want to understand on the inventory, how the inventory is moving now. Earlier in last 2 quarters, we have purchased lot of inventories due to the pricing disruption due to wars going on. How the things looking right now?

**Satyen Mamtora:** Yes. So, see, things are looking, you know, sort of similar right now. But as you are aware that we are putting our backward integration plants, and also we have enough inventory for until quarter three this year. So, we are pretty much safely placed in terms of manufacturing and expansion of capacity utilization.

**Yash Gupta:** And is that the copper wires and all those things what we have purchased at a higher rate has been utilized and billings and everything has been done Or do you think maybe some impact will be there on margin in next FY28-'29?

**Satyen Mamtora:** No. I don't think there should be any impact on the margins because FY28-'29, we should have our own backward integration plant fully functional. So, we will see a slight advantage there.

**Yash Gupta:** Yes. My next question is on the competition. How the competition intensity right now? Here we have seen like a lot of competition intensity was there. How's that thing going on right now?

**Satyen Mamtora:** See, like we said that we have close to about 21,000 crores order in hand or inquiries that are being pending to be finalized. So, we are pretty much sure, and the competition per se, I don't see there is a huge price war or lowering of margins by competitors. Everybody has enough orders in hand.

**Yash Gupta:** Okay. And this 21,000 crores which you are talking about, on which bid has been placed?

**Satyen Mamtora:** Yes. On which the bids have been placed or inquiries are on, and they should be finalized in some time.

**Yash Gupta:** Okay. And this INR1,100 crores of order inflow in this quarter, it's anything, any exceptional thing, or do we think like this will continue to flow in next two quarters also for this year?

**Satyen Mamtora:** Yes, it will continue to flow. And like we have been saying before, we are trying to limit ourselves to unexecuted order book for not beyond 24 months to 28 months. So, we are trying to keep that in check.

**Yash Gupta:** Okay. So, this INR7,000 crores will be booked the next 18 to 24 months. Is this correct?

**Satyen Mamtora:** Will be billed, yes. Will be billed in next 18 to 24 months.

**Yash Gupta:** Okay. Sure. Thank you, sir.

**Satyen Mamtora:** Thank you.

**Moderator:** Thank you. Next question is from the line of Anubhav Mukherjee from Prescient Capital. Please go ahead.

**Anubhav Mukherjee:** Sir, just one question. Sir, in the past quarter, there was a flare-up in prices of some of the key raw material like transformer oil, CRGO, and all. So, how is the situation now, sequentially?

**Mehul Shah:** Yes. So sir, the prices, etcetera, are still on the higher side. But what we have, we have a majority of order which is having, say, a price variation clause. So mainly, it does not affect our margin in a big way.

**Anubhav Mukherjee:** Okay. And sir, do we have some retention money for any orders we have?

**Mehul Shah:** Yes.

**Anubhav Mukherjee:** Is that part of our balance sheet? Okay. Can you quantify that?

**Mehul Shah:** It is the retention money.

**Mehul Shah:** Yes. Retention money is always there in the order, so roughly it is 5% to 10%. It ranges from different customer, but it can be from 5% to 10%.

**Anubhav Mukherjee:** And currently, what is the total amount?

**Mehul Shah:** Roughly, it would be around INR200 crores.

**Moderator:** Thank you. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar:** Yes. Thank you very much, sir, for this opportunity. Sir, just first I wanted to understand, now this Changodar expansion is expected to come next month. So, just wanted to know what's the capacity there and what's the capex involved in this expansion?

**Satyen Mamtora:** So, the capacity is close to about 35,000 MVA.

**Mehul Shah:** Yes. Capex is around INR150 odd crores.

**Deepak Poddar:** INR150 odd crores. So, this will take our total capacity to 75,000?

**Mehul Shah:** Yes.

**Deepak Poddar:** Okay. And what's the per MVA realization, generally, on an average? I understand it will be different for different type of transformers, but some average MVA per realization?

**Mehul Shah:** Yes. See, it is different for, say, power transformer, distribution transformer, but on an average, we will be realizing around INR7 lakhs per MVA.

**Deepak Poddar:** INR7 lakhs per MVA. Okay, understood. That's very clear.

**Mehul Shah:** Yes.

**Deepak Poddar:** And sir, just wanted to understand now your all backward integration plan is expected to get completed by first quarter, right? And that would effectively mean on this expanded capacity, 80%- 85% backward integration. Would that be a right understanding?

**Mehul Shah:** Yes.

**Deepak Poddar:** Okay. Understood. And sir, what sort of value addition we can have in terms of cost benefit or a percentage to revenue?

**Mehul Shah:** So, we are looking at around 200 basis point to 300 basis point margin expansion through this backward integration.

**Deepak Poddar:** And this will likely come by what, a second half of FY28 or FY29?

**Mehul Shah:** So, you will see firstly it will cater the entire need of the TARIL and then to the third party. So, FY28 and then the FY29, so it will gradually increase.

**Deepak Poddar:** Okay. But the full effect will seen by FY29?

**Mehul Shah:** Yes.

**Deepak Poddar:** Okay. Understood. And this year, we are talking about 25% kind of a growth with a PAT margin of 9% to 10%, right? Given the growth that we have done, are we being conservative here?

Because we are already at PAT margin, I think, last two quarters 11% plus, right? And we're still talking about 9% to 10% PAT margin for the entire year. So, how should one look at?

**Satyen Mamtora:** So, our target is to reach a growth of 25% and beyond. So, we are keeping it the same.

**Deepak Poddar:** So, you maintain the forecast that you have been saying, 9% to 10% PAT margin

**Satyen Mamtora:** Yes.

**Deepak Poddar:** At 25% growth?

**Satyen Mamtora:** Yes.

**Deepak Poddar:** Okay. I got it. Okay. I think that would be from my side. I would like to wish you all the best. Thank you very much.

**Satyen Mamtora:** Thank you.

**Deepak Poddar:** Yes.

**Moderator:** Thank you. Next question is from the line of Vinil Shah from Dalal & Broacha. Please go ahead.

**Vinil Shah:** Thank you for the opportunity and congratulations on a great set of numbers, sir. So, I had two questions. First one if I could just get the proportion of exports in our order inflows and the revenues for Q2 FY27. And second was if you could just give us some color about how much price rise have we taken in Q2 FY27?

**Mehul Shah:** Yes. So in Q2 FY27, our export is around 8% of the total revenue. And in the order book also, we have around roughly around 15-odd percentage with the export. And mainly this quarter, this margin expansion, as well as revenue, which has come from the higher capacity utilization of the Moraiya plant. So margins etcetera is on the similar lines what we have guided, around 16%-odd of EBITDA.

**Vinil Shah:** And sir, as any price rise we have taken in this Q2 FY27?

**Mehul Shah**: No.

**Vinil Shah:** Price rise, since raw material costs have risen, since the rate taker practice, like if we have passed on any cost to our customers?

**Mehul Shah:** Yes, price variation is always every quarter it is a phenomenon. So, every quarter, whatever we do the billing to the customer, we pass on the price variation also. So, this is not a one-time thing or anything. It is every quarter. Whichever billing we do, we also do the price variation billing also.

**Vinil Shah:** Yes, sir. But I just wanted to understand that how much of the revenue growth can be attributed the attributed to the price rise?

**Mehul Shah:** Roughly 7% to 8%, yes.

**Vinil Shah:** Okay. Thank you very much, sir, and all the best, and a Happy Diwali.

**Mehul Shah:** Yes, thank you. Same to you. Happy Diwali.

**Moderator:** Thank you. Next question is from the line of Dilip Pandey from ICICI Securities Limited. Please go ahead.

**Dilip Pandey:** Yes. Sir, I want the production number for this quarter. What is the production on MVA for the transformers?

**Mehul Shah:** It is roughly 9,500 MVA.

**Dilip Pandey:** Okay, for this quarter, Q2?

**Satyen Mamtora:** Yes.

**Dilip Pandey:** Okay. Thank you so much, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of Jainam from Saltoro Investments. Please go ahead.

**Jainam:** Congratulations on a great set of numbers. My question was on the capex that you are doing. So, could you just help me understand, Changodar plant's existing capacity was 12,000 MVA and we added another 15,000 MVA taking it to 27,000 MVA? Or was it in Moraiya, because I am getting a little confused? And was it for the medium voltage and renewable energy transformers, this capacity expansion?

**Satyen Mamtora:** Yes. So Changodar the manufacturing capacity was up to 12,000 MVA.

**Jainam:** Okay.

**Satyen Mamtora:** Total manufacturing capacity at Changodar will be 35,000 MVA. Changodar will be producing distribution transformers, transformers IDT transformers, transformers for renewable energy. Changodar will be producing small power transformers up to 132 KV and Changodar shall be manufacturing large power transformers up to 220 KV.

**Jainam:** So, incrementally 25,000 MVA is being added to the 12,000 MVA that we had, taking it to 35,000 MVA capacity, is that correct?

**Mehul Shah:** Yes. That is correct.

**Jainam:** Okay. And the extra high voltage transformers, 22,000 MVA that we were adding, that will be in the Moraiya facility? And that would be large powered transformers and when will that commence production?

**Satyen Mamtora:** That will be EHV transformer and we once we have finished this Changodar project, we will start working on the Moraiya plant.

**Jainam:** So when can we expect, just to get an idea?

**Satyen Mamtora:** And plus what will happen with our insulation and pressboard plant coming live, the manufacturing place for insulation, which was at Moraiya, will now be added to transformer manufacturing unit. So, we will be adding about 30% plus manufacturing capacity at Moraiya.

This 30% should be immediately once our pressboard plant is functional. And apart from that, what is going to happen, it is going to happen once Changodar plant is completely finished.

**Jainam:** So Diwali Changodar plant will be completely ready. Post that, we will look at Moraiya facility. So, FY28 onwards, is it safe to say that the EHV transformer plant would be ready for production?

**Jainam:** Okay, understood. So that was my first question. My second question is on the 1,000 crores big order that we received from PGCIL. Congratulations on that big order. What is the execution timeline and what are the milestones for that given that it's one of the largest single-shot orders?

**Satyen Mamtora:** So, the execution timeline is about 124 to 28 months. And we should start commencing manufacturing I think December next year.

**Jainam:** December next year. Okay, understood. And I just wanted to get an idea of what sort of capacity utilization that we are looking at this year and the next year, FY27 and FY28, particularly FY28, once both the plants are live?

**Satyen Mamtora:** So ideally, I would want a capacity utilization of about 90%, and we are constantly working and we are constantly progressing towards that. But ideally, 90% capacity utilization is very good for a plant.

**Jainam:** So will we achieve that in FY29 or are we confident of achieving that in FY28 itself?

**Satyen Mamtora:** We are working towards it. Maybe this year, maybe next year. We're constantly working towards it. Once our backward integration plants will be ready, we should be better placed to understand how it is going.

**Jainam:** Got it. And one last question on data centers. How is the opportunity? What are the orders that you're seeing, and particularly in the US export markets, are we in discussions with companies or utilities out there to provide our transformers? That would be very helpful if you could provide some color, both India and abroad.

**Satyen Mamtora:** So out of the 20% of the 21,000 crores inquiries, 20% is exports. And yes, we are looking at providing data centers within India and outside India. We are registered manufacturers for a lot of large data center facilities, so we have a preference there.

**Jainam:** Got it. Congratulations, and all the very best. Thank you.

**Moderator:** Thank you. We will take our next question from the line of Abhijeet Singh from Systematix Group. Please go ahead.

**Abhijeet Singh:** Yes, thank you for the opportunity. Sir, my first question is what is the impact of the disruption in the Middle East on our business in terms of imports or exports or raw material or any other impact that we are facing?

**Mehul Shah:** Yes. See sir, our this due to this disturbance in Middle East, mainly our raw materials are not coming from that route etcetera, so there is no as such major impact. But yes, the timely availability of certain critical raw materials is still an issue that we are trying to figure out by keeping a large inventory, as we spoke like we already have a high number of inventory till our backward integration plants are in place.

**Abhijeet Singh:** Right. Sir, one thing I can observe is that we are guiding for 25% revenue growth for FY27, which means our H2 run rate of revenue growth is 20%, which seems to be conservative, given the order book, the plant coming online by Diwali. So, I mean, I just wanted to understand, is there any other factor which could be impacting our execution going forward?

Because, I mean, after the plant is commissioned, I think we should be able to execute because we have a large order book which has I mean, a substantial part of the order book was there even by Q4 of last year.

**Mehul Shah:** Yes. So see, basically, can you just brief how you have calculated that 20%? Because if we even if we go by our guidance etcetera, we are still need to execute around INR900-odd crores every quarter going forward.

**Abhijeet Singh:** That's right. Same calculation. So, INR1,800-odd crores you would require for H2. And then last year H2 was about INR1,500-odd crores. So, 20% on that is INR1,800 crores. But anyway, INR1500 crores to INR1800 crores.

**Mehul Shah:** Yes.

**Satyen Mamtora:** Yes, I think we are maintaining our, you know, INR3,200 crores, so I think we are good at that.

**Abhijeet Singh:** Understood. Understood, sir. Second question is on the HVDC, you know, repair order that we had. So, we were undergoing some repair from PGCIL on one transformer. And then we were about to enter into HVDC manufacturing. Could you update on the progress of that? How is it coming along?

**Satyen Mamtora:** So, we have already started the processes of the process of re-engineering that.

**Mehul Shah:** Yes. So I just update, so we are currently repairing the transformer, so with that will be another four to five months' time, then the successful running of that transformer will take another six to seven months. And then we will qualify for the manufacturing, and then we will start participating into the tender. So at least one and one and half months one and half year is away from when we are speaking.

**Abhijeet Singh:** Understood. So, five months of you know, operation at our end, then we will give them, then they will test it for six, seven months, and then we are qualified for commercial orders.

**Mehul Shah:** Yes, yes.

**Abhijeet Singh:** Okay. So lastly, on data centers, are we supplying into data centers already, or is there a plan, or is there no plan?

**Satyen Mamtora:** If you had heard what I said again, we are already a regular supplier to a lot of large data centers in India and abroad. So, we are constantly manufacturing transformers for data centers.

**Abhijeet Singh:** Understood, sir. So, thank you for answering the questions. I'll come back.

**Moderator:** All right, sir. Next question is from the line of Divyam Sandeep Sureka from Nuvama. Please go ahead.

**Divyam Sandeep Sureka:** Sure, no problem. So, we completed dynamic short circuit testing for three transformers. Can you please help me with the type of these transformers, whether they are power transformers, auto-transformers, and their kV rating in terms of 220 kV, 400 kV?

**Satyen Mamtora:** So, these are 400 kV auto-transformers and -- sorry, auto-transformer, power transformers, yes. 400 kV and 220 kV.

**Divyam Sandeep Sureka:** Got it, sir. And sir, who would be the customer? Is there any specific customer in mind that we need to target through the short circuit test certification, or there are general certifications that we need?

**Satyen Mamtora:** These are specific for specific customers or electricity boards mostly.

**Divyam Sandeep Sureka:** Okay, sir. Got it. Thank you.

**Moderator:** Thank you. Next question is from the line of Vijay Bhasin from InCred Equities. Please go ahead.

**Vijay Bhasin:** Hi. Thank you for the opportunity. I just have one quick question. If I look at your presentation Slide 9, what is mentioned is the revenue potential of about INR5,000 crores to INR6,000 crores post the expansion. To one of the previous participant, what you mentioned is about INR7 lakhs per MVA of realization.

What you also understand from the industry dynamics is power transformer being at INR5 lakhs per MVA, distribution at about INR10 lakhs per MVA. And within high voltage, we are seeing pricing power being played by the limited supply dynamics. Just wanted to double-check if you're still maintaining the USD1 billion of revenue guidance that you have been targeting from the past three to four quarters over the next 2 to 3 years.

And second, a follow-up on this is whether you can see any spillover to FY29, but let's say '30, '31, and whether that would be requiring further capex either via QIP or OFS or debt raise that you would be funding? Because if I do the math at about 90% capacity utilization of INR75,000 MVA, and let's say assigning a INR7 lakhs per MVA, your top line sort of is getting peaked at INR5,000 crores in one single year. So, I'm not able to understand that. That's my only question.

**Satyen Mamtora:** So, you are only taking transformer sales. We are also looking at bushing sales, pressboard sales, CRGO sales, we are also looking at CTC sales, our tank manufacturing unit which is going to be one of the largest in Asia. So, with all these sales adding up, we are pretty much sure that we'll reach USD1 billion.

**Vijay Bhasin:** And the timeline for this would be?

**Mehul Shah:** Yes. It will be late part of FY29 or early 2030.

**Vijay Bhasin:** Fair. Would you also be requiring?

**Satyen Mamtora:** A quarter here or there, but we are very much well-placed, and we are very much aggressive in reaching that target.

**Vijay Bhasin:** Sure. Would you also be requiring further funding for this?

**Satyen Mamtora:** No. Mehul bhai?

**Mehul Shah:** No. Because see, we are already doing this capacity expansion, backward integration projects, funding, etcetera, is already well planned. So, no additional capex.

**Vijay Bhasin:** Okay. The reason to ask that was given your stretch working capital days, your PAT to OCF conversion is slightly subdued to whether if I compare with the high voltage peer group. So that's fair. Thank you so much.

**Mehul Shah:** Yes. Thank you.

**Moderator:** Thank you. Next question is from the line of Shrinarayan Mishra from Baroda BNP Paribas AMC. Please go ahead.

**Shrinarayan Mishra:** Hi. Thanks for the opportunity. So, I just wanted to understand if we are executing any BESS transformer orders currently? And, if so, how is the pipeline for BESS transformers looking like?

**Satyen Mamtora:** No. We are not currently executing any BESS pipeline. But yes, there are inquiries that are currently ongoing, and we are sure that in this quarter we should get some orders for BESS transformers.

**Shrinarayan Mishra:** So how big that market is, sir? Any assessment if you've done?

**Satyen Mamtora:** Not, it's a pretty much new market for us, but we are try trying to assess the market.

**Shrinarayan Mishra:** Okay, okay. Second question is sir on the CTC backward integration plant that was expected to be operational by 2Q and so is that running now and will we see some cost saving from 3Q?

**Mehul Shah:** Yes. The plant will be operational from next quarter onwards, and it will take some time to stabilize etcetera. So, from next financial year, we will start seeing some margin expansion coming from the backward integration project.

**Shrinarayan Mishra:** I think CTC, last quarter you guided for 2Q FY27 commencement. Now you are delaying it by six months?

**Mehul Shah:** No, we are not delaying. Q3, we are saying, it's Q3.

**Satyen Mamtora:** In Q3, before Diwali the plant will be commissioned. Currently, the plant and machinery is being installed. By Diwali, the plant will be commissioned. in November and then December, we will do the first trial runs. And by quarter four this year, we should be commercially manufacturing CTC, but this CTC will be only for TARIL transformers currently. And from Q1 next year, you will see sales in the market also from CTC plant of TARIL.

**Shrinarayan Mishra:** So, 3,000 MTPA is the capacity. Of that, how much would be consumed captively?

**Mehul Shah:** Around 60% is captive.

**Shrinarayan Mishra:** Okay, okay. Got it. Great. Thanks. Thanks for answering.

**Satyen Mamtora:** Thank you.

**Moderator:** Thank you. We will take the last question from the line of Sanjeev Zarbade from Antique Stock Broking Limited. Please go ahead.

**Sanjeev Zarbade:** Yes. Sir, can you share the capacities of the various backward integration initiatives that we have said that we have embarked on? You said about CTC, but about bushings, tanks, and radiators, what could be the capacity?

**Mehul Shah:** It is already available on the investor presentation that we have uploaded, on slide number, I will just give the slide number also.

**Sanjeev Zarbade:** Yes, yes, sure. Sir, the other expenditure has been largely static on a year-on-year basis, despite the significant increase in the revenue. So, what is the nature regarding the other expenditure and would it be in the same range as a percentage of sales?

**Mehul Shah:** Yes, it would be in the same range, because it is a multiple ledgers that is there into the other items, mainly like freight, then the travelling, rent, etcetera, then the foreign exchange gain, loss, etcetera that is there into other expense. So, it will be mainly remain in that range.

**Sanjeev Zarbade:** And sir, regarding the HVDC transformers, so normally we have seen that the HVDC equipment packages have gone to Hitachi and GE Vernova. So, they are also doing the, apart from the converter transformers, there is a lot of power electronics that is involved. So, how would be what would be our strategy?

Because if let's say a GE gets the HVDC package, so the converter transformer will also come from them only. So, how where do we stand so far as the HVDC converter transformer is concerned?

**Satyen Mamtora:** So, we are also in the process of getting the converted transformers approved also. So, within next 18 months, we'll be fully be able to do the HVDC and converter transformers.

**Sanjeev Zarbade:** Okay. Okay, sir, that is it from my side, and all the best. Thank you.

**Satyen Mamtora:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that concludes our question and answer session. I now hand it back to the management for closing comments.

**Mehul Shah:** Yes. Thank you all for joining us today and for your active participation in the earnings conference call. We sincerely appreciate the continued trust, confidence, and support of our shareholders, investors, analysts, and other stakeholders. We hope we have been able to address your key questions and provide a clear perspective on TARIL's performance, growth plan, and outlook for FY27.

Our focus remains on disciplined execution, timely delivery of commitments, and creating long-term value for all stakeholders. Should you have any further queries, please feel free to reach out to our investor relation advisor, Ernst & Young, who will be happy to coordinate with us and assist you offline. Thank you all and Happy Diwali to all.

**Satyen Mamtora:** Thank you, everybody. Happy Diwali to all, and see you at a better quarter next time

**Moderator:** Thank you very much. On behalf of Transformers and Electrify India Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.