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To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Security Code : 532928	To, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 Trading Symbol : TARIL
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Dear Sir/Madam,

Sub: Transcript of Earning Conference Call held on 08th January, 2025

In terms of Regulation 30 and 46 read with Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Transcript of the Earning Conference Call with analysts and investors held on 08th January, 2025.

Further, in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Transcript of the Earning Conference Call is also uploaded on the website of the Company (www.transformerindia.com).

Please take the same on your record.

Thanking you,

Yours faithfully,

For Transformers and Rectifiers (India) Limited

**Rakesh Kiri
Company Secretary**

Encl.: As above

TARIL is one of the leading manufacturers of a wide range of transformers globally. Today TARIL is second largest Transformer manufacturing company based on Capacity in India. It has capability to develop world class power, distribution, furnace and specialty transformers with world class infrastructure at three plants around the city of Ahmedabad (Gujarat, India). TARIL is managed by a highly skilled and experienced team of approximately 1200 employees, who consistently ensure that each and every activity factors in an adherence to high quality benchmarks established by the organisation.

CIN No.: L33121GJ1994PLC022460

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ISO 9001:2008 | ISO 14001:2004 | BS OHSAS 18001:2007

“Transformers & Rectifiers India Limited
Q3 FY '25 Earnings Conference Call”

January 08, 2025



ISO 9001:2008 | ISO 14001:2004 | BS OHSAS 18001:2007



MANAGEMENT: **MR. JITENDRA MAMTORA – CHAIRMAN –
TRANSFORMERS & RECTIFIERS INDIA LIMITED**
**MR. SATYEN MAMTORA - MANAGING DIRECTOR –
TRANSFORMERS & RECTIFIERS INDIA LIMITED**
**MR. CHANCHAL RAJORA – CHIEF FINANCIAL OFFICER
AND ADVISOR TO THE BOARD – TRANSFORMERS &
RECTIFIERS INDIA LIMITED**

MODERATOR: **MR. SUBHADIP MITRA – NUVAMA WEALTH
MANAGEMENT LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Transformers and Rectifiers India Limited Q3 FY25 Earnings Conference Call, hosted by Nuvama Wealth Management Limited. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Subhadip Mitra from Nuvama Wealth Management Limited. Thank you and over to you, sir.

Subhadip Mitra: Thanks, Ryan. Good afternoon, friends. On behalf of Nuvama Wealth Management, welcoming you all to the Q3 FY25 Results Call of Transformers and Rectifiers India Limited.

We are joined today by the top management of the company, represented by Mr. Jitendra Mamtora, Chairman, Mr. Satyen Mamtora, Managing Director, and Mr. Chanchal Rajora, CFO and Advisor to the Board. I would now like to request Mr. Satyen Mamtora to begin with his opening comments. Over to you, sir.

Satyen Mamtora: Good afternoon, ladies and gentlemen. Thank you all for joining us on this earnings call. We are delighted to have you here as we discuss our company's performance over the past quarter.

Following our board meetings earlier today, we have promptly released our financial results and investor presentation on the stock exchange. We are pleased with our order book position and the diverse range of orders secured throughout the quarter across various sectors including renewable energy, private industries and power utilities. Notably, our new orders this quarter amounted to INR631 crores. Our unexecuted order book as on December 31, 2024 stands at INR3,686 crores currently. We have inquiries worth INR19,000 crores under negotiation or in the bidding stage.

Moving forward, we are excited to share our milestones. Acquired controlling stake in CRGO processing unit, making 100% backward integrated. Also entered into supply agreement for mother coil. CRGO contributes about 30%-35% of the total raw material of transformers. PGCIL approval process initiated for the fully automated dilator facility. Successfully completed 500 MVA short-circuit test. Highest MVA tested and highest number of units manufactured in a single month.

Additionally, we are pleased to share that we have entered three technological tie-ups aimed at supporting our backward integration goals. These collaborations will help us enhance our capabilities, reduce dependencies on external suppliers and improve our overall supply chain efficiency. We expect them to be operational by Q4 FY26.

Throughout FY25, we have placed significant emphasis on people management and upskilling initiatives. Acknowledging the pivotal role of workforce in our sustained success, we have focused on enhancing technical skills, fostering leadership readiness and improving overall competence across the manufacturing, sales and engineering divisions. Our strategic improvement in key areas such as engineering, sales and digital domain has been aligned with our business objectives.

We would like to take this opportunity to express our sincerest gratitude to all our stakeholders for our continued trust and support. Your confidence in us drives our commitment to delivering value and we look forward to further strengthening our partnerships as we move forward in this growth phase. We extend our sincere gratitude to each participant for joining our earnings call for their continued support and trust.

We hope we have addressed all your queries satisfactorily. Once again, I thank you for your participation today. I will now hand over the call to our CFO, Chanchal, who will take you through the financial details of the quarter.

Chanchal Rajora:

Thank you, Satyen sir, for providing an overview of the current quarter. I would now like to share some key financial highlights with our esteemed shareholders. Dear shareholders, I am pleased to present the company's performance of Q3 FY25, which has been a period of notable growth in both revenue and profitability.

In terms of the financial highlights, in Q3 FY24, we had our stand-alone revenue from operations stood INR545 crores, reflecting a strong year-on-year growth of 49%. Our EBITDA for the quarter was INR87 crores, marking a significant increase of 136% compared to the previous year, with an operational EBITDA margin of 15.69%. Additionally, our profit after tax for Q3 was INR50 crores, showing a healthy year-to-year growth of 276%, with a PAT margin of 9.12%.

Our revenue target for the current financial year remains intact, and we have also started preparing ourselves for FY25-26. Looking forward, we are optimistic about our prospects for FY25, anticipating enhancements across various financial metrics.

Our strategies are centred on achieving a streamlined balance sheet by reducing debtors and optimising inventory management. Our ultimate aim is to transform into a debt-free company in the near future, supported by a real action-able plan already underway. The main emphasis of the company is on the CIPR model, which is basically cash, payable, receivable and inventory management. I believes that these four pillars are most important for working capital management. We intend to achieve a revenue target of INR3,500 crores plus in next financial year.

Raw material tiers for the year-round requirements are already in place, and shop floor is all ready to take up the new revenue targets. As stated earlier in many of my interactions, I am happy to inform you that we are on the right path to achieve a US 1 billion revenue in the next 3-4 financial years. In conclusion, we are well-positioned to capitalize on opportunities within the India-involving energy sector.

With robust corporate governance and advanced technologies, superior products and dedicated teams, we are confident in our path towards sustainable and profitable growth. I extend my heartfelt gratitude to our customers, board, management and particularly our committed employees for their unwavering dedication and support. Together, let us continue to cultivate a promising future.

I also thank all of you for joining us. Thank you. So with this, we can start Q&A please.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Raj Sarraf from Finvestors. Please go ahead.

Raj Sarraf: Sir, congratulations on a very good set of numbers. And sir, while going through your presentation, I noticed that the order booking in Q3 is INR631 crores, which was actually more than INR1,000 crores in Q2 and even in Q1 the number was very good. So the dropping in order booking numbers, how to read that while going through media and all available resources, we are coming to know that the transformer is in a very right spot. So this is the question, sir. And the second question is, sir, the QIP, which we have planned for INR750 crores. So are we looking for any position near term or what is this for?

Chanchal Rajora: Raj, thank you for joining us. As far as the order book is concerned, Jitendra will take you to that thing. And as far as the QIP is concerned, let me tell you that we have no intent to raise the money near future.

It is just enabling approval we have taken from the Board so that if any good opportunity comes across, we are ready for that. We have no intention right now to raise any funds in next two quarters or three quarters. As and when a good opportunity comes, we would definitely would like to come to the investors for support.

As far as order book is concerned, this is a deliberated strategy of the company as we don't want to take the orders in a hurry. We are already booked. And now we are more focused on the orders, which has got the high margin as well as the payment terms are quite good.

We have made a very clear strategy that there is no hurry in going on each and every order. We have a very strong order book already in place. And we also have a very strong inquiry in place. So, orders will be taken as and when we feel that is the right order for the organization. Thank you.

Raj Sarraf: One question is, sir, the margin which I am seeing in Q3 is 16.5, which was about 17% in Q2. And we are actually on the scale of operation, we are producing so much now. So, why this scale of operation is not kicking in, sir? Am I reading something else?

Chanchal Rajora: Sorry, I did not understand your question.

Raj Sarraf: Sir, the EBITDA margin, sir, which is right now 16.5%, which was in Q2, was about 17%. And we are actually increasing our scale of operations. So, in this case, sir, the margin should increase or am I reading something, I'm missing something else, sir?

Chanchal Rajora: Look, Raj, the EBITDA margin is just 0.7%, which is different from the Q2. You need to understand that we have a different product mix and we have a different product portfolio. So, it basically depends on the product portfolio. In some products, we have some higher margin, some we have less margin. So, this margin is going to remain in this range itself.

But apart from that, the significant thing I would like to address to you, though we have the 0.9% to 0.7% less EBITDA as compared to the last quarter, our PAT line has increased as compared to the last quarter, which is a very significant achievement for us. And as I have been telling in

all the introductions that my more emphasis is on the PAT, that I want to reach the 10% PAT level. And I'm happy to say that we are very, very close to that.

Raj Sarraf: Yes, thank you, sir. And, sir, the long-term guidance of \$1 billion revenue, which in the presentation in the last conference call, which was, sir, we are seeing that in the next three years, we'll be meeting \$1 billion revenue. And then, sir, when the CFO spoke, sir, the timeline was three to four years. So, is it three years or four years, sir?

Chanchal Rajora: Raj, you know, the metrics keep changing, right? We want to achieve it in the next two years' time. But how the metrics work out, it will depend on that. So, three to four years, I think, is a reasonably very good line.

Raj Sarraf: Yes, okay. Thank you. Thank you very much, sir, and congratulations once again for posting a performance like that, sir. Thank you very much.

Chanchal Rajora: Subhadip?

Moderator: Yes, sir. Please go ahead.

Chanchal Rajora: I request that at one point in time, if we can take one question, so that others will have the opportunity also.

Moderator: Okay, sir. I'll make the announcement as well.

Chanchal Rajora: Thank you.

Moderator: Ladies and gentlemen, a request from the management is to restrict to one question per participant. Our next question comes from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.

Manish Ostwal: Yes, sir. Thank you for the opportunity. Most of the questions already answered. Only I have one question. Where the current gross debt on the balance sheet and the net working capital absolute figure?

Satyen Mamtora: Sorry, we didn't get your question, Manish.

Manish Ostwal: I'm asking sir, what is the gross debt on age on 31st December and what is the working capital figure at age on 31st December?

Chanchal Rajora: Manish, I'll address this question when I'll present you my quarter 4 audited numbers, please. Because since we have not disclosed the balance sheet, so under the guidelines of SEBI, these figures cannot be disclosed here at this moment.

Manish Ostwal: Okay. And secondly, sir, we are hearing so much of debate on the slowdown of the economy, government spending. So compared to the H1, how do you see the things in your business, whether things are picking up or gradually picking up? Can you make comment on that? That would be great. Thank you.

- Satyen Mamtora:** Manish, if you look at our this quarter order book, that stands at INR631 crores. And our unexecuted order book for the next 18 to 24 months is INR3,686 crores. So there is no slowdown as such in terms of infrastructure development in India. We have inquiries worth INR19,000 crores under negotiation or in bidding phase. So there is a lot of opportunity for all this business.
- Manish Ostwal:** Okay, sir. Thank you.
- Moderator:** The next question comes from the line of Subhadip Mitra from Nuvama Wealth Management Limited. Please go ahead.
- Subhadip Mitra:** Yes, thanks. So two questions from my side. Firstly, just wanted to understand a little bit clearly on the guidance. I think I heard in your opening comments that we are looking at about INR3,000 crores revenue by FY'26.
- Chanchal Rajora:** INR3,500 crores, Subhadip.
- Subhadip Mitra:** INR3,500 crores. And for FY'27, sir, is there a number? I think we were looking at a number closer to INR4,000 crores, INR4,500.
- Chanchal Rajora:** Let us achieve the next year numbers first.
- Subhadip Mitra:** Understood. And the margin trajectory, I think in the past also you have mentioned that you are looking to move towards 17% plus kind of a margin by FY'27. Are we still holding on to that?
- Satyen Mamtora:** Currently we are.
- Subhadip Mitra:** Understood. Secondly, in terms of, one, the utilization of the QIP funds that we raised some time back and the benefit of the backward integration and M&A that you are seeing. So how much of the quantum has got utilized? How much is yet to be done? And secondly, how do you see this backward integration into CRGO and the other proposed M&A activities helping in terms of your margin expansion?
- Chanchal Rajora:** Subhadip, the earlier participant I told that the balance sheet things we cannot disclose right now. So we are submitting our details about the QIP utilization to the exchange time and again so that I can't right now tell you these things. Yes, but we are on the right path to invest in funds on the right place and right proposition. That is one thing I can make you sure that it is going to add a significant improvement in my top line as well as in my bottom line. And as far as how this backward integration is going to benefit us, I would request my Chairman to put up his thought on this.
- Jitendra Mamtora:** Thank you, Chanchal. It is going to be minimum 4% increase in the PAT when we put all the projects online, on track. Because it is not -- I mean, some of the product is meant for us, some of the products also for us and for selling it to the market. But the advantage which we are going to get using our own product will reduce my raw material by about 4% total.
- Subhadip Mitra:** Understood. And you envisage all these benefits panning out by FY'27 or could it take slightly longer?

- Jitendra Mamtora:** No, before that.
- Subhadip Mitra:** I read you. Okay, understood. That is it from my side. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Gaurav Shukla from Finvestors. Please go ahead. Gaurav, please proceed with your question. Since there is no response, we move on to our next question which is from the line of Shivam Dave from Prodigy Investments. Please go ahead.
- Shivam Dave:** Hi, congrats on the great set of numbers. In terms of the 15,000 MVA capex that we are incurring right now, where are we in terms of the process right now?
- Chanchal Rajora:** Shivam, this project is on quite high track and we expect this to be completed by February, March and we expect early next year the operation will start and also if you have seen in the presentation, our chairman has said that from this quarter we will start taking orders for that expansion.
- Shivam Dave:** So, it should start from Q1 next year?
- Chanchal Rajora:** Yes.
- Shivam Dave:** Okay. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Ganeshram from Unifi Capital. Please go ahead.
- Ganeshram:** Congratulations on the numbers. I just have two questions. First on the INR3,500 crores guidance for FY26, how much of that will be coming from our existing capacity and how much from the capacity that you will be commissioning in Feb, March? So, just if you could give us some granular details on the ramp-up and how that fits into your guidance.
- And the second one is with the CRGO backward integration. So, I understand it's 30%, 35% of your cost, but if you could just give us a broad scale that on a sustainable level, what is the RM cost in our transformers on a blended basis and other than the CRGO, what are the other components that influence the cost?
- Chanchal Rajora:** Ganesh, first of all in this 3,500 there is no addition of the facility which is coming up. All is from the existing set of the system. This is one. As I told you earlier also, we have not even started taking the orders for the expansion facility. You can see that I already have a INR3,600 crores order book. So, we'll be able to do that.
- Satyen Mamtora:** So, Ganesh, the 3,600 order book is for the next 18 months to 24 months. So, we would be doing INR3,500 crores partly from the existing facility and partly from the new facility that we are going to start.
- Ganeshram:** So, there is no additional amount we should expect over the INR3,500 crores from the new facility you're saying. This will be executed, but I mean basically the existing order book will be spread across the new facility?

- Management:** Yes.
- Chanchal Rajora:** Now, about your second question Ganeshram as we told that CRGO is 35% of my raw material component. That itself is quite a significant amount and CRGO is the second most expensive product also in my product line.
- Ganeshram:** Yes. So, the remaining items, what will it be?
- Chanchal Rajora:** Sir, this is the product mix and this is lots of items - lots of components involved that we would not like to discuss here in this call.
- Ganeshram:** Understood. And maybe the last one I heard you are answering another participant by saying you're being a bit selective in your order inflow. So, if you could just give us a sense on the order that you have now accepted in the INR600 crores order, what would be the incremental margin compared to our existing margin?
- Management:** Ganeshram this is a business question which I would not like to discuss here.
- Ganeshram:** Understood. Thank you sir.
- Moderator:** Thank you. The next question comes from the line of Rajit Aggarwal from Nilgiri Investment Managers Private Limited. Please go ahead.
- Rajit Aggarwal:** Good afternoon, sir. Thank you for giving me the opportunity to ask the questions. Is it possible for you to comment on the data days? If you can't disclose your absolute numbers, how has the movement been in debtors days in Q3 compared to Q2? Has it worsened, is it still the same or has it improved?
- Chanchal Rajora:** It has improved, sir.
- Rajit Aggarwal:** It's improved. Great, sir. And are there any overdues from any of the government clients, public sector undertaking?
- Chanchal Rajora:** There is no overdue.
- Rajit Aggarwal:** There is no overdue. Okay. And lastly, sir, is it possible to throw some more light on the acquisition that you have made as to the cost of the acquisition? By when do you think it will be operational and by when will it start to accrue or when will the EBITDA margin start to show improvement because of that facility because of the backward integration?
- Chanchal Rajora:** The acquisition has already started doing our work. It is basically an existing facility and it has already started doing our work. The EBITDA improvement from this particular acquisition will start from the Q1 next year when this is 100% integrated with our system.
- Rajit Aggarwal:** Wonderful, sir. And the cost of the acquisition?
- Chanchal Rajora:** Sir, with the SEBI guidelines I am bound not to disclose that.

- Rajit Aggarwal:** Okay, sir. Thank you. Thank you for the time, sir.
- Moderator:** Thank you. The next question comes from the line of Vignesh from Ksema Wealth. Please go ahead.
- Vignesh:** Just want to understand the demand from the Europe side, sir. Last conference, I believe we had a discussion with the European client. So, just want to understand that. The orders from the European client, sir. How is the situation?
- Chanchal Rajora:** Look, Vignesh, the orders keep coming from all the corners, right? European also, we got some orders in last quarter and this quarter also. And we are in discussion at the various levels with the other clients. But let me tell you one thing very categorically clear. The opportunities are quite huge in India and much better than the other part of the world. So, my focus is first to engage the opportunities which lies right now here.
- And we are working on those directions. And we are discussing with, not only with the Europeans, we are discussing with a few of the American clients also. Very recently, few American clients have visited. And as and when the good amount of the order comes, we always keep announcing it to the exchange also.
- Vignesh:** Okay sir, going forward, we see foreign orders increasing or it is mostly towards the domestic thing which will be the majority of the order book?
- Satyen Mamtora:** So, Vignesh, we would like to limit our export orders to 20% and not beyond that. Rest, we want to develop India and that's why we are keeping our 80% capacity for India.
- Vignesh:** Okay, sir. That was helpful. Thank you. All the best.
- Moderator:** Thank you. The next question comes from the line of Ashish Soni from Family Office. Please go ahead.
- Ashish Soni:** Out of 90,000 order book, how many are we expecting to convert for our order?
- Chanchal Rajora:** Well, brother, Ashish, it keeps getting converted as and when we want. Right now, as I told you that we are not focused on the taking the left and right orders. We are more focused on the orders which are high yield generated to us and quick payment things, right? If I want to take the orders, I can take INR1,000 crores order every month. That is right now the scenario of the market. But we are very, very selective on the order size.
- Ashish Soni:** Is it like maybe 25% of 90,000 approximately? Any guesses?
- Chanchal Rajora:** Sir, we have a target as I told you that in any of our discussions, we will keep telling that we will be having an order book of INR4,000 crores plus by the end of this financial year. And we are working on those direction completely.
- Ashish Soni:** Okay. Thank you. All the best.

- Moderator:** Thank you. The next question comes from the line of Vishnu Boyapatil, an investor. Please go ahead.
- Vishnu Boyapatil:** Hi, sir. Congratulations for the good set of numbers. And I am glad to see as an investor for looking at these numbers. Thank you, sir. And my question is from that side, previously, you had said that 19,000 enquiries which we will convert 25% to 30% conversion rate. Is it right, sir?
- Satyen Mamtora:** Generally, yes.
- Vishnu Boyapatil:** And is it intact in this quarter also, 25% to 30% or any change in that percentage conversion?
- Satyen Mamtora:** It is difficult to say because the market is very, what should I say, good at this point of time. So, who wants to take the order, the people, the companies who does not want to take the order because they are full with the orders, then their prices will be higher like us. We have quoted, now we have started quoting at higher margins now. So that, the conversion may be not 25%, 30%, it may be 15% to 20%.
- Vishnu Boyapatil:** Okay, I understand, sir. Thanks for that one. And next question is, we had PAT margin, PAT profit after tax nearing to 10%. In coming quarters, we may cross the 10% confidently, sir?
- Chanchal Rajora:** Vishnu, basically, if you have been hearing all the conversation, I always say that my target is to reach to the 10% PAT levels. And sustainable mode, if I continue that, that will be a great achievement for us.
- Vishnu Boyapatil:** Yes, okay. And we are going to for QIP, is it for both organic and inorganic growth in near future?
- Chanchal Rajora:** The first question which I answered is that there is no plan of raising fund right now. We have just taken enabling approval. And as and when if any opportunity comes, we will think over that. But in near future, there is no such plan.
- Vishnu Boyapatil:** Yes, okay. That's all from my side, sir. Thanks for the opportunity you have given me, sir. Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Vivek Gautam from GS Investment. Please go ahead.
- Vivek Gautam:** Congratulations on excellent set of numbers consistently after quarter after quarter. My query is about the export potential and any risk of duties being levied by the Trump government and the increase in impact of increased Red Sea and the factors leading to increased freight rate and opportunity size in India expected growth rate. Thank you.
- Chanchal Rajora:** Okay, Vivek, just if you heard, MD sir has just told that we don't want to increase our export abruptly. We just want to, we will just focus that we should have a 20% order book by end of next financial year from the exports. And we would like to restrict on that. The opportunities lies in India are much, much better than the export.

And we first wants to adopt the policy of India first. As far as the government policies and all this concern, we don't see any changes much in these policies coming. And freight rates are the rates which is keep coming and going. And generally now we have stopped taking the orders on the CIF basis.

We are more focused on the orders on the FOB basis or exports basis. So changes in the freight won't affect on us.

Moderator: Thank you. The next question comes from the line of Jainam from Saltoro Investment.

Jainam: My question is about the new fully automated radiator facility that you are seeking approval from PGCIL. So I wanted to understand -- I guess it's a high value product. If you could explain what is its utility and will it be focused on the exports or domestic market? And at what stage of PGCIL approval are we? If you could explain that, that would be great.

Management: It is not a high value product. The cost of the radiator in the transformer raw material, if you consider the transformer raw material, the cost of the radiator will be around 8% to 9%, not more than that. And there are a lot of opportunities for export for the radiators also. But before exporting, we want to be sure that the quality which comes out of the plant meets with the requirement of the foreign customers.

So we will wait for the right opportunity. Once fully we are satisfied, we will start exporting. There is no dearth of the orders as such. Most of the people who are making radiators are fully booked. Their delivery time has gone to something like 10 to 12 months now in India. So there is no dearth of the orders.

You can get the orders but in absolute terms, the cost of the radiators or the percentage of the radiator cost is only 8% of the total cost of the transformer, raw material cost of the transformer.

Chanchal Rajora: And secondly is that first we wanted to become 100% backward integrated in radiators for our own requirement. And as far as the PGCIL approval is concerned, we have just initiated it for the 765 KV class approvals. So we have just initiated it. So it will take some time to get it.

Moderator: Thank you. The next question comes from the line of Ishita Lodha from Svan Investments.

Ishita Lodha: My question is related to the coalitions directly...

Moderator: Ishita, sorry to interrupt you there but your audio is not clear. Could you please repeat your question? It's still not clear. Yes, Ishita. Please go ahead.

Ishita Lodha: I have a question. – And I also heard that some of the raw material would be sold in the market. How much would be sold in the market?

Chanchal Rajora: I cannot hear her question clearly. But whatever I heard is that she is talking about the acquisition what we have done right now, right? So, just to, if I am right, then the first target is to utilize that acquisition for completely in-house purpose. And after that, if anything is available, we will be selling it to the peers, right? But we say it cannot be at the present scenario. It cannot be more than 15% of the total capacity available.

- Moderator:** Thank you. The next question comes from the line of Abhishek Shah from Ambit Limited.
- Abhishek Shah:** Just a question on the post this 16,000 MBA capacity expansion. What would be our estimated revenue capacity of our install base? And just to clarify, our FY25 revenue target was around INR2,000 crores, right?
- Chanchal Rajora:** Yes, Abhishek. Our FY25 revenue target is INR2,000 crores. And we are still on that target. And we hope that we will be able to achieve that. And secondly, post this expansion, we will be somewhere around 55,000 MBA levels.
- Moderator:** Thank you. The next question comes from the line of Mayank Bhandari from AMSEC.
- Mayank Bhandari:** Sir, as you highlighted, the order book by the end of this year would be INR4,000 crores. Next year revenue guidance is INR3,500 crores. The execution timeline you also highlighted is 18 to 24 months. So, what am I missing here? Is it like you are getting more orders, more shorter orders? Or how INR4,000 crores of order book will translate into INR3,500 crores of revenue?
- Chanchal Rajora:** Okay. Mayank, just to inform you that we have three facilities. And all these three facilities produce different kind of transformers. When we are talking about INR4,000 crores order book, we don't count much of the order from the distribution facility because these are the orders which are the short-time orders.
- Say order comes in a month or two months time, we make the orders and give it to that. When we talk about the INR4,000 crores order book, majority orders is for which is there for 200 plus KV plus transformers. Right. Our second facility, Changodar, also produce the mid-level transformers. That is also the lead time is around three to four months time. So, this combination is good enough to give us the targets which we are telling right now.
- Moderator:** Thank you. The next question comes from the line of Nikita Goyal from Subhlaxmi Family Office. Please go ahead.
- Nikita Goyal:** Hi, sir. Congratulations on a good set of numbers. I just have this one question. Green hydrogen transformers which you are the sole qualified supplier, so how much market share is from this particular product? How does this product push to your market share?
- Jitendra Mamtora:** The market share is today around 18 -- between 18% and 20%. I am talking about EHV transformers. Transformers in the air support...
- Management:** She's talking about the green hydrogen. That has not started.
- Jitendra Mamtora:** Green hydrogen has not yet started. Green hydrogen is still in prototype phase, ma'am. The project has not taken up the project as yet. That is a very initial stage. They are making prototype and checking the -- Finances and all. So, it is going to take time.
- Moderator:** Thank you. The next question comes from the line of Surabhi Saraogi from SMIFS Capital Limited. Please go ahead.

- Surabhi Saraogi:** Hello. Thank you for the opportunity, sir. Sir, I have just one clarification. In your opening remarks, you said that you have become 100% backward integrated with the acquisition of -- what was the name of the entity that you mentioned?
- Chanchal Rajora:** Posco Poggenamp Electrical Private Limited
- Surabhi Saraogi:** Okay. It is the CRGO processing unit that you have acquired, right?
- Chanchal Rajora:** Yes.
- Surabhi Saraogi:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Gaurav Shukla from Finvestors. Please go ahead.
- Gaurav Shukla:** Sir, my question is regarding -- in last conference, you have said that if you want, you can take INR1000 crores order. And I want to know, sir, what the factors affecting the order book? Why you cannot take much, much order? And second, sir, regarding CRGO. Is there any CRGO scarcity in the transforming system?
- Chanchal Rajora:** Okay. Gaurav, first question is that why I am not taking this order because I don't want to pay the late delivery charges to the customers. Second point, as I told you time and again, I was mentioning that we wanted to leverage on the pricing as well as on the payment terms. So, we are very selective on the customers, basically on the payment terms and the pricing side. So, that is the thing.
- And as far as the CRGO is concerned, yes, CRGO is a scarcity in the country. India doesn't produce the CRGO. And there are -- the processing of the CRGO is more important because there are not much good processing centers available in the country.
- Moderator:** Thank you. The next question...
- Chanchal Rajora:** Subhadip, can we please take two last questions, please?
- Moderator:** Okay, sir. The next question comes from the line of Amit from PL Capital. Please go ahead.
- Amit:** Yes. So, first question is kind of a clarification. You talked about a \$1 billion revenue in next three financial years. Are we talking cumulative number of 9000 to 10,000 collectively in 36 months?
- Chanchal Rajora:** I don't think that I should reply this question, Amit. How can I reach to a \$1 billion revenue if you are talking about a collective number of 5 years or 4 years?
- Amit:** I just wanted a clarification on what you have written in your second question.
- Chanchal Rajora:** I don't think that I should even reply this number. I am talking about a year number, a year revenue.

- Amit:** Annual \$1 billion, right?
- Chanchal Rajora:** Yes.
- Amit:** And second...
- Moderator:** We have lost the line for Amit. We'll move on to our next question from the line of Naman Parmar, Niveshaay Investments. Please go ahead.
- Naman Parmar:** Yes, good afternoon, sir. Thank you so much for the opportunity. So, I just wanted to understand on the macro side. So, how much the transmission work has been completed till now? Being a largest player in the power transformer, you will be better able to give understanding on that? And secondly, I wanted to understand on the lead time in the export market?
- Jitendra Mamtora:** See, we have no idea about how much transmission projects are completed because, every day, because of the new solar plants coming up, the requirements are getting bigger and bigger. But we have no absolutely idea about how many projects are there today. We only know about how many tenders are there. So, we don't keep track of the transmission projects.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Subhadip Mitra for his closing comments.
- Subhadip Mitra:** I would like to thank the management for giving us this opportunity to host the call today and for spending so much time with us answering these questions. May I now hand over the call to sir for his closing comments?
- Jitendra Mamtora:** Thank you everyone, for participating in this conference call. And we really thank you all for your good wishes, for our good results. Thank you very much.
- Moderator:** Thank you. On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.