



“Transformers and Rectifiers (India) Limited
Q4 FY '26 Conference Call”

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MODERATOR: **MR. VIKRAM DATWANI – NUVAMA WEALTH
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Moderator: Ladies and gentlemen, good day, and welcome to Transformers and Rectifiers India Limited Q4 and FY '26 Conference Call hosted by Nuvama Wealth Management Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. 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 Q4 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. Mehul Shah, CFO.

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 evening, ladies and gentlemen. I'm Satyen Mamtora, Managing Director and CEO of Transformers and Rectifiers (India) Limited. Thank you for joining us today for our FY '26 earnings call. We are pleased to connect with you as we close another year with a remarkable performance in terms of all key parameters and happy to share our performance highlights, both for Q4 and full year.

As you are aware that our Board of Directors has approved the audited financial results for the quarter and year ended 31/3/2026, and the same has been uploaded on our website of Stock Exchanges along with investor presentation. The financial year 2025-26 has further strengthened TARIL's position as a leader in transformer industry as the company achieved robust operational and financial performance through operational efficiency, process excellence, effective financial management, strategic growth initiatives and technological developments and strong corporate governance.

This has resulted into a second successive year of giving record-breaking revenue and profitability numbers. We have achieved highest ever production in the company's history, manufacturing 33,763 MVA, up from 29,118 MVA in FY '26. This has directly translated into record high revenue growth, supported by strong execution and healthy diversified order book. This year, we have been intentionally selective in taking new orders as now the company has decided to take orders which are more lucrative in terms of profitability, payment terms and flexibility in delivery times.

We deliberately moderated fresh order intake during the year to align with extended deliveries, delivery schedules and capacity planning. Despite of that, our total order inflow in FY '26 stood at INR 2,374 crores. This robust inflow has resulted in unexecuted order book of INR 5,000-plus crores as of March 31, 2026, ensuring clear revenue visibility for the next 18 months. During

the year, the company has received HVDC transformer repair order from PGCIL, which makes TARIL the first Indian company to get an order of such nature.

We are highly energized by this order as it will pave the way forward for TARIL's entry into HVDC sector upon successful completion of this order. Such types of orders strengthens the company's position as industry leader and enhances customer trust. We are pleased to inform you that all our fully automated radiator facility has got approval from PGCIL. Now we have initiated the process of getting our tank manufacturing facility approval from PGCIL also.

Apart from our capacity expansion at Changodar and Moraiya, we are also ramping up our testing facility to cope up with the higher number of transformers at those plants. As you are well aware that we have tested a record number of transformers during FY '26, both in terms of MVA and in total units, underscoring our internal capabilities of streamlined operations. The backward integration journey is well on course. Site readiness is progressing well and the plant and machinery orders for the long lead items have already been placed.

This backward integration, along with technological tie-up will enhance our in-house capabilities, reduce our dependency on external sources and improve our supply chain resilience. We have already started getting CRGO from our newly acquired CRGO processing unit. So, all in all, backward integration journey is well on track and to deliver its results in the very near future. These steps will further increase our margin profile by 150 bps to 200 bps.

Looking ahead, as we transition into FY '27, our focus remains firmly on strong order book execution through continued operational efficiency, leveraging our expanded capacity, further consolidating our resources and sustainably improving margins. Our long-term vision to become 1 billion revenue company within next few years remains intact. And we are confident of achieving it through consistent execution, customer-centric innovation and robust financial discipline.

Our strategies include strengthening backward integration, investing in automation and digital transformation, focusing on clean, sustainable energy solutions in line with India's power sector ambitions. With strong fundamentals, industry-leading capabilities and high-quality orders in pipeline, we are well positioned to navigate the opportunities and challenges of the coming year. On behalf of the entire leadership team, I extend my heartfelt gratitude to all our stakeholders, customers, employees, suppliers, Board members and Investors.

Your continued trust and support remains the cornerstone of our journey. Together, we are building a future-ready organization that not only leads in the transformer industry, but also contributes meaningfully to India's evolving energy landscape and Viksit Bharat by 2047. Thank you once again for joining us today.

I now hand over the mic to our CFO, Mr. Mehul, to take you through the financial performance of the company in greater detail. Thank you.

Mehul Shah:

Yes. Good evening to everyone who are present over this investor con call to discuss quarter 4 financial year '26 financial performance of the company. Thank you, Satyen, sir, for your insights, for leadership remarks and for setting the strategy context right for the current quarter.

It gives me a great pleasure to discuss with you all our quarter 4 financial year '26 performance, a quarter that clearly reflects the strength of our execution capabilities, resilience of our business model and the benefits of strategic initiatives that we have been implementing over the past several quarters.

I am pleased to report that quarter 4 has been a strong quarter for the company, which is showing consistent improvement across all the key financial parameters. Revenue on a stand-alone basis from the operations stood at INR 752 crores as compared to INR 647 crores of quarter 4 FY25. The growth was driven by the higher capacity utilization, timely execution of order improvement in supply chain management.

The momentum seen during the last couple of quarters will give us confidence for the next quarters of consistent improved performance. EBITDA for the quarter came to INR 117 crores with a margin of 15.5%. The margin is slightly down due to additional increase in the employee cost on account of ESOPs. Profit after tax stood at INR 77 crores, reflecting not only the strong operating performance, but also the disciplined financial management across the organization.

Revenue on the stand-alone basis for the full financial year stand at INR 2,395 crores as compared to INR 1,950 crores for the full financial year. EBITDA for the year came at around INR 370 crores with a margin of 15.4%. Profit after tax stood at around INR 225 crores with a margin of 9.4%. Further, on the consolidated basis, revenue for the quarter stood at INR 783 crores against INR 737 crores during quarter 4 financial year '25. EBITDA stood at INR 141 crores and PAT at INR 91 crores.

On the basis of full financial year consolidated number, revenue is INR 2,509 crores, up from INR 2,019 crores. EBITDA stood at INR 444 crores and PAT is around INR 272 crores. Importantly, quarter 4 also marks a turning point in terms of consistent growth with margin sustainability. We are very much confident of maintaining the improved margins due to our capacity expansion, backward integration plan and structural margin improvements.

The backward integration facility and the developments are expected to further enhance the cost efficiency and reduce external dependency over the medium term. Looking forward, we enter the next financial year with strong visibility of our order books, new capacities coming on board, starting of our backward integration projects. Our order book remains robust, execution pipelines are healthy and the plant utilization levels are expected to remain for the full financial year.

Before I conclude, I would like to express my sincere appreciation to our team across operations, finance, supply chain, 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 so much, sir. We will now begin the question-and-answer session. The first question comes from the line of Avikshit Vijay from Global Consilient Research.

- Avikshit Vijay:** Yes. So when I was seeing the results, I can see that the cost of materials consumed has increased a bit disproportionate to the revenue. And I'm guessing that this is because of the copper price surge due to the Hormuz disruption. Could you throw some more light on what other raw materials is disrupted due to this Hormuz closure?
- Satyen Mamtora:** Avikshit, see, mainly copper is slightly disturbed. Other than that, not because of Hormuz issue, but because of overbooking for all other like ancillary parts like bushings and stuff, there is a slight disturbance plus the porcelain is made in gas-fired kiln, gas is also becoming slightly problem. So there is -- there are certain issues that we are facing because of Hormuz, but not very much.
- Avikshit Vijay:** Okay. Sure. And one more thing is that we are foraying into HVDC. And I wanted to understand the competitive landscape in HVDC from you. I've seen that a lot of MNC players are already in the thing. What is the competitive advantage that we have?
- Satyen Mamtora:** So there are only 4 major players in HVDC; Hitachi, Siemens, GE and I think TBEA. But as TBEA is not able to compete with us in other tenders, only 3 major competitors are there. Other than that, we are the only players who are -- who will be entering into HVDC.
- Avikshit Vijay:** I'm sorry, but I couldn't quite decipher what the competitive advantage was.
- Satyen Mamtora:** HVDC is a very highly technical product. And because of the limited number of players in this HVDC side, the margins are also better in HVDC.
- Avikshit Vijay:** Okay. Sure. I was also reading Siemens' con-call that only about like 1 to 2 tenders are floated every year for HVDC. So what are our odds on getting that contracts compared to these 4 players that you just mentioned?
- Satyen Mamtora:** So yes, currently, there are only about 1 to 2 tenders of HVDC. But going further, the number of tenders that are going to be in pipeline should be around 10 to 12. Each tender should have about 3 units of HVDC. So there is a good scope in HVDC in the future -- coming future. And by that time, we will also be successfully empanelled in HVDC transformers.
- Moderator:** Our next question comes from the line of Vaibhav Mishra from Finvestors.
- Vaibhav Mishra:** Sir, my question is regarding this West Asia conflict. I mean, how can this affect or is it affecting us in any way like supply chain or from the delivery side? Are we affected in any way from this?
- Mehul Shah:** No. Basically, see, if you look at our export number, etc., there is very minimal exports that what we are currently doing. And from the West Asia region, there is a very minimal import that has been coming to India for us. So there is no major impact as far as this conflict is concerned. So the only issue that we are looking at is availability of gas for which -- for our fabrication units and stuff like that. But we are mitigating those issues also.
- Yash Rathi:** All right, sir. And sir, regarding the guidance, actually in the last 3 quarters, I think this is the second quarter where we have missed our guidance like the revenue guidance of, I think, INR 2,600 crores in Q3 call, it was told. And also order book, it was very confidently said that the

closing order book will be INR 8,000 crores but it's still INR 5,000 crores. So what is leading to this recently? TRIL, I mean has the history of not missing its guidance. So what is happening, for the last 2, 3 quarters?

Satyen Mamtora: So see we are deliberately not taking orders currently because, as we have previously told that we want to limit our exposure to not more than 18 to 24 months. And we want to be very selective in which orders we take in terms of delivery and in terms of the price that we quote. So we are being extremely selective of what orders to take.

And we do not want to take any order which is beyond 24 months of delivery. So that is where we stand at right now. As long as we do not -- we are not free for next 24 months, we don't want to take any further orders -- because we want to be extremely selective for this.

Yash Rathi: Alright. But sir, this stand was in the last call itself, and that we were selective and we were targeting the ratings?

Satyen Mamtora: We are maintaining our stand that we do not want to take any orders that are beyond 24 months.

Yash Rathi: All right, sir. And sir our backward integration plans that we have for the next time in Q1, Q2, Q3, Q4, four quarters, are they on track? I mean is there any change in time lines of them?

Mehul Shah: No. That is all -- is on track. We already started the site preparation, plant & machinery, which is having a higher lead time has already been ordered. So by the starting of next financial year, we will start the impact of this backward integration plans that we have.

Yash Rathi: All right, sir. One last question, regarding FY27. So the revenue target that we have in mind for FY27 or the -- I mean consolidated margins that we are targeting for?

Mehul Shah: So I think as of now, we have not say, finalized what we will be looking at -- but what we can - - what we can say is around INR3,250 crores is what we are looking at currently.

Moderator: Our next question comes from the line of Balasubramanian from Arihant Capital Markets.

Balasubramanian: Sir I'm trying to understand the gross margin side. In FY26, we have a gross margin of 31%, 32% kind of range. We are trying to reach 35% by FY28 and 40% with deeper integration. So I'm trying to understand like how this gross margin improved in terms of RIP bushing internalization, CTC internalization, CRGO sourcing efficiency and price increases. Which central item comes the most weightage if you could share some clarity on that?

Mehul Shah: Yes. Currently, you are right, we are at 30%, 31% margin. And due to this capacity expansion that what we are doing at our Changodar and Moraiya project, plus the efforts that has been done to do the operational efficiencies, etc.. This will give us some margins in terms of next, say, 2 to 3 years, plus the backward integration plans, which will start from the next financial year, which will also give us some, say 200 bps to 300 bps of additional margin. So that's how we are looking at around, say, 35% margins.

Balasubramanian: I think as already mentioned we are on track for backward integrations. So I'm trying to understand, I think we have a 60% increase in capacity of MVA and how the industry issues not

remain resolved in terms of supply constraint. So whether we have all the sourcing agreements or MOU already in place for the incremental CRGO, bushing and CTC volumes?

Satyen Mamtora: Yes, we already have agreements in place.

Balasubramanian: Okay, sir. Okay. Sir my last question, if you could help us understand on furnace transformers, renewables and green hydrogen. On that furnace transformer side, we have seen market size only INR 200 crores to INR300 crores despite having high technical barriers and low competition. Why the addressable market is so small and whether we can expect substantial growth in those areas?

And secondly, renewable side, the margins are at a lower level, for renewable transformers and solar transformers typically lower margins, whether we can be able to see the margin improvement or volume improvement in those areas. On the green hydrogen side, I think we have not started any projects or any supplies.

I'm trying to understand whether -- when we can expect demand for green hydrogen side, especially like any specific policy or project milestone or any tender awards or any state pipeline approvals are in place?

Satyen Mamtora: So as far as transformers or renewable energies is concerned, see with our backward integration and with 75,000 MVA manufacturing capacity, our purchasing power becomes significantly high. So the margin improvement there are going to be very high. I completely understand that right now, there is not much margin improvement there. There is not much margin improvement there. But with the backward integration and with purchasing power of 75,000 MVA, there should be a substantial decrease in our purchasing price.

So this is going to affect our margins effectively. Green hydrogen, the projects are still not coming up live. We are also working at a few prototype transformers, which need to be short circuit tested and done some testing. So as soon as the projects come up live, we will start getting some feedback on the green hydrogen transformers.

Balasubramanian: On the furnace transformers side?

Satyen Mamtora: Furnace transformer we will see some improvement as the steel industry in India starts moving at a faster pace.

Balasubramanian: Okay, sir. Thank you.

Satyen Mamtora: Moderator, can we limit to one question per person, please, otherwise everybody won't get a chance.

Moderator: Sure. Our next question comes from the line of Deepak Poddar from Sapphire Capital.

Deepak Poddar: Thank you very much for this opportunity. Sir I will ask two questions very quick questions. So sir our capacity got delayed this Changodar plant. Now it's slated to start by second quarter, right? What's the reason?

- Satyen Mamtora:** Yes. So extended monsoons was one of the biggest reasons in terms of delay in the usefulness of the plant.
- Deepak Poddar:** Okay. Understood. And when is the Moraiya plant expected to come on stream?
- Satyen Mamtora:** Moraiya plant, we are planning after this year's monsoon.
- Deepak Poddar:** So by 3Q FY27?
- Satyen Mamtora:** Yes.
- Deepak Poddar:** Okay. So ideally, then your first half growth would be quite muted, right? Because already?
- Satyen Mamtora:** No. See, Moraiya, we still have -- we have -- Moraiya plant is working at about 75% plant utilization. So we are working on maximizing that plant utilization before we start anything else.
- Deepak Poddar:** Okay. Understood. And what's the capex involving?
- Moderator:** I'm sorry to interrupt you, sir, but please re-join the queue for more questions.
- Deepak Poddar:** Is a follow-up, yes.
- Moderator:** You may re-join. Thank you. Our next question comes from the line of Ashish from Leo Capital.
- Ashish:** So I have a question regarding how the industry works. So how fungible is installed MVA capacities across voltage classes? Can capacity allocated to, let's say, 220 kV be redeployed to higher kV or vice versa or are they largely dedicated voltage specific lines?
- Satyen Mamtora:** So see, basically, the capacity -- there are three things that would -- from 400 kV, we can go down to 220 kV. From 220 kV, we will not be able to go up to 400 kV if the plant is not designed for 400. So let's say, testing facility, crane capacity, winding machines capacity, there are four, five items because of which from 220 kV going up to 400 kV is going to be a challenge, but coming down from 400 kV to 220 kV is easy. So it's not vice versa, but from 400 kV to 220 kV, it can be done from 220 kV to 400 kV, as long as plant is not designed for 400 kV, it will not happen.
- Ashish:** Okay. So to summarize, let's say, someone has a distribution transformer capacity in MVA that can't be scaled to a EHV 220 kV to 400 kV capacity?
- Satyen Mamtora:** No.
- Ashish:** And what are the limitations exactly?
- Satyen Mamtora:** Crane capacity, let's say, the building -- the height of the building, testing facilities, there are many factors, winding machine capabilities. There are many factors that will affect it.
- Moderator:** Our next question comes from the line of Kaushal Sharma from Equinox Capital Venture.

- Kaushal Sharma:** Yes. So sir, my question is on the industry side, like due to the extended monsoon, RoW and approval delays in the overall industry, transmission in the equities industry. So are we seeing any slowdown in the capex or is it temporary or like one or two quarter execution spill over?
- Mehul Shah:** No. There won't be any delay as far as capex plan is concerned.
- Kaushal Sharma:** Okay. And we are not facing any delay in dispatching any order for the current order book and all?
- Mehul Shah:** No.
- Moderator:** Our next question comes from the line of Vineet from Toro Wealth Managers.
- Vineet:** Sir, my question is around the supply enhancement that has been going around in the entire power value chain, right? Like most of our vendors as well in the transformer value chain are enhancing the capacities. So I just wanted to know if -- like what's our view on like if we can negotiate with our suppliers when they have the increased capacity?
- Satyen Mamtora:** Sorry, Vivek, we didn't understand your question.
- Vineet:** Sir, I mean, I'm asking this phase where the capacities are being enhanced by most of our vendors, what is our position in negotiating on prices with our suppliers?
- Satyen Mamtora:** See, Vineet, honestly, there is still hand to mouth in terms of most of the items that transformer manufacturing is concerned. So we can only negotiate in terms of delivery time for each product that we need. That is one of the basic negotiations that can happen currently.
- Vineet:** So demand is so strong that only we can negotiate on the delivery time lines and all that is more or less the same?
- Satyen Mamtora:** Yes.
- Moderator:** Our next question comes from the line of Yash Gupta, Ashit Kotecha Family Office.
- Yash Gupta:** My first question is on the capacity. Could you please help us understanding the trajectory of our upcoming capacity addition? Is it reasonable to expect that around 50% of the utilization will come by H2 FY27? And how should we think about capacity expansion plan over the next 2 to 3 years and how cash flow will be utilized from it?
- Mehul Shah:** Yes. See, basically, from Changodar facility will be up and running from this, say, quarter 2. And after that, we will take up this Moraiya plant expansion. So after these 2 plants, the capacity would be, say, from 40,000, it will go up to 75,000.
- Yash Gupta:** And how our utilization will be for second half of FY '27 and '28?
- Mehul Shah:** It would be roughly...
- Yash Gupta:** Of our upcoming capacity?

- Mehul Shah:** Yes, upcoming capacity Changodar will start from the H2. But initially, it would be low since it is a new plant, et cetera. But from the, say, next financial year, it would be running at around 75%, 80% capacity.
- Satyen Mamtora:** So I think by end of quarter 3, we should be almost at 80% capacity in Changodar plant.
- Yash Gupta:** But do you think it will impact our EBITDA margin in the first half and maybe Q3?
- Mehul Shah:** No. Because see, our orders are already in the pipeline and we are working on that. So that won't be any impact. It would be, in fact, definitely, the quarter 3 numbers would be on a higher side because of the new capacities. But this say first half, that numbers would not be impacted by this.
- Satyen Mamtora:** And Yash, like we said before, we are very selective in what orders we want to take right now. We are not taking any orders that are beyond 24 months. So being selective on the number -- the type of orders that we are taking because there is not going to be any effect on the EBITDA of the company.
- Yash Gupta:** So sir, higher in Q3 means in terms of higher margin or the amount you are talking about?
- Satyen Mamtora:** Both -- not margin, but in terms of revenues.
- Yash Gupta:** So margin will be this only 16.5% to 17%?
- Satyen Mamtora:** Yes, margins will remain at 16.5% to 17%.
- Yash Gupta:** Okay, sure. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Yash Rathi from Mangal Keshav Service. Please go ahead.
- Yash Rathi:** Good afternoon and congratulations on good set of numbers. I wanted to -- so we are going backward integration on the CTC plant itself. So just wanted to understand, would that also require additional PGCR approval if we are using that for the captive purposes into our 465 and moving forward, when we get HVDC approval as well, we would be using our CTC for the captive purposes. So how the PGCIL approval would look like?
- Satyen Mamtora:** So PGCIL approval will definitely be needed and the plant that we are putting up for CTC and the plant that we will be putting up for pressboard, both these plants are world-class plants. So we have already taken into account what all PGCIL requires for approval of the plant. And since it is our own captive consumption, the approval becomes very easy in terms of from PGCIL.
- Yash Rathi:** Can we just get some timeline on the same? And also how much...
- Satyen Mamtora:** Timeline on getting approval from PGCIL?
- Yash Rathi:** Yes.

- Satyen Mamtora:** I think within the month of starting the production capacity, we should get the approval. See, as it is PGCIL and we are also facing some issues regarding the deliveries of CTC conductor. So it is of utmost importance for PGCIL also to make sure that they have one more vendor in India, which delivers CTC production.
- Yash Rathi:** Okay. And just one more thing on the CTC front itself. So it won't cater to our whole production for the transformers. So how much we would still look to outsource or it would be enough to -- for our annual transformer manufacturing capabilities?
- Satyen Mamtora:** So the current plan is to cater to 100% need of T&R. And going forward, with certain more expansion, we will be also looking at selling in the market, third-party selling also we will be doing. So we will basically be also CTC suppliers to other transformer manufacturers.
- Moderator:** Thank you. Our next question comes from the line of Shubham Dhamsna from Thinksght Advisory. Please go ahead.
- Shubham Dhamsna:** Sir, any update on the World Bank issue?
- Satyen Mamtora:** We have given our -- Mehul Shah will give you a reply.
- Mehul Shah:** Yes. So as per the time lines, etc., we have filed the reply to the World Bank, and we are awaiting the -- any response also. And recently also, we have filed that before taking any decision, etc., we should be given an opportunity to be heard in person. So we are awaiting the feedback from the World Bank on this.
- Shubham Dhamsna:** Okay. So when can we expect a reply?
- Satyen Mamtora:** I think it should be closed in 45 days. That's what our belief is.
- Shubham Dhamsna:** Okay. Thank you.
- Satyen Mamtora:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Abhijeet Singh from Systematix. Please go ahead.
- Abhijeet Singh:** Thank you for the opportunity. Sir, my question is on HVDC. What is the scope of our offering in the HVDC scope overall? For example, the OEM typically has about 45% to 60% of the overall project cost. So you mentioned that you will be able to supply 3 to 4 units in a substation for HVDC. So what is the scope and percentage of the overall project cost for HVDC for us?
- Satyen Mamtora:** We didn't understand your question. Please, can you come back again?
- Abhijeet Singh:** Yes, sir. I mean out of the total project cost for an HVDC, what is our scope? What is our scope? So let's say, we are supplying HVDC transformer, right, 3 to 4 units per project. So what is that as a percentage of overall capex of the project?
- Satyen Mamtora:** That should be around 40% of overall capex of the project.

- Abhijeet Singh:** Right, sir.
- Satyen Mamtora:** Because HVDC transformer is going to be the largest equipment and the most expensive equipment in the project. So around 40% should be our cost.
- Abhijeet Singh:** Right, sir. And sir, when do we expect the approval from PGCIL for this particular product?
- Satyen Mamtora:** So once we've successfully repaired this transformer and given back to PGCIL, after 6 months of working in satisfactory condition, PGCIL will start the process of approving us as one of the HVDC manufacturers in the country.
- Abhijeet Singh:** Right, sir. Sir, just one last thing.
- Moderator:** I'm sorry, but please rejoin the queue for more questions. Our next question comes from the line of Prathmesh Salunkhe from PL Capital. Please go ahead.
- Prathmesh Salunkhe:** Hi, sir. Thank you so much for the opportunity. Sir, my question is again on the HVDC space. I just wanted to understand now that we are -- now that we plan to supply only the equipment, the HVDC transformers in the projects, and it may take some time for the approvals to come in.
- And at the same time, I recall in the last few calls, management had mentioned that we are not really doing LCC or VSC. We are trying to come up with our own technology. So for next 2, 3 years, all the projects that are in the pipeline have already been established, whether as an LCC or VSC project. So how will TARIL be able to compete for these projects against the established MNCs?
- Satyen Mamtora:** What is LCC project?
- Prathmesh Salunkhe:** Sir, technology of the HVDC, LCC and VSC?
- Satyen Mamtora:** So we are coming up with our own process of HVDC.
- Prathmesh Salunkhe:** Yes. So sir, my question was the same since major -- there are 2, 3 projects in the pipeline, right, for next 2 to 3 years. So all those 2 or 3 projects have already been decided whether they are coming with LCC technology or VSC technology.
- So if the projects are coming in LCC and VSC and we are not supplying either of these technologies, how will TARIL will be able to participate in these tenders. So basically, we will have to wait for a project in -- for next 4, 5 years before we can participate. Is that the right understanding?
- Satyen Mamtora:** No, that is not the right. And there are other projects that are coming up with EPC contractors also where we will be participating.
- Prathmesh Salunkhe:** Okay. So these projects will -- the EPC contractors, these projects will not primarily come from a player like PGCIL. Is that right?
- Satyen Mamtora:** No. Yes, yes, yes.

- Prathmesh Salunkhe:** All right, all right. Thank you. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Raj Sarraf from Finvestors. Please go ahead.
- Raj Sarraf:** Thank you very much for giving me the opportunity. Sir, I'm tracking and I'm invested in the company since last 2.5 years. I appreciate the journey that TARIL has been through. But sir, from last 1-year, what I'm seeing that there is a delay in some projects. If I compare the investor presentation of FY25 and now FY26, on the Chairman's comment. So what I can see that the capex -- all capex have been delayed by at least 1-year?
- And all the backward and all the integrations are also delayed with the same timeline and then the guidance also delayed. And when I watch interview, which is given by your Director of Finance, Mr. Chanchal Rajora, so that he guides on television and what we come through the conference call, there is a very significant difference in these two outcomes. So I want your take on that?
- Satyen Mamtora:** So what are you exactly referring to, if I may ask? Are you talking about the order input?
- Raj Sarraf:** Sir, there are numerous things, sir, like order inflow. What you are mentioning that we are very concerned about the margins and the quality of the orders we are taking. Despite questioning on the same line to the Director of Finance, he then confidently on TV interviews, putting the number of 8,000 and close to 7,500 order book closer by FY26, the first thing. The second thing, the projects or capexs we are right now executing, the timeline of the project, which is right now delayed by at least 1-year, all the projects, vis-a-vis Changodar, or Moraiya?
- And the third thing is on the margin front, okay. What we are expecting as an investor from last 1-year that all the projects which are right now being done will increase the margin, whereas what we are going through even in the last Q4, the recent concluded Q4, despite that we are having a greater number on the topline, the margin is still consistent, which we would have liked that it could have come the best margin of the year. So all these reasons, sir?
- Satyen Mamtora:** So as long as the outlook on the margin, we have always maintained that the margins will remain at 15% to 16%. We have never changed that. In terms of the order book, yes, we have miscalculated the orders that were supposed to be coming to us.
- And like we say, we are very careful in selecting which orders we really want to execute because right now, the market is such where we can be slightly choosy about what orders to take. As far as the new projects are concerned, there is a -- there was a delay because of extended monsoons, which has delayed the project by one quarter.
- Raj Sarraf:** Okay, sir. And sir, on the guidance side also, sir, initially, when...
- Satyen Mamtora:** I will once again reiterate that orders input will be very selective, and we will make sure that we do not take orders that are beyond 24 months.

- Raj Sarraf:** Sir, I'm talking about the guidance on the top line, sir, not on the order book, sir, which you have clarified now?
- Satyen Mamtora:** Top line, Mehul sir will give you an answer. Yes.
- Raj Sarraf:** The top line, which was guided in the commencement of FY26 was 3,500, which was reduced midyear after very subdued Q2. That was again told 2,500 to 2,600. And even on the 3rd and 4th March, when Director of Finance came on television, and he reiterated the guidance that we are very sure that we will be closing about 2,500. So this INR 100 crores guidance is okay. But the confidence which has been shown initially in the year and right now, the tone of the management in this Q4 conference call is not matching?
- Mehul Shah:** Yes, that's true that initially we have targeted that number, but that has been later on revised, and we have categorically come up and revised that guidance during the quarter 2 conference call.
- Raj Sarraf:** My point is that, sir, we are doing very phenomenally well. Let us be -- it's not to you, sir, be conservative and deliver more rather than being more...
- Satyen Mamtora:** We have realized -- Raj, we have realized this. And that is why this year, we have given an outlook of INR 3,250 crores, not beyond that.
- Raj Sarraf:** Yes, sir, I will share this and thank you very much, sir. I'm concerned about the company because I'm invested for the last 2.5 years. Thank you very much.
- Satyen Mamtora:** Sure. Sure, Raj.
- Moderator:** Thank you. Our next question comes from the line of Karan Gupta from ACMIL. Please go ahead.
- Karan Gupta:** Yes, so my question is more on the margin side. Considering the competitive bidding in the industry, what will be the margin on EBITDA level consol basis over 2 to 3 years? So this -- one thing is the competitive bidding in the industry.
- And the second thing is that you are doing the backward integration, and you're seeing 2% to 3% kind of lever in the margin you can get. So my point is in the next 2 to 3 years, what will be the margin side? It will be compensated by the backward integration you are doing or it will improve further from the mark of 16%, 17%?
- Mehul Shah:** Yes. See, as we are saying that the margins will remain in the range of, say, 15% to 17% as currently. And through this backward integration coming up, you may see some increase in that number.
- Satyen Mamtora:** About 200 bps to 300 bps, yes.
- Karan Gupta:** Okay. And what about the cash flow side, the working capital compared to FY'25 to FY'26 receivables and part. Inventory part doubled, I think. So what we are doing with this working capital side, how we are getting mitigated?

- Mehul Shah:** Yes. See, compared to our financial year '25 numbers, definitely the receivable number and inventory numbers are high. On the receivable side, I think due to this last minute, say, March numbers, we have missed certain collections. So in the in the first, say, first 15 to 16 days' time, we almost collected around INR 200-odd crores. So there are some delays as far as the utilities is concerned because their budgets, etcetera, has gone away by March. So they have released the payments in the new financial year.
- Karan Gupta:** So basically, payment has got delayed?
- Mehul Shah:** Yes.
- Moderator:** Our next question comes from the line of Deekshant from DB Wealth.
- Deekshant:** You mentioned that we are looking at alternative sources for our gas, which will help us continue our production. What is it that we are doing to mitigate this risk right now so that our production can ramp up?
- Satyen Mamtora:** So we had invested a few years back in some laser cutting technology. We have also invested in plasma cutting technology. So all that is coming online, and this gas crisis has helped us improve our efficiency on those cutting CNC machines.
- Deekshant:** So instead of using gas as a power source, we will be using electricity as a power source?
- Satyen Mamtora:** Yes, that is correct.
- Deekshant:** Sir, is there any other way that we can make sure that we don't hit into any problems for expanding our capacity because now that we are going to a new phase of expansion, this seems to be a risk that seems to be very likely?
- Satyen Mamtora:** What is the risk that we are talking about? The gas risk, are you talking about?
- Deekshant:** I mean anything that is going to make our production capacity go down or our capability to deliver go down. Gas is one of it, right?
- Mehul Shah:** No, no, no. There is no issue as such for the utilization of the capacities.
- Deekshant:** Okay, sir.
- Satyen Mamtora:** We don't see any risk in the utilization of the capacities, Deekshant.
- Deekshant:** Okay, sir. Thank you so much.
- Moderator:** Our next question comes from the line of Aditya Vora from Sohum AMC.
- Aditya Vora:** So I had a question on margins. You alluded to the fact that I think 15%, 16% is a good number to look at currently. Structurally, I just wanted to understand that most of our peers, in spite of being in low kV class are doing superior margins to us and also that they are not backward integrated?

So what is the reason for our margins to be at 15%, 16%, where majority of the peers are 18%, 19% and even 20% to some extent. So that was the understanding which I wanted. And also at a time when the transformer industry is at an explosive growth, shouldn't we be getting better margins and faster growth?

Mehul Shah: Yes. See, this backward integration margins is yet to come into the picture. So this -- we are talking this margins, say, 15%, 17% is without any margin improvement in terms of backward integration. But...

Aditya Vora: No, no, I understand what you are trying to say, but the peers also don't have backward integration. That is one. And secondly, what I'm trying to highlight is that peers are in relatively lower margin, lower kV class, while you are predominantly into 220 kV and above. So 220 kV and 400 kV is what you are targeting, while if I look at majority of our peers, they are getting to 220 kV or 400 kV?

In fact, if you look at say Atlanta, it recently got into 400 kV Voltamp and others are getting there. So ideally, our margin structurally should be much higher than them. And I'm assuming even their backward integration, leaving aside, say Atlanta, their backward integration is the same as us. So I don't know why our margins are at only 15% structurally?

Mehul Shah: Yes, sir, that's the reason why we have stopped. We are very selective in terms of taking orders, etcetera, going forward. So as you must have seen these orders, we must be executing, which we have taken, say, 12 months, 15 months back. And that is the major reason why we have decided that, yes, we will not take any orders which is coming our way. And we will be very selective in terms of margins, etcetera, as well as the delivery schedules, etcetera, are matching with our production lines. So that is the reason why we would be selective and our margins will improve.

Aditya Vora: Okay, sure. And just one thing on your guidance going forward. Would you like to give any guidance for FY'27 in terms of growth percentage, if not the absolute number?

Mehul Shah: It would be roughly around, say, 35%, 40% growth in terms of revenue.

Aditya Vora: Okay. And order book, any sense on that, considering you're curtailing incremental order inflow to focus on the quality of orders?

Satyen Mamtora: I think if we do INR3,250 crores, we will be, let's say, I don't know...

Mehul Shah: Other than putting these numbers, we would be like to restrict ourselves to -- we will take the order, say, up to 24 months.

Aditya Vora: Okay. And 35% to 40% is the revenue growth what you're talking for FY'27?

Mehul Shah: Yes.

Moderator: Yes. Our next question comes from the line of Sagar Gandhi from Invesco Mutual Fund.

- Sagar Gandhi:** Sir, my question is on the inquiries under negotiation PowerPoint presentation. That is INR23,000 crores that you have mentioned. Now you highlighted you are looking at orders only under 24 months. So of this INR23,000 crores, how much is under 24 months?
- Satyen Mamtara:** After quarter 1, there should be around INR 18,000 crores MVA order inquiry that will be in 24 months.
- Sagar Gandhi:** And sir, you confirmed that the receivables that have gone up by around INR 410 crores of – INR 200 crores of this INR410 crores have come in the first 15 days of April.
- Satyen Mamtara:** Yes, yes.
- Sagar Gandhi:** That has happened, right?
- Satyen Mamtara:** Yes.
- Sagar Gandhi:** Thank you. Thank you so much, sir. And that is it from me.
- Satyen Mamtara:** Yes. Moderator, we would like to take last few questions, please.
- Moderator:** Our next question comes from the line of Neville S. Shroff an Individual Investor.
- Neville Shroff:** Sir, my question would be on the order book mix. So recently, we've seen a good amount of orders coming from the state utilities -- from the government utilities. So could you tell us that out of the outstanding order book of INR5,000 crores, how much percentage consists of these utility players and how much is the private portion?
- Satyen Mamtara:** So let's say, around 55% will be utilities, 20% will be EPC contractors and remaining all private customers.
- Neville Shroff:** Okay, sir. Got it. And another sir, now with backward integration facilities in place, which will be coming into effect from the first half of FY'27 and by -- and latest by FY'28. So that would lead to shorter lead times and also give us some cost advantages. So would we be approaching more private players who still prefer Chinese suppliers for transformers or we'll stick to this mix?
- Satyen Mamtara:** No, we would be approaching many private customers. But provided we are getting deliveries and order inflow is going to be -- quality of the order inflow is going to be the key area of focus in the next year.
- Moderator:** So we'll be taking the last question from Shashi Ranjan from Anandan Capital.
- Shashi Ranjan:** I heard that we have order book of around INR5,000 crores approx. So in previous discussion, we also learned that we were not able to pass on to the rising cost because the order that was there was older one. So we couldn't revise upon the increased tariff. So how many such order book that we have, which are not giving us more margin out of that INR5,000 crores order book?

- Satyen Mamtora:** I think everything that has been there, we have already executed. So now we are -- since last 6 months, we have been very critically analyzing every order that we want to take and we are very selective in taking orders. So none of the orders that are in this INR5,500 crores have any issues in terms of our margins or costs.
- Shashi Ranjan:** And last one, sir, if you may allow, what is the current capacity that we are running at? And how far we intend to pull this capacity utilization in the next 2 quarters?
- Satyen Mamtora:** So we are currently running at around 75% capacity, which should go -- this year, we should go at around 95% capacity.
- Moderator:** Ladies and gentlemen, due to time constraint, that was the last question. Any pending questions may be sent to the Transformers and Rectifiers (India) Limited Investor Relations team, and they will get back to you. With that, I'll hand the conference over to the management for the closing remarks. Thank you, and over to you, team.
- Satyen Mamtora:** Thank you once again for joining us today. I extend my heartfelt gratitude to all our stakeholders, customers, employees and Board members and investors and all of you who have attended this Investors call. Thank you very much, everybody.
- Moderator:** Thank you so much, sir. Ladies and gentlemen, on behalf of Nuvama Wealth Management Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.