



“Transformers and Rectifiers India Limited
Q3 FY '26 Conference Call”

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**MODERATOR: MR. VIKRAM DATWANI – NUVAMA WEALTH
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Moderator: Ladies and gentlemen, good evening and welcome to the Transformers and Rectifiers India Limited Q3 FY '26 Conference Call, hosted by Nuvama Wealth Management Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand over the conference to Mr. Vikram Datwani from Nuvama Wealth Management Limited. Thank you and over to you.

Vikram Datwani: Thank you. Good evening, everyone. On behalf of Nuvama Institutional Equities, I welcome you all to the third quarter FY '26 results conference call of Transformers and Rectifiers India Limited. We are joined today by Mr. Satyen Mamtora, Managing Director and CEO, and Mr. Chanchal Rajora, Director Finance. I would now like to hand over the call to the management for their opening remarks. Thank you and over to you, sir.

Satyen Mamtora: Good afternoon, ladies and gentlemen. A very warm welcome to all of you and thank you for joining us today for Q3 FY '26 earning call. I am Satyen Mamtora, Managing Director and CEO of the company.

We truly appreciate your time and your continued engagement with our company. It is a pleasure to connect with you once again. As we continue our journey for transformation, discipline, execution and sustainable growth, earlier today our Board of Directors approved financial results for quarter ended December 31, 2025.

These results have been duly submitted to stock exchanges and are available along with our investor presentation. Let me begin by sharing some of the key highlights and strategic developments from the quarter. In Q3 FY '26, the company delivered revenues of INR704.21 crores with an EBITDA of INR114 crores. The performance during the quarter has been exceptional and marks a clear inflection point in our operational momentum.

Improved execution, better project conversion and enhanced capacity utilization and tighter cost controls across the organization have contributed meaningfully to the performance. These results clearly demonstrate that we are back on stride and well positioned to achieve our stated revenue profitability objectives for the year.

Particularly significant milestone during the quarter was the receipt of exceptional HVDC repair order from PowerGrid. This order is strategically important as it makes TARIL the first Indian origin company to receive HVDC repair order, underscoring our growth, technological capabilities, engineering credibility and trust from marquee customers. This achievement reinforces our position in the high voltage and advanced transformer segment and opens new long-term opportunities in HVDC ecosystem.

As communicated earlier, during the first half of the year we consciously moderated fresh orders intake. This was deliberate and strategic decision aimed at aligning new orders with extended delivery schedules, strengthening execution discipline and ensuring optimal capacity planning. I am pleased to share that this approach is now yielding results. Looking ahead, we expect strong

order inflow during the second half, supported by a robust and diversified UEOB close to INR8,000 crores across domestic and international markets.

In parallel, we are making steady progress on our backward integration, which is a critical pillar of our long-term competitiveness, margin sustainability and supply chain resilience. We have planned six backward integration facilities and execution is progressing as per schedule. The CTC plant is targeted for commissioning in FY '26-27, followed by Press Board facility in Q3 FY '26-27 and RIP bushing plant in Q4 FY '26-27, along with the first phase of our fabrication facility during the same period.

I am happy to share that civil work of all these facilities has already commenced and equipment orders are firmly in place. These initiatives will significantly enhance our in-house value addition, reduce external dependencies and improve cost efficiency over long and medium term. Alongside backward integration, we also continue to expand our core manufacturing footprint through organic capacity expansion.

Our Changodar facility expansion is on track and completion on Q1 FY '26-27, while Moraiya is expected to be operational in Q2 FY '26-'27. These expansions will support higher volumes, improve execution flexibility and enable us to cater to a strong demand visibility we see across all our order pipelines. For the full financial year, we remain confident of delivering at least 25% revenue growth over FY '25.

We are targeting revenues of approximately INR2,600 crores along with EBITDA margin of around 16%. This confidence is underpinned by strong execution visibility, healthier order mix, benefits from operating leverage and structural improvements that we are making across the organization. Equally important, we continue to strengthen our governance framework and internal processes.

Corporate governance, compliance and transparency remain at the heart of everything that we do. I am particularly proud to highlight that we have declared our audited financial results within eight days of quarter's close, reflecting our processes, discipline and commitment to best-in-class disclosure standards.

Before I conclude, I would like to sincerely thank our customers for their trust, our employees for their dedication and resilience, our suppliers and partners for their continued support, our Board members for their guidance and the most important, our investors for their continued confidence in our long-term vision. Together, we are building a future-ready organization with the ambition to emerge as a global leader in the transformer industry.

I now shall invite Chanchal to take you through the financial performance in greater detail. Chanchal, please.

Chanchal Rajora:

Yes. Good evening, everyone. Thank you, Satyen sir, for your insight, for leadership remark and for setting the strategy contest stop for the quarter. It gives me the great pleasure to address you that today as we discussed our quarter 3 FY '26 performance, a quarter that clearly reflects the strength of our execution capabilities and resilience of our business model and the benefits of the strategic initiative we have been implementing over the past several quarters.

I am pleased to report that quarter 3 has been a strong quarter for the company marked by a sharp improvement across all the key financial parameters. Revenue on the stand-alone basis from the operations stood to INR704 crores as compared to INR428 crores of quarter 2 FY '26. The growth was driven by the improved supply side, normalization, higher plant utilization and timely execution of the projects across the key segments.

The momentum seen during the quarter validates to our confidence in a strong second half of the year. EBITDA for the quarter came to INR114 crores with the margin expanding to 16.19%. The margin improvement was preliminarily led by the better operating leverage, a higher share of execution from the healthy margin orders and early benefits of cost optimization.

Profit after the tax stood INR71 crores reflecting not only the strong operating performance but also the disciplined financial management across the organization. Further, on the consol basis, revenue for the quarter stood to INR737 crores against INR460 crores during Q2 FY '26, EBITDA stood to INR129 crores and PAT to INR76 crores.

Importantly, quarter 3 also marks a turning point in terms of structural margin improvements. We are confident that margin sustainability will improve going forward. The backward integration facility and the developments are expected to further enhance the cost efficiencies and reduce external dependency over the medium term.

Looking forward, we enter Q4 and the next financial year with strong visibility. Our order book remains robust, execution pipelines are healthy and the plant utilization levels are expected to remain elevated. For the full year FY '26, we have been confident of delivering the revenue of around INR2,600 crores along with EBITDA margin of around 16% to 17%. Beyond 2026, our focus remains on profitable growth, return ratio improvement and disciplined capital allocation.

Before I conclude, I would like to express my sincere appreciation to our team across operational finance, supply chain and projects for their relentless focus and execution excellence. I would also like to thank our Board and investors for their continuous trust and support as we work towards building a strong, more resilient and a future-ready organization.

With that, I conclude my remarks. Thank you once again for joining us today. We are now happy to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Avikshit Vijay from Global Consilient Research. Please go ahead.

Avikshit Vijay: Thank you for the opportunity. So, I just had a few questions in mind. Last quarter, I remember you telling that we had about a deferment of INR100 crores in revenue because of the monsoon. And if we adjust this quarter's revenue to that, the adjusted revenue growth comes to about 13%. Is this the normalization we are looking at going forward?

Chanchal Rajora: Vijay, it was not INR100 crores. It was INR70 crores, INR70 crores to INR72 crores. That benefit, we have got it in this. But also, we are around INR40 crores of the same revenue, which we could not be able to take in this quarter also.

- Avikshit Vijay:** Okay, sir. Okay, thank you so much. And one more question on that. And if we are targeting a \$1 billion revenue by FY '28-'29, it means that we are targeting about 48% CAGR and top-line from the current levels. Can you help us understand what will drive the growth from here?
- Chanchal Rajora:** Look, Vijay, we have been guiding about \$1 billion or INR8,000 crores revenue for FY '28-'29. This has got the various factors into that, not only the growth of the transformer business, but also the growth of the backward integration facilities, what we are putting up. The backward integration facilities itself are going to give us a robust business, as well as the growing demand of the industry is going to give us the huge amount of the new businesses.
- As we see that, today we are at around INR5,500 crores under Executive Order Book, and by close of this year, we will be having around INR8,000 crores of Order Book hand. And we expect the same growth in coming years, and that is driving us for that.
- Avikshit Vijay:** Okay, sure. If I may just squeeze in one more question, may I?
- Chanchal Rajora:** I would appreciate if you can join again, because there are lots of people in the line.
- Avikshit Vijay:** Okay, sure. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.
- Manish Ostwal:** Yes, sir. Thank you for the opportunity, sir. My question on our order book and the inflow number, so I am confused with that number. So, like, it is mentioned Q1 number, because Q1 is also INR665 crore only. So, is it a typo error, or you can confirm this Q3 order inflow was INR665 crore only?
- Satyen Mamtora:** It is INR665 crores. It is INR665 crores. There is no typo error.
- Manish Ostwal:** There is no typo error. Okay. Sir, if you look at the Order Book of last quarter, it is INR5,478 crores, and we executed the order, the revenue in this quarter INR737 crore. So, if you knock off that and take the closing order book, the order inflow works out to INR708 crore. So, why is there a mismatch in the mathematics?
- Chanchal Rajora:** This is not a mistake in mathematics. Basically, when we do the order book, we have, there are certain price variation factors also there, and there are certain, the bought out items there, which generally does not reflect into the order books. that is why this difference comes.
- Manish Ostwal:** Okay. And lastly, sir, on this order book, order pipeline, which was in quarter 4 was INR22,000 crores, now it is INR16,500 crores, and the YTD basis compared to last year, nine months versus this year, nine months, 18.4% decline. The order pipeline is down by 25%. So, how do you see the visibility and where will we be ending the order books, sir? That is my question.
- Satyen Mamtora:** Manish, we have, as I pointed out in my speech also, we are taking a deliberate decision that we shall pace ourselves in taking, in inflow of orders, so that we do not have our order book beyond 18 months. We want to limit ourselves to order book of 18 months. Beyond 18 months, it is not very viable because we have seen in the past also, we have faced some issues.

So, 18 months is where we are limiting ourselves, that 18 months is the highest time limit where we want to execute a certain order. So, we have been pacing ourselves in terms of taking orders and also pacing ourselves in terms of new capacity that is going to come. So, we are very confident that with the, when we close this year, we will have INR8,000 crores order book in hand.

- Manish Ostwal:** Alright. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Samarth Khandelwal from ICICI Securities. Please go ahead.
- Samarth Khandelwal:** Congratulations on the HVDC repair order. May I know, going ahead, once we complete the order, which technology of HVDC would we be bidding for?
- Satyen Mamtara:** It will be our own HVDC, indigenously made HVDC. So, currently we are repairing this transformer. Once we have to pre-qualify for any tender that comes in the future. So, once we repair this transformer and it has successfully been commissioned, we shall qualify for our own technology of HVDC.
- Samarth Khandelwal:** So, right now, there is LCC and VSC based. So, it will be a different one from that?
- Satyen Mamtara:** Yes.
- Samarth Khandelwal:** Okay. So, my next question is, if you could list out the capacity that we have right now and when and how much would we be getting commissioned? If you could just confirm that once again.
- Chanchal Rajora:** Look, at present, we have the capacity in our Moraiya plant is around 27,000 MVA. Changodar is around 12,000 MVA and Odhav is around 1,200 MVA. So, that is our capacity at this moment. And the capacity new which we are going to add up in the next financial year is 15,000 MVA in Changodar in quarter one and 22,000 MVA in Moraiya in quarter two.
- Samarth Khandelwal:** Okay. Okay. Thank you. And sir, lastly, how does the prices or increase in the commodities will affect our margins going ahead?
- Satyen Mamtara:** We have the price variation. Most of our orders are protected by price variation clause. So, we shall be protected. But it is again one of the reasons why we do not want to book ourselves beyond 18 months. So, we are protected by IEEMA price variation clause. So, there is no problem there. But we still want to not take orders beyond 18 months.
- Chanchal Rajora:** Basically, the reason behind that is that we do not want to block the capacities at present when we see the good business at the higher margins. So, we just want to leverage on that.
- Moderator:** Thank you. The next question is from the line of Vedant Sarda from Nirmal Bang Securities Private Limited. Please go ahead. Hello, Mr. Vedant. Please go ahead.
- Vedant Sarda:** My all questions have been answered.
- Moderator:** The next question is from the line of Akash, an Individual Investor. Please go ahead.

- Akash:** Thank you, sir. Congratulations on very good results. Thank you, Akash. Thank you, sir. I wanted to understand your views on like the current rumor or the news which is going on. Basically, Reuters has claimed that the Chinese companies would be allowed in power sector or maybe allowed to participate in the electricity or power sector related business.
- So, my question, I think at this stage, it will be difficult for you to comment whether that news comes true or not. But my question is on the price competitiveness. Like how well we are positioned domestically and globally? And how do you see it? Like if this rumor comes to light in a few months, how well prepared?
- Satyen Mamtora:** Akash, from what I have read, the Chinese companies will still have to manufacture in India. So, there is only one Chinese manufacturer by the name of TBA who is operating in India in the transformer industry. And they are pretty much booked themselves with orders from Adani and Reliance and other companies, other EPCs. So, I don't see there much effecting us in the long term or in the short term.
- Akash:** Right, sir. Right, sir. And, sir, my second question was on the news of Mr. Mukul Sivastava, you know, his resignation coming through and Mr. Satyen Mamtora taking it forward. So, what is the management plan going forward? Would Mr. Satyen continue or would you look for external resources for hiring new CEOs?
- Satyen Mamtora:** I shall continue as the CEO and the MD of the company till such time that we decide that, you know, we are ready for a CEO now.
- Moderator:** Thank you. The next question is from the line of Amankumar Jain from Finwave Global Opportunities Fund. Please go ahead.
- Amankumar Jain:** Hello. Yes. So, sir, congratulations on a strong set of numbers.
- Satyen Mamtora:** Thank you, Aman.
- Amankumar Jain:** You mentioned a shortage of bushings that led to supply chain disruptions?
- Amankumar Jain:** Yes.
- Amankumar Jain:** You have indicated that your new facility is expected to become operational around June this year. So, could you share what capacity you are targeting initially?
- Satyen Mamtora:** So, we are targeting, you are talking in terms of number of bushings or KV of bushings?
- Amankumar Jain:** Both, sir.
- Satyen Mamtora:** So, we are, in the first phase, we are going up to 245 KV RIP bushings. Then we are working our way forward in the second year of manufacturing to 400 KV RIP bushings. And we are close to about 7000 bushings in the first year of operation.

- Amankumar Jain:** Okay. And, sir, also as per my understanding, acceptance and qualification of such critical components usually takes significant time. So, how should we think about ramp up and customer approvals in this context?
- Satyen Mamtara:** I think there is one caveat there. If we start getting our bushings tested and it is just a test, type test that we have to do. So, if our bushings pass all those type tests, we should be approved by all. Our OIP bushings currently are approved by almost all electricity boards and PGCL also. So, getting RIP bushing approval is not going to be very difficult for us.
- Amankumar Jain:** Okay.
- Satyen Mamtara:** If you look at it in terms of, the wherewithal to get the approvals, we also have that. In terms of, we are a transformer manufacturer, there is a certain credibility behind tariff. So, we have all that wherewithal also in terms of transformers, in terms of bushings.
- Amankumar Jain:** So, up until what time do we expect an optimal capacity utilization?
- Satyen Mamtara:** By second year of operation, we should be at 60% -- to 70% to 80% of capacity utilization.
- Moderator:** Thank you. The next question is from the line of Sandeep Agarwal from Naredi Investment Private Limited. Please go ahead.
- Sandeep Agarwal:** Sir, my question is what is our cash flow position for 9 months? A 6-month cash flow operation is the cash from the operation is minus INR34 crores. So, what is our cash flow position?
- Chanchal Rajora:** Sandeep, we are in the cash flow positive at this moment. Right? I don't have the right figure right now to give you, but yes, around INR30 crores to INR35 crores is on the, we are on positive. Apart from that, we have around INR275 crores of the cash deposits with the bankers. So, that way we are quite okay in that way.
- Sandeep Agarwal:** Okay. So, my next question, what is the margin visibility in the next 1 to 2 years?
- Satyen Mamtara:** So, margins will stay stagnant at between 15% to 16%. We don't see much variation in margin, though only variation that can happen is 1% or 2% in margins, that is in terms of our operational excellence that we are looking at. So, that is the only place where we would be able to get a better margin. Otherwise, this 15% to 16% margin is where we will be at.
- Sandeep Agarwal:** Okay. And for this last question...
- Chanchal Rajora:** Sandeep, I just add up into that at 15% to 16% margins, which what MD sir is mentioning is on the product side. Right? And once we will work out on a better operational efficiency and better leverage of the resources, the margin is going to be increased, as he said, by around 200 basis points.
- Sandeep Agarwal:** Okay. So, just last question related to the industry. So, what is the lag time between order and supply? Just want to know. Currently, it's 3 months, 4 months...

- Satyen Mamtora:** The lag time is close to between 24 and to 28 months. We want to bring it down back to 18 months. So, that is the reason why we are, again, being very cautious now. So, currently, the lag time is around 24 months.
- Moderator:** The next question is from the line of Anupam Goswami from SUD Life. Please go ahead.
- Anupam Goswami:** So, my first question is about the expansion in Changodar and Moraiya. I believe it has got delayed further by 1 quarter, now that we are seeing the first quarter. And on that note, given the order book, shouldn't we be able to execute the entire order book in one year, I mean, FY '27, given our now expanded capacity by them?
- Satyen Mamtora:** We will take some time. Very honestly, you will get, you will expand the capacity in terms of manufacturing of transformers. So, where will you get the CTC from? Where will you get the bushings from? Where will you get the CRGO from? All that capacity is still not fully capable to cater to whatever expansion that we are doing. So, it will take time to gear up again to, for us to achieve what we want to achieve. And the best thing for that is put our backward integration plans to come into action very soon.
- Anupam Goswami:** So, current order book is again about 18 months of execution time...
- Satyen Mamtora:** 18 to 24, 24 months, not 18 months, 24 months.
- Anupam Goswami:** Okay. And since it's last question on this, you mentioned 15% to 16% margin and then 200 basis points can improve up above that due to backward integration efficiency?
- Satyen Mamtora:** Yes. Yes.
- Anupam Goswami:** So, hopefully by FY '28 that I think the expansion will also come into good utilization and that there we can see some?
- Satyen Mamtora:** Yes. Yes.
- Anupam Goswami:** Okay. Thank you, sir. I'll join back in the queue.
- Moderator:** The next question is from the line of Venkatesha R.J., an Individual Research Analyst. Please go ahead.
- Venkatesha R.J.:** My only one question I have. How would the World Bank, debarred are now think? Can you throw some light on it because they had given a deadline till this, if I'm not wrong, till this January 15th or something like that? Thank you.
- Chanchal Rajora:** Venkatesha, first of all, I would like to tell you that there is no debarment from the World Bank as of now on us. Second point is that World Bank has given us the timeline to reply the work queries by 12th of January. We are filing our reply in this particular week. Probably today only we are filing the reply. And we hope that in next 2 to 3 weeks' time this will be settled.
- Venkatesha R.J.:** Thanks a lot, sir. That's all, sir. Thank you.

- Moderator:** The next question is from the line of Nikhil Abhyankar from UTI Mutual Fund. Please go ahead.
- Nikhil Abhyankar:** Just one question. I'm not sure if anyone has asked. There are reports coming in today that the government is thinking of allowing Chinese imports for power equipments. I just wanted to understand your views on this. Is there any fraction to this idea or is the government actually thinking of allowing Chinese imports?
- Satyen Mamtora:** Nikhil, so I just answered that question earlier. Probably you were not there on the queue. Under any circumstances, these Chinese manufacturers will have to make transformers in India. Currently there is only one plant, one Chinese plant, which is making transformers in India.
- And that Chinese plant already has enough, is also fully booked for next 16 to 18 months. So I don't think there is going to be a lot of variation in anything in terms of transformer manufacturing.
- Chanchal Rajora:** And I also add, Nikhil, these rumors keep coming, actually.
- Satyen Mamtora:** No, no, it's not a rumor. It has come.
- Chanchal Rajora:** And they will also take, one more thing is there. If any new foreign player is coming, they need to take the approvals of the product. That will also take plant and product both. That will take time.
- Nikhil Abhyankar:** Okay. So at least for 1 to 2 years, you believe that that won't be a problem?
- Chanchal Rajora:** Yes.
- Nikhil Abhyankar:** Okay. Understood, sir. Thanks a lot and all the best.
- Moderator:** The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.
- Balasubramanian:** Sir, what is the current revenue contribution and growth outlook for transformer, renewable and green hydrogen applications?
- Chanchal Rajora:** Okay. Ma'am, first of all, green hydrogen application demand actually has not started coming up in India as of now or anywhere in the world also. Probably we are a little away from that. So once that will start coming up, we would be able to tell or anybody would be able to tell more about that. Renewable energy our portion is increasing now. And once our Changodar facility will be in place because we are putting up a dedicated line for there, then we will have a major higher portion of renewable energies from that.
- Balasubramanian:** So my second question, could you please share our working capital situation in Q3 and our goal is to be net debt free in next 18 months to 24 months. So what is that planned mix of operational cash flow or any equity raises or FX sales to achieve this net debt free status?
- Chanchal Rajora:** As working capital is concerned, we are in a little better position than what we were in a quarter 2 H2. H2, we were having a working capital of around, say, around 125 days or something. We are now nearing up to around 120 to 22 days time. And second portion is this net debt free. Yes,

18 months to 24 months is the timeline which we wanted to become net debt free. And we are working on that.

And first and foremost emphasis on that is to through the internal resources. And our working capital understand, you need to understand one thing. It is a heavy capital intensive product. So working capital has to be a little bit higher side. And particularly when we are importing the materials, then this will be on the little higher side. Though our goal is to reach 200 days level, but we will see that how do we reach into that level. But yes, so we will be keeping by this year end, we should be near to 120 days levels.

Balsubramanian: On the debt side, sir? Actually, our goal is to be net debt free in the next 18 months to 24 months?

Chanchal Rajora: Yes, I said that is intact. We are working on that. We will be net debt free in the next 18 months' time.

Balsubramanian: Okay, sir. So my last question, I think only two qualified vendors for a certain specialty furnace transformer. And why only two qualified vendors in this industry and what are the technical barriers to entry here and what is the opportunity size and how sustainable the pricing power to qualified vendors?

Satyen Mamtora: So furnace transformers, the load rating on this furnace transformer is very different. So the furnace starts with very high power, high current. And the voltage is very less. So a lot of people avoid taking this risk and sudden jerks to the transformer. And that is the reason why and the other thing is if a furnace transformer fails, the whole furnace production goes zero. And with the investment that people have done in their factories for melting steel, it is very difficult for people to cross that barrier and let anybody else in. That is the reason why we are able to sustain in this market because of our credibility and quality of our transformers.

Balsubramanian: And what is the opportunity size, sir?

Satyen Mamtora: Opportunity size is very skewed, not very big, but yes close to about INR200 crores, INR300 crores.

Balsubramanian: Okay sir. Got it. Thank you.

Moderator: Thank you. The next question is from the line of Chirag Shah from ICICI Direct. Please go ahead.

Chirag Shah: Yes. Hi sir. I have just one question. As you mentioned that you will be ending with a FY '26 backlog of INR8,000 odd crores?

Satyen Mamtora: Sorry sir, I was not able to hear you clearly. What were you saying, sir?

Chirag Shah: I just want to understand that on one hand you are saying that you will be ending with a backlog of INR8,000 crores by FY '26, that is March 26?

Satyen Mamtora: Yes, close to about INR8,000 crores, yes.

Chirag Shah: Yes, close to INR8,000 crores. And if I just look at the first 9 months, our inflows have declined double digit, approximately somewhere around IN1,800 odd crores. And my closing backlog as of FY -- Q3 is INR5,400 odd crores. If I just do a back of the envelope calculation, the implied order inflow minus our execution for 4Q implies the order wins of almost INR3,000 crores plus. So what gives us the confidence that we will be able to book such a big number in one quarter?

Satyen Mamtora: We have many inquiries in pipeline which are about to finish. In this quarter, most of this will be getting awarded to us. But anyways, Chanchal will give you a better explanation on that.

Chanchal Rajora: Chirag, if you see, basically, generally most of the PSUs they come up with the requirement in quarter 4 traditionally. And quarter 4 has been always the biggest quarter in terms of the supplies as well as in terms of the deliveries and as well as the new requirements.

If you have been seeing in last quarter, last year FY '25 also, we got INR2,400 crores or INR2,500 crores of order in one single quarter. So that is the confidence and the kind of the inquiries what we have the pipeline and the very, very advanced negotiation are going to basically give us the orders pretty soon, as soon as in this month itself. So that's the confidence what we have into that.

Chirag Shah: My final question is more from a longer term perspective, let's say, for the next 4 years, 5 years. So we do have a target of a billion dollar in terms of revenues. But post that, even if we achieve that, post that given a lot of companies are putting up capacities in the transformer sector, how long is the runway for us in terms of growth and how will pricing pressure be there when these capacities come up and when at a stage where the industry will mature at some point in time, what will be the margin at that point in time?

Chanchal Rajora: Chirag, this question -- we have been answering this question for quite some time. First of all, whatever capacities are coming, they are not good enough for the demands which India is foreseeing in next 10 years' time. There is not going to be any problem in terms of the demand in coming next 7 years to 8 years' time.

And basically, new demands like EV demands as well as the replacement market is also going to add up into that. I just mentioned in the last questions also, hydrogen demand has not even started coming up into the country. So this is the thing. And as far as TARIL is concerned, please understand, though the transformer remains a big focus for us.

But we are diversifying ourselves into the backward integration product and they are going to yield us also in some time in a big numbers. So that is going to be the runway for the organization itself. And as far as industry is concerned, next 10 years we don't foresee anything problematic and then the sustainable growth will come up.

Moderator: Thank you. The next question is from the line of Tushar Pendharkar from Ventura Securities. Please go ahead.

Tushar Pendharkar: Hello. Sir, thanks for the opportunity. Sir, in Q4 FY '25 and Q1 FY '26, we reported 35% gross margin. And we believe that that was the normal margin because of the backward integration

effect. So when can we achieve? Can we take the '27 -- FY '27 as the year with the 35% gross margin?

Chanchal Rajora: It is FY '28.

Tushar Pendharkar: Okay, okay. And will it provide further room for expansion to 40% with the further backward integrals?

Chanchal Rajora: Definitely.

Tushar Pendharkar: Okay, okay. Thank you, sir. Thanks. Thank you. That's all from me.

Moderator: Thank you. The next question is from the line of Aman Bansal from PESB. Please go ahead.

Aman Bansal: Congratulations on the amazing self-knowledge, sir. All of my questions have actually already been answered. So, yes.

Management: Thanks. Thanks, Aman.

Moderator: Thank you. The next question is from the line of Kushal Kasliwal from InVed Research. Please go ahead.

Kushal Kasliwal: Hi, sir. Thank you for the opportunity. Sir, although this quarter looks like a 30% growth, but I think last quarter you announced that, you know, there was a copper conductor shortage, import blockage of around INR160 crores.

And then there was this INR70 crores also. I think this question was also earlier asked in this con call. So, sir, if we add both these figures, roughly INR230 crores worth of orders were going from Q2 to Q3 this year. So, if we remove that INR230 crores worth of orders, our Y-o-Y growth is actually not, actually is in negative, right?

Chanchal Rajora: Kushal, I think you have misinterpreted what we said in last time about the CTC. What we said, it is not INR160 crores. We said 16 numbers of the jobs CTC that got stuck in ports, right? So, 16 jobs got stuck in that is too in the month of May and June. So, which has received in the month of July and then the production has started coming place.

Understand one thing that we -- that is affected in our revenue of the Q2 as well as on the Q3 also. Because when the jobs get almost there for 25 days at the port, we could not able to move the next jobs from the China and Korea. So, that is why this is what the cascading effect on all the things, right?

And around INR70 crores, which were basically booked into the system order, but because in the system, but indices does not allow us to take into the revenue that is affected. The actual effect is -- was only INR70 crores for that quarter. And the same kind of effect we are also facing up into this quarter around INR40 crores-INR45 crores also.

Kushal Kasliwal: So, net-net there is around INR30 crores of revenue, which has come from -- so, if I remove this INR30 crores, then also our growth rate has...

- Satyen Mamtora:** INR30 crores has been fall from the past quarter.
- Kushal Kasliwal:** Okay. I think I get what you are saying. I think my next question was around the CTC and CRGO situation. I think last time we said that the CRGO situation was, you know, prices as well as supply was limited. So, has that solved now? Has that become normal now?
- Satyen Mamtora:** It is not solved. We are providing for it, but it is work-in-progress. It is always work-in-progress. The kind of growth that Indian transformer industry is seeing, it is always a work-in-progress for all transformer manufacturers.
- Kushal Kasliwal:** Got it. Got it. Sir, on just your backward integration efforts, I think you were doing in-house CTC manufacturing and couple of more thing, radiators and all. So, will that backward integration effort also work for our HVDC transformer demand or will for HVDC, we will have to like change the -- we cannot use the backward integration which are there?
- Satyen Mamtora:** It will work for all sorts of and all kinds of transformers.
- Kushal Kasliwal:** Okay. Even the CTCs also?
- Satyen Mamtora:** Yes, the CTC also, except for the bushing, I think all transformers, everything in the transformer. Yes.
- Kushal Kasliwal:** Okay. Okay. Sir, just last point on HVDC. Sir, when do you expect to, you know, meaningfully see demand from HVDC transformer?
- Satyen Mamtora:** So, once we repair this transformer and we have, it has been commissioned successfully, we should see PGCIL approving us for manufacturing this transformers.
- Kushal Kasliwal:** And then the orders are expected post '27?
- Satyen Mamtora:** Post '27, yes, post '27, yes.
- Kushal Kasliwal:** Got it. Got it. Thank you, sir. Thanks.
- Moderator:** Thank you. The next question is from the line of Viren Sameer Deshpande from Alphapeak Investments. Please go ahead.
- Viren Sameer Deshpande:** Hello, sir. Congratulations for the good results.
- Satyen Mamtora:** Thank you.
- Viren Sameer Deshpande:** We had last quarter was a horrible one for not only the business, but that World Bank issue. But I think the management as it has been mentioned today that we will be filing the reply very shortly in a day or two because 12th was the last date I heard. So, if you are filing today, do we expect it to be solved very quickly as you mentioned in 2-3 weeks?
- Satyen Mamtora:** Very honestly, Viren, we are not, we do not know what the World Bank process is, but we should get something sooner.

- Viren Sameer Deshpande:** Actually, that doesn't affect us financially. That was true.
- Satyen Mamtora:** Yes.
- Viren Sameer Deshpande:** But unnecessarily some corporate governance issues, etcetera, the market has -- the share price indicates that there was a big fear on that issue. But I hope you people are in a position to sort it out very quickly.
- Satyen Mamtora:** Yes, we are working towards getting it resolved.
- Viren Sameer Deshpande:** Good, good. And regarding these expansions which we have been mentioning, someone was saying, you mentioned that everything, all the expansions which are as per our plan and the production expansions, etcetera. will take place about almost, we will be having 70%-75% growth in our production capacity in the next year?
- Satyen Mamtora:** No, our plant utilization will reach around 85%. Plant utilization is what we said that it will reach 85%.
- Viren Sameer Deshpande:** By next year end?
- Satyen Mamtora:** Yes, by next year end.
- Viren Sameer Deshpande:** Okay, including the expansions because you mentioned some particular...
- Satyen Mamtora:** Yes, including the expansions.
- Chanchal Rajora:** Including the expansions. Expansion will...
- Viren Sameer Deshpande:** Expansion in Q1, I think you will be having some 15,000 MVA and in Q2 you mentioned 22,000 MVA?
- Chanchal Rajora:** Yes, yes, yes, yes.
- Viren Sameer Deshpande:** So 37,000 MVA will be added in the next first half?
- Chanchal Rajora:** Yes.
- Viren Samir Deshpande:** So that when compared with the current capacity of 50,000, it translates to 74%. So is my understanding correct?
- Chanchal Rajora:** Sir, my current capacity is around 40,000 and with the new expansion we will reach to the 75,000 MVA.
- Viren Samir Deshpande:** Okay, very good. And congratulations to you all and Mr. Rajora also in particular that as promised you have been in a position to present the results in the first week itself. So let us keep this tradition and the market will always reward this type of gesture.
- Chanchal Rajora:** Thank you, Viren. This is the organizational effect and efforts which is being paying off us.

- Viren Samir Deshpande:** And in this capex also which we are having for this expansion and for the backward -- and when do we expect this backward integration to be completed?
- Satyen Mamtora:** Sir the backward integration for the CTC plant as I mentioned is, one is... CTC plant is Q1 FY '26-FY'27.
- Viren Samir Deshpande:** Okay.
- Satyen Mamtora:** Moraiya expansion will be in FY '26-FY'27, Q2. Bushing will be in Q4 FY '26-FY'27 and Press Board will be in Q3 FY '26-FY'27.
- Viren Samir Deshpande:** So next year ending almost all the things will be completed. So FY'27, FY'28 will be the final year.
- Satyen Mamtora:** Yes, all our projects will be completed.
- Viren Samir Deshpande:** Okay. So after that we expect about 2% growth in margins also?
- Chanchal Rajora:** Yes, sir. Okay, okay.
- Viren Samir Deshpande:** Thank you, sir and all the best.
- Chanchal Rajora:** Thank you, thank you.
- Moderator:** Thank you. The last question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Yes, so most of my questions have been answered, just few things. And now you mentioned FY'27 and INR8,000 crores order book, given the execution in Q4 and current un-executed order book of INR5,500 crores. So we expect around INR3500 crores of order inflow in the Q4, right?
- Satyen Mamtora:** Yes, that would be a fair assumption.
- Deepak Poddar:** Okay, and given that you mentioned that even INR2500 crores we have done in last year Q4. So this is something which looks achievable to you?
- Satyen Mamtora:** Yes, it is absolutely achievable.
- Deepak Poddar:** Okay, and what will drive this order? I mean, can you throw some light?
- Satyen Mamtora:** We have quoted in many tenders, close to about INR16,000 crores tenders. And most of these are on the verge of finalization. And the other thing is, they are also thinking that beyond 18 months, they also do not want to expose themselves. So they are also trying to control, pace themselves in placing the orders.
- Deepak Poddar:** Okay, but generally our order book, I mean, whatever INR8,000 crores we are targeting...
- Satyen Mamtora:** This is only, not taking orders or not getting awarded for orders, is only a question of pacing the awarding orders.

- Deepak Poddar:** Okay, and then the execution timeline of this INR8,000 crores, which we are expecting to be closing by April 22nd, would be around what, 18 to 24 months?
- Satyen Mamtora:** Approximately 24 months. At max, it should be 24 months, not beyond 24 months. We are trying to limit ourselves to 18 months.
- Deepak Poddar:** Okay, understood. And given this year, we are looking to grow about what, 20%-25%, right? From next year onwards, I mean, the CAGR that we need to grow to a billion dollars, or INR8,000 crores of 45%-50% CAGR, is that what we are targeting from FY'27 onwards?
- Chanchal Rajora:** Sir, that is right. And understand one thing, in that drive, there are two major factors which are going to contribute, apart from our present capacity. The new capacity, which we are going to add up around 35,000 MVA, and the backward integration revenue, which we are targeting to contribute that thing. So those two are the major contributors going to play in that goal, sir.
- Deepak Poddar:** And all these are coming from first quarter till fourth quarter, right? I mean, in part, that you have already mentioned. So what would be our optimum revenue potential on this capacity? I mean, both 77,000 MVA and plus your CTC and bushing capacity that is coming through. So at 85% utilization, what sort of revenue potential we see?
- Chanchal Rajora:** The billion dollar or INR8,000 crores revenue is actually, we are guiding based on these and all the efforts what we are doing.
- Deepak Poddar:** Okay, so once you fully utilize all this capacity, INR8,000 crores kind of a top line is quite achievable. And just my last thing on the industry side, I mean, what sort of growth we are looking at the industry level, if you can throw some light on that.
- Chanchal Rajora:** Sir, world industry, world transformer industry, only the transformer I'm talking about is growing at the Kegel level of 6.7%, and India is growing at the Kegel level of 15%.
- Deepak Poddar:** And India is growing at 15%?
- Chanchal Rajora:** Yes, sir.
- Deepak Poddar:** Understood. That would be from my side and I would like to wish you all the very best. Thank you, sir.
- Chanchal Rajora:** Thank you, sir. Thanks a lot for joining us.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand over the conference to the management for the closing comments.
- Satyen Mamtora:** Thank you once again for joining us today, for your continued confidence in our journey. We look forward to your questions and engaging in meaningful discussions. Your insights and support remain invaluable to us as we continue to execute our strategy and create long-term value for all of our stakeholders. Thank you.



Moderator:

Thank you very much. On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining with us today, and you may now disconnect your lines.