Date: 23rd July, 2026
Ref: TARIL/SECT/2026-27/NSE-BSE/COMPL/032

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

Dear Sir/Madam,

Sub: Transcript of Earning Conference Call held on 21st July, 2026

In terms of Regulation 30(6) 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 21st July, 2026, to discuss the unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June, 2026.

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 being 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 Digitally signed by Rakesh Kiri Date: 2026.07.25 13:39:38 +05'30'

Rakesh Kiri
Company Secretary

Encl.: As above

"Transformers and Rectifiers (India) Limited

Q1 FY27 Earnings Conference Call"

July 21, 2026

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

MODERATOR: **MS. KRISHNA PATEL – EY**

Moderator: Ladies and gentlemen, good day, and welcome to the Transformers and Rectifiers (India) Limited Q1 FY27 Earnings Conference Call. As a reminder, all participants line up for 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. Please note that this conference is being recorded.

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

Krishna Patel: Thank you Amisha. Good afternoon, everyone. A warm welcome to all participants joining the Q1 FY27 Earnings Conference Call of Transformers and Rectifiers (India) Limited. Joining us today from the management team are Mr. Satyen Mamtora, Managing Director, CEO; and Mr. Mehul Shah, the Chief Financial Officer, who will discuss the company's operation and financial performance for the quarter and address your questions thereafter.

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

Please note that the audio recording transcript of this conference call are the property of Transformers and Rectifiers (India) Limited and may not be copied, introduced, rebroadcasted, redistributed in any form without the consent of the company.

With that, I would like to now hand over the call to Mr. Satyen Mamtora, the Managing Director and CEO, for his opening remarks. Over to you, sir.

Satyen Mamtora: Good evening, everyone, and a warm welcome to the earnings conference call of Transformers and Rectifiers (India) Limited to discuss the company's business and financial performance for Q1 FY27. We concluded our Board meeting yesterday and have subsequently uploaded our financial results along with the investor presentation to the stock exchange and company website. We hope all the participants have had enough opportunity to review the same. Thank you for joining us today, and we look forward to sharing our performance highlights and addressing the questions during the course of this call.

First of all, I'd like to begin with the call by setting the tone of the company and outlining what stakeholders can expect from TARIL in FY27. First and foremost, I would like to assure all our stakeholders that we are committed to providing only those guidance parameters that we are confident of achieving, going forward, our focus is firmly on delivering on our commitments and letting our performance speak for itself.

We recognize that the trust and confidence of our stakeholders are paramount and we remain committed to protecting and strengthening that trust through consistent execution and transparent communication. In line with this objective, we have appointed Ernst & Young to support and strengthen our Investor Relations initiatives ensuring timely, transparent and effective engagement with the investment community.

As of June 30, 2026, our Unexecuted Order Book stood at INR6,630 crores, reflecting a 26% year-on-year growth, providing a strong revenue visibility over medium term.

During the quarter, we successfully completed dynamic short-circuit testing of 4 transformer units with significant technical milestone that validates our product's ability to withstand extreme electrical and mechanical stresses under fault conditions in accordance with the stringent international standards.

The current Unexecuted Order Book is executable over the next 18 to 24 months, and we remain confident of delivering these orders within the stipulated time lines as we have adequate manufacturing capacity, resources and execution capabilities in place to support timely project deliveries.

Our existing transformer manufacturing capacity of 75,000 MVA+ across all plants, coupled with a recent expansion initiatives provides us the capability to support annual revenues in the range of INR5,000 crores to INR6,000 crores over the medium term. Our immediate priority is not adding further transformer manufacturing capacity, but maximizing utilization and improving throughput and enhancing operational efficiency across all facilities.

During Q1FY27, we have received a healthy order inflow of INR2,114 crores, 218% year-on-year growth over low base around last year this time. Major orders received during this quarter were:

- Ultra Mega Order from PGCIL above INR1,000 crores for manufacturing of transformers of various ratings within 30 months.
- Order from GETCO of about INR228 crores for manufacturing transformers and reactors.
- Order from RRVPNL of INR175 crores for manufacturing transformers and reactors.
- Export Order from PDC AK LPIV, LLC - USA of about INR150 crores for manufacturing of transformers.

We currently have INR23,000 crores of inquiries under negotiation. Historically, our win ratio is in the range of 10% to 15%, and we are confident of achieving that. Out of the inquiries under negotiation, we are bidding for 80% domestic and 20% export orders. With an equal mix between government, private customers and utilities, and industrial customers.

Alongside our core transformer manufacturing expansion, we are building a comprehensive backward integration ecosystem that will strengthen our supply chain reliability, improve margins, enhance quality control and reduce dependence on external vendors.

The projects under implementation include

- CTC facility 8,000 MTPA in Phase I and Phase II is 24,000 MTPA; targeted commissioning by Q2 FY27.
- Pressboard and insulation facility, 5,000 MTPA in Phase I and 10,000 MTPA in Phase II; targeted to commission by Q3 FY27.

- RIP bushings facility, 3,000 units per annum in Phase I and 6,000 units per annum in Phase II; targeted commissioning Q4 FY27.
- Fabrication facility, 25,000 MTPA in Phase I, 50,000 MTPA in Phase II; targeted commissioning by Q1 FY28.
- CRGO processing facility, already commissioned and operational.

Upon completion of these facilities, to cater approximately 80% to 85% of our raw material requirement in-house, significantly enhancing our manufacturing integration and operational efficiency. In transformer industry, where component availability remains a key bottleneck globally, we believe backward integration will become a significant competitive advantage for TARIL over the coming years.

We acknowledge that there have been delays in commissioning of additional facilities at Changodar plant. The delay is primarily attributed to extreme monsoon conditions impacting the project execution time lines, construction labour force availability constraints, and additionally, engineering enhancements and modifications across product-specific manufacturing lines and testing infrastructure.

I'm pleased to share that the projects are now progressing in the line with revised execution schedule. Changodar expansion involving investment of approximately INR150 crores and backward integration initiatives entailing a total investment of INR900 crores to INR1,000 crores remain key strategic priorities, and we are confident that these facilities will be commissioned as per the timelines outlined.

During Q1FY27, TARIL delivered 10% year-on-year growth in revenue. However, on a sequential basis, revenue growth was impacted comparatively lower capacity utilization at Changodar facility where ongoing expansion and modernization activities are temporarily affecting the operational throughput. Importantly this does not reflect any weakness in demand or order inflow or execution capability.

The impact was purely project related temporary in nature. We have accelerated the execution of the project and placed the implementation process on a fast track. As the expanded facilities progressively stabilize, we expect meaningful improvement in operational efficiency and execution levels with the growth expected to pick up from Q3 FY27 onwards.

At TARIL we remain confident of our growth trajectory and are targeting 25% revenue growth in FY27 along with EBITDA margin of 16% and PAT margin of 9% to 10%. These targets are underpinned by a healthy order book, expanding manufacturing capabilities and sustainable demand outlook for the power transmission and distribution sector.

As we enter the remaining part of FY27, our focus are clear.

- Timely execution of the order book,
- Ramping up utilization at Changodar,
- Commissioning backward integration facilities as per revised time lines,
- Sustaining margins through operational efficiencies,
- Converting a healthy inquiry pipeline into executable orders, and

- Strengthening high-value product opportunities.

The transformer industry in India continues to offer significant growth opportunities driven by sustained investments in power and infrastructure and grid modernization. Additionally, emerging demand on data centers expansion and railway electrification. EV charging infrastructure, renewable energy integration are evolving substantial opportunities for transformer manufacturing over the coming years. While the business environment remains favorable, we continue to closely monitor certain external factors, particularly the unforeseen geopolitical development subject to the factors remaining stable.

We remain committed to delivering on the guidance shared with our stakeholders. Thank you and handover, the call, to our CFO Mr. Mehul Shah for financial updates.

Mehul Shah: Good evening, everyone. Thank you for joining us today. I would like to take you through the company's financial risk profile, covering our profitability, leverage, working capital, liquidity position, capital allocation and the key risk monitorable from a finance perspective.

For Q1 FY27, **standalone** revenue from operations stood at INR559 crores, registering a 10% year-on-year growth. EBITDA stood at INR87 crores with EBITDA margin at 15.6%, while PAT stood at INR50 crores with a PAT margin of 8.9%. The quarter was impacted on a sequential basis due to lower capacity utilization at Changodar plant as ongoing expansion activities affected operational throughput. However, this is transitional in nature and with the expansion expected to complete by August '26, we expect utilization level to improve progressively.

From a **consolidated** perspective, revenue from operations stood at INR572 crores, EBITDA stood at INR110 crores and PAT stood at INR64 crores in Q1FY27. Importantly, consolidated EBITDA margin remained healthy at 19.2%, which reflects the benefit of our integrated operations and contribution from subsidiaries.

Coming to the **balance sheet**, our leverage profile remains comfortable. On a stand-alone basis, total debt stood at around INR424 crores as of FY26 against a tangible net worth of approximately INR1,410 crores, translating into a debt-to-equity ratio of around 0.3x. Our **debt-to-EBITDA** stood at around 1.1x, which remains well within a prudent range for our manufacturing business of our size and growth profile. While borrowings have increased compared to FY25, this increase is largely linked to working capital requirements and growth-related investments rather than any structural weakness in the balance sheet.

Given the strong **order book**, expansion-led scale-up and maintained profitability profile, we believe the current leverage remains manageable and supports our growth plan.

On **liquidity**, TARIL remains adequately positioned. We ended FY26 with a standalone cash and bank balance of approximately INR139 crores. In addition, around INR145 crores of unutilized proceeds from the QIP remains earmarked for backward integration initiatives. This provides us with additional funding flexibility as we execute our planned capex program. The ongoing expansion at Changodar involves capex of around INR150 crores, while the backward integration program is expected to involve investment of around INR900 crores to INR1,000 crores. We intend to fund this through a disciplined mix of QIP proceeds, leasing arrangement, internal accruals and debt if required. The objective is to maintain an efficient capital structure while ensuring that growth does not come at the cost of the balance sheet discipline.

A key area we continue to monitor closely is **working capital**. As of FY26, stand-alone inventory stood at INR561 crores and receivables stood at INR1,057 crores. Net working capital days increased to around 170 days with inventory days of approximately 85 days and receivable days at 130 days. This reflects the nature of our business where large transformer orders typically involve long manufacturing cycle, milestone-based billing, testing requirements and project-linked customer approval.

Our **backward integration** initiatives are strategically important from a risk management perspective. The new facilities for CTC conductor, pressboard insulation, bushing, fabrication and CRGO are expected to strengthen supply chain control, improve availability of critical inputs, support timely delivery and create cost efficiency over the medium term. Our fully commissioned, this initiative should reduce dependency on external suppliers and improve resilience against supply side disruption.

I would like to sum up my remarks by highlighting that TARIL continues to operate from a position of financial strength. Over the last few years, the company has scaled its revenue base meaningfully while improving the quality of earnings, strengthening net worth and maintaining leverage at a comfortable level. On a standalone basis, the revenue from operation has grown at a 5-year CAGR of 27%, EBITDA at 38% and PAT at 101%, reflecting strong operating leverage and improved profitability across the business cycle.

From a **return profile** standpoint, TARIL has demonstrated consistent improvement in standalone ROCE improved from 11.1% in FY21 to 19.1% in FY26, while return on equity improved from 2.1% in FY21 to 15.7% in FY26. These metrics underline that the company has been able to deploy capital more efficiently while scaling operations.

Thank you. I now hand it back to the moderator to initiate the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Abhijeet Singh from Systematix.

Abhijeet Singh: Sir, first question is on the revenue and execution front. So in Q1, we have seen that the revenue growth has moderated to an extent given the kind of order book we have. And sir, you've mentioned also in the PPT and your remarks that the ongoing expansion at Changodar led to the teething issues in this quarter.

Sir, can this also be attributed to some kind of supply chain issues, especially given the geopolitical climate right now? And some of the sourcing that were challenging during the quarter. So that is my first question. And how to look at it going forward in Q2 and H2.

Mehul Shah: Okay. So as far as the revenue is concerned, that is mainly on account of the lower capacity utilization at the Changodar plant. So we have enough orders on hand. Only thing is that new facilities are yet to commence, and that will be commenced from August '26. And mainly, it will be stabilized from Q3. And as far as the second question is related to the availability of the raw material.

So mostly, we have covered ourselves by procuring this material, say, up to December 2026 till the time our backward integration facilities are up and running. So till that time, we are well covered. So majorly, the geopolitical reason is not affecting much as far as the raw material is concerned.

Abhijeet Singh: Sir, so has our inventory increased a lot at the end of Q1.

Mehul Shah: Yes, we have. Yes, inventory levels are high.

Abhijeet Singh: So that means you might see increased interest cost in the balance 9 months, right? Because of that. We might need more working capital for this to sustain this kind of execution in the next 9 months?

Mehul Shah: Yes. But see, this will be a temporary feature to protect ourselves. And it will be modernized once our backward integration facilities are up and running. So that will start reducing the inventory levels also.

Abhijeet Singh: Right, right. Sir, second question is on the other expenses. So this quarter, we have seen the other expenses on the lower side a little bit. Usually they would hover around 13%, 14%. This quarter is around 12% of sales. And I would expect that some kind of commodity and forex pressure would eat into our margins. So could you explain that why is the other expenses on the lower side in this quarter? Is there a one-off there?

Mehul Shah: No, no, there is no one-off. If you look at our quarter 1 other expense, it is around INR69.74 crores last year. It is around INR66 crores. So there is no major reduction as such.

Abhijeet Singh: Right. And sir, lastly, on the order inflow for the full year. I've seen that we have done very strongly in Q1 in terms of exports. We've got this INR150 crores order from U.S. in that light for the full year FY27, what is our expectation for the order inflow, both from the domestic and the export markets?

If you could highlight also geography-wise, because as far as I understand, there's a lot of good demand for transformers in Europe also. Right? From that perspective, what is the inflow situation for FY27, that we expecting?

Satyen Mamtora: So we would be maintaining about 30% growth rate in both domestic and export market. We are currently looking at the Americas, as we say it, North America and South America and some of the Australian orders where we are very confident that we are going to get a good growth in terms of numbers in transformers.

Moderator: Sure, sir. We take the next question from the line of Subhadip Mitra from Nuvama.

Subhadip Mitra: Just wanted to check on the guidance. I think you mentioned for FY27, 25% increase in revenue and a 16% EBITDA margin. Is that the right number?

Mehul Shah: Yes, that is 25% as far as the revenue and 16% EBITDA margin and 10% PAT margin.

Subhadip Mitra: At the PAT level. Also just wanted to understand that from a slightly longer-term perspective, if we look into FY28 and beyond, what kind of revenue growth and margins do you think are sustainable? And in the past, you had talked about reaching $1 billion kind of a top line at some point of time in the future. So any thoughts on that?

Satyen Mamtora: So the company is constantly working and progressing towards 1 billion by FY'28, FY'29. So we are constantly working on that. We are very confident that we should be able to reach $1 billion by '28, '29.

Subhadip Mitra: Understood. And for FY28, any thoughts on revenue and EBITDA margin?

Satyen Mamtora: We'll get to it when we get there. So Q4, we will give you a clear guideline on FY28.

Moderator: We take the next question from the line of Jainam Vora from Saltoro Investment Advisors.

Jainam Vora: Congratulations on the INR1,000+ crores PGCIL order win.

Jainam Vora: I just wanted to understand the thought process behind that win. I think even the biggest companies, your peers wouldn't have received a single-shot order like that.

So what was the requirement? If you could spend a couple of minutes behind that? And do we see given the kind of energy transition and the opportunity that is there, PGCIL wanting to give such big orders even in future. So that would be very helpful.

Satyen Mamtora: So this order, like we said that we have about INR23,000 crores in our order pipeline with inquiries under negotiation. This was one of them and which finalized in the first quarter. We have many more about INR23,000 crores worth in pipeline. So our win ratio is about 10% to 15%. So we should be winning those inquiries.

Jainam Vora: No, I understand that. I want to understand specific to this order. I think single shot order of this nature would be first for the company and also for the industry, right? So what typically goes into this order? Is it just L1 bidding? And going forward as well, what indication is PGCIL giving to companies like us given the opportunity, if you could explain that?

Satyen Mamtora: So yes, all the tenders that we quote in India are on L1 basis. And I think as far as we have multiple more inquiries with PGCIL, which are under negotiation. So they will take some time.

Jainam Vora: Got it. So we can expect such Ultra Mega Orders to keep flowing in given the opportunity and PGCIL has the appetite to give such orders to companies like us?

Satyen Mamtora: Yes, of course.

Moderator: We take the next question from the line of Shivam Singh from Capital Arc.

Shivam Singh: Sir, I just wanted to understand, sir, in our previous quarter, our employee cost was INR38 crores and this quarter it's INR22 crores. Could you quantify what these changes are?

Mehul Shah: Yes. See, in the last quarter, we have made some provision as far as the ESOP and the MD commission. So that is there in the last quarter. And this year, it is already part of that.

Shivam Singh: Okay, sir. And sir, I had one more small question. Sir, we told that low order margins that we were taking in, we have stopped taking that, and we are going for higher margin orders. But that is not reflecting in our actual business. When do we expect that to kick in?

Mehul Shah: Yes. See, this result, if you look at this EBITDA margin of around 16%. That is consistently we are maintaining in this year, last if you look at Q4FY27, our margins was in that line. Even if you look at our entire number of FY26, that is almost on the same line. So definitely, this will be continue in the near future also.

Moderator: We take the next question from the line of Prathamesh from Motilal Oswal.

Prathamesh: Just wanted to know if you could please provide a breakdown of power transformer order book by rating class. And also which players we compete within each classes?

Satyen Mamtora: So we compete with almost all players in India. Our business starts from 33 kV all the way up to 1,200 kV. So in 33 kV, we have competitors which are small manufacturers from 132 kV to 220 kV, we have competitors like other Baroda-based manufacturers. And then for EHV and UHV transformers, we have competitors which are mostly multinationals.

Prathamesh: Okay. And our INR5,300 crores order book for power transformer, if we were to split it by rating class, which would be the top 2 or top 3 classes and their percentages?

Satyen Mamtora: So we have always fairly spread out amongst all classes. So from 66 kV to 765 kV, they are very fairly spread.

Prathamesh: Okay. And sir, if we were to just check the revenue split of power transformer for this quarter, is it the same? Are we fairly split across classes in that for revenue for power transformers in this quarter? Or are we heavy in some particular segment only?

Satyen Mamtora: So this quarter has been slightly heavy on the 220, 400, 765 kV segment because our Changodar plant is currently going through expansion. By August end, this will be fairly spread across all ratings. So IGTs, distribution transformers, small power transformers, large power transformers, EHV and UHV transformers, all transformers it will be fairly spread across.

Moderator: We take the next question from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: Firstly, congratulations on a good performance in a very challenging condition, sir. Sir, just wanted to clarify one thing. Sir, we mean a $1 billion top line by FY29, right?

Satyen Mamtora: Yes.

Darshil Jhaveri: Okay, okay. And sir...

Satyen Mamtora: We are working on it. We are constantly progressing towards it. FY'29 looks very achievable.

Darshil Jhaveri: No. Fair enough, sir. And sir, with all the backward integration that we are doing, like in terms of margin benefit, what can we see flowing through from FY28? Because most of our facility this year in backward integration will come in the later half, right? So FY28 would be the year with nearly most of it coming online, right? So what kind of backward integration benefit we can see in margins, sir?

Mehul Shah: Yes, it will be basically between 200 basis points to 300 basis points. But see, these facilities will come up in Q1 FY28. So starting from FY28, we will see gradual increase in the margin.

Satyen Mamtora: So the CTC plant will be commissioned by Q2FY27. The Pressboard plant will be commissioned by Q3FY27. And the Bushing plant, which is a large bottleneck for us currently, will be commissioned by Q4FY27.

Darshil Jhaveri: Will be a gradual improvement as scale improves. Yes, fair enough, sir. That's not an issue. Yes. And just the depreciation would hit in FY28, right, sir, like on a bookkeeping note, sir?

Mehul Shah: Yes. Once this capitalization is done.

Moderator: We take the next question from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Thank you so much for the opportunity. Sir, the order flow is almost 200% plus year-on-year, nearly INR2,000 crores plus. Earlier we used to maintain like 18 to 24 months execution time line. But right now, we are taking up to within 30 months as a large order. Is there any changes in the strategic direction for taking orders in terms of time line.

Satyen Mamtora: Most of the orders that we are taking are currently from 18 to 24 months. Since this was a single bid, we call this for 30 months. Otherwise, most of the orders that we are categorically taking are from 18 to 24 months.

Balasubramanian: Okay. This one is exceptional, right, sir?

Satyen Mamtora: This is only an exception right now.

Balasubramanian: Okay, sir. Okay. And secondly, sir, like right now, the global market is shifting towards voltage source converter-based HVDC systems, which are more complex than line-communicated converter systems.

So what is our design strategy based on like LCC, VSC or hybrid side? If you could talk about like I think we are coming with our own process. So how do you look at compared to like some big competitors like Hitachi, Siemens or GE? And what is the estimated...

Satyen Mamtora: We are looking at hybrid. These are basically not patented, but manufacturing secrecy kind of thing. So we would not like to discuss any further on this, but it will be based on hybrid systems.

Balasubramanian: Okay. Any R&D capex required for this, sir?

Satyen Mamtora: Not currently.

Moderator: We take the next question from the line of Gaurav Khemka from Mars Ventures.

Gaurav Khemka: First of all, congratulations for a 10% increase in the revenue and posting a good number. So I just wanted to know about since our inventory is getting increased. So when can we see our inventory getting like the sales and reflecting in our profit and loss statement and getting the cash flows?

Mehul Shah: See, basically, as we told you that looking at the current geopolitical situation in the raw material, we have decided to keep the higher inventory level. So till the time our backward integration facilities are up and running, we will maintain this level, and you will start gradual reduction from, say, from quarter 4 of the next financial year. So till December, we are covered as far as the raw material is concerned.

Satyen Mamtora: So looking at the geopolitical situation, we have protected ourselves until December, and we are pretty much sure that all our backward integration plants will be ready by December. So we have protected ourselves until December in terms of raw material.

Moderator: We take the next question from the line of Vaibhav Mishra from Finvestors.

Vaibhav Mishra: Sir, I have one question. The EBITDA margins that we are targeting for FY27 of 16%, these are excluding other income, correct? These are operational EBITDA margin, correct?

Mehul Shah: Yes. This has been calculated as including other income.

Vaibhav Mishra: So this quarter, we have done 19% and we are guiding for 16% for the whole year we are going to go down below 15% as well?

Satyen Mamtora: No, no 16% at a transformer level. This 19% margin is with including the subsidiary at a consolidated level.

Vaibhav Mishra: Okay. So for consolidated number, margin that you would like to guide for FY27, like-for-like 19% this quarter that we have achieved. What kind of number can we see for the whole year?

Mehul Shah: I think a couple of percent more. 20%, 21% or beyond that.

Vaibhav Mishra: And one small question, sir. Like our orders, how do we protect the margins? Do we have price variation clause or we buy the inventory as orders are received? What kind of model we follow?

Satyen Mamtora: We are protected by price variation clause. But looking at the geopolitical situation, currently, we have stocked up our inventory until December 2026. So that we are protected as we have large orders and we need to execute these orders on time.

We have protected ourselves in terms of inventory. But after December, all our backward integration plants will be functional. So we are pretty much sure that raw material problem we will not face.

Vaibhav Mishra: All right, sir. And one small update regarding Moraiya expansion. I think it was to be completed by Q3. So is that on track, sir?

Satyen Mamtora: No. Moraiya expansion is Q3 2027 and that is on track.

Moderator: We take the next question from the line of Yash Gupta from Asit Koticha Family Office.

Yash Gupta: Sir, my first question on the debt levels. How are we looking at the debt level going forward as currently we have already at INR400-plus crores of debt and working capital requirement to complete this INR6,600 crores of unexecuted order book along with that INR1,000 crores of capex that we are going to build. So how you are looking at the debt number for next couple of years?

Mehul Shah: See, we will not like to increase anything in the debt. As far as the capex is concerned, we have enough cash as well as the QIP money plus we have the arrangement through the leasing. So for capex, we will not be needing much fund. If anything is required, there may be a small debt. But working capital level, we try to reduce the working capital cycle. And from that only, we will generate the additional capital that is required for INR6,600 crores order book.

Yash Gupta: But if you look at like INR150 crores of the QIP money left for the backward integration. But currently, we are at INR400 crores and INR1,000 crores for the current capex. And if like we say 80% on the current uncompleted order book of INR6,600 crores, then INR5,000 crores for debt, so how are we going to manage it for next 2 years?

Mehul Shah: See, basically, INR150-odd crores from the QIP money, we have arrangement for the leasing for the plant machinery. So that capex part is gone. There is no fund requirement as far as the capex is concerned.

And then we may utilize certain internal accruals if required. So the capex will be funded in that line. And the working capital, we would like to squeeze our working capital cycle to generate the additional fund so that we can manage the additional revenue that what we are planning.

Yash Gupta: So this INR1,000 crores of capex, then what would be the number after leasing if we are going for finance leasing?

Mehul Shah: Finance leasing would be roughly around, say, INR500 crores.

Yash Gupta: So we need to spend only INR500 crores then?

Mehul Shah: Yes.

Yash Gupta: Okay. Sir, INR1,000 crores for backward integration, what turnover ratio we can expect on this? I understand that we'll be utilizing this capacity for captive utilization. But what will be the turnover ratio on this INR1,000 crores of backward integration?

Satyen Mamtora: In the first phase, this will be entirely for the TARIL. And in the second phase, we will look to see into the market. There is a third-party sale. So that will roughly give us additional, say, around INR800 crores to INR1,000 crores additional revenue from this.

Yash Gupta: And we can say that 50% for outside and 50% for captive?

Satyen Mamtora: No, this would be around 60%-65% for captive and remaining for outside sale.

Moderator: We take the next question from the line of Avikshit Vijay from Global Consilient Research.

Avikshit Vijay: So my first question is what is the update on the HVDC front? Like last quarter, I remember, we were saying that we were getting into it. And what is the time line that we can expect revenues?

Satyen Mamtora: So HVDC front, I think it will take another 15 to 16 months to get fully into manufacturing HVDC. We still have 9 months to complete our repair work of HVDC. So once we completed our repair of HVDC, then PGCIL will empanel us for the first trial order of HVDC.

Avikshit Vijay: Okay, great. And I think this is a follow-up from the previous participant, the 1 billion revenue target. It means about 50% CAGR from current levels, and we are guiding for 25% right now. So how is this reconciling? I mean I'm not getting the math here.

Mehul Shah: So, see, this 2029 you can say the earliest period, but we will definitely target because see, if you looking at our existing capacity, we can go up to, say, around INR6,000 crores. And this backward integration top line, which will be to the third party, that will be around INR1,000 crores. See, while we had given the target at the 1 billion time, rupee level was different and now the rupee level is different. So we are looking at somewhere around, say, INR8,000 crores.

Avikshit Vijay: Okay, okay. Sure, sir. Yes. And one last question. Why is it that only we are facing a very big slowdown in the revenue growth, while our peers are posting like 50%, 60%?

Mehul Shah: That is because of the lower capacity utilization of the Changodar plant. So that will be by August '26, it will start the capacity utilization. And from quarter 3, it will normalize.

Moderator: We take the next question from the line of Pratham Modi from HPMG Shares and Securities.

Pratham Modi: My question is regarding CRGO steel. The DGTR has initiated an investigation into CRGO steel imports, which could potentially lead to imposition of a provisional anti-dumping duty. Could you share your assessments of the likely short-term and long-term impact on company raw material cost?

Satyen Mamtora: This investigation is currently going on, and we would not like to comment on that right now. But with the requirement that India has in terms of the growth of Indian electricity demands, they may have to relook at what can be done.

Pratham Modi: Okay. So, is there any strategy that company is considering to mitigate a potential impact?

Satyen Mamtora: We are currently just waiting and seeing what the results are. Plus we have already protected ourselves in terms of whatever raw materials that we require. So we are pretty much sure that things will get sorted out by then.

Moderator: We take the next question from the line of Gaurav Shukla from Finvestors.

Satyen Mamtora: Good evening, Gaurav.

Gaurav Shukla: Sir, in your PPT, Page number 25. You have showed the capacity of Moraiya, Changodar and Odhav. 40,000 MVA per annum, 35,000 MVA per annum, 22,000 per annum. Sir, is this capacity present or after expansion??

Satyen Mamtora: It is the current manufacturing capacity.

Moderator: We take the next question from the line of Shrinarayan Mishra from Baroda BNP Paribas AMC.

Shrinarayan Mishra: My question is again on the growth utilization. Basically, Changodar does less than 220 kV transformers. So Moraiya was operational fully. So if you can give like-to-like growth, I mean, for more than 220 kV transformers, what would be year-on-year growth? So we can get some sense of how the like-for-like growth was?

Satyen Mamtora: Shrinarayan, let me put it this way. We're looking at 30% growth in all sectors. The growth in terms of 220 kV is also much beyond 30%. But looking at our current manufacturing capacity, we are looking at 30% growth this year.

Shrinarayan Mishra: No, that I agree. But I wanted to isolate the impact of capacity expansion at Changodar. And after that, what would have been the revenue growth. That's why I'm asking -- more than 220 kV, what would be the revenue growth?

Mehul Shah: See basically, currently, Moraiya is operating at around 60%-65% capacity level. And this would go up to, say, 80%-85% capacity level going forward.

Shrinarayan Mishra: So here also, there was a slowdown. So that's what we should understand. Even in more than 220 kV at Moraiya, the execution was slower?

Mehul Shah: No. It is as per the last quarter only, it is around roughly 60%-65% capacity utilization.

Shrinarayan Mishra: Okay. And why is the utilization lower here, 60%-65%? I mean while other competitors are operating at close to full capacity.

Mehul Shah: There is no major reason as such.

Shrinarayan Mishra: Because the order book is there, but still, I mean, the capacity utilization is low. So not able to understand what exactly is delaying the revenue ramp-up or I don't know. I mean, what is happening here. So while other competitors are posting good numbers. So...

Satyen Mamtora: I think we are pretty much in the same line as the market growth is.

Shrinarayan Mishra: Okay, fine. And just one question related to this only that we would have done higher mix of more than 220 kV transformers given Changodar was impacted. But still our margins are 16%. And when the Changodar plant comes back, is there a possibility this 16% will become 14% or 15%?

Satyen Mamtora: No, there is no possibility. We are pretty much protected in terms of the orders that we have. So there is no possibility that it will go down.

Shrinarayan Mishra: No, I'm talking purely because of the mix. Lower rated transformers will have lower margin, right?

Satyen Mamtora: No. We are pretty much protected and we already have orders in hand of INR6,630 crores. So we are pretty much protected in terms of Changodar manufacturing capacity also is concerned.

Moderator: We take the next question from the line of Rahulkumar Mishra from Antique Stock Broking.

Rahulkumar Mishra: Just one question pertaining to the Changodar facility. So currently, as per the PPT, we see that because of the capacity expansion and modernization activities that is undergoing, the capacity utilization should low at 27%. So once the capacity is up and running, what utilization are we expecting in the near to medium term, like say, for this year as well as for '28 and '29?

Satyen Mamtora: So in this year, the capacity utilization will still be at 60%-65%. And from next year, we will be ramping up the capacity utilization to 80%-85%.

Rahulkumar Mishra: Okay. So this is like similar to what you have said for Moraiya plant?

Satyen Mamtora: Yes. Because even the backward integration plans will come into play by then. So next year, we should be at a better capacity utilization.

Moderator: We take the next question from the line of Bhavya Dedhia from KRIIS PMS.

Bhavya Dedhia: Sir, my question is I wanted to know the outlook for the USA market, what is the volume growth that we see in the USA market for this year? And how are we competing in the USA market? Is it on the basis of quality, price ? On what basis are we competing in the USA market?

Satyen Mamtora: Good evening, Bhavya. So see, in the U.S. market, we are one of the big major suppliers up to 765 kV transformers, and we have a track record of 765 kV transformers for more than 20 years now. So on that basis, a lot of U.S. customers are relying on our quality, our production capabilities and price is also one of the factors that they look at.

Bhavya Dedhia: Okay. And what kind of revenue are we expecting this year from the USA market?

Satyen Mamtora: So our export business will basically be at 10% to 15%. We will not go beyond 15% in our export business. So we will be maintaining that business through the year.

Moderator: We take the next question from the line of Rahul Chandak from Alpha Plus Capital.

Rahul Chandak: So in FY26, we saw increase in trade receivables. So going in this quarter, how has that turned out to be?

Mehul Shah: So as we speak, this receivable level has reduced. As we told in the last call also that there are certain receivables, which has been realized in April. So as on 30 June 2026, this receivable level has reduced.

Rahul Chandak: And going forward, what kind of working capital days are we looking at?

Mehul Shah: So we are targeting on an average, say, 120 days to 130 days.

Satyen Mamtora: Moderator, we'll take last 3 questions, please

Moderator: We take the next question from the line of Basant Bansal from NBG Investment.

Basant Bansal: Sir, my question is around on the top line. Now we are talking of 1 billion. 1 billion means INR9,600 crores approximately. Last year we were at INR2,500 crores. If we add 25% for 2027, we will reach to INR3,136 crores. That means for next 2 year, that is '28 and '29, we will have to add another INR6,500 crores in our top line. So are we sure of those numbers or is there any confusion?

Mehul Shah: So there is no confusion as such. So when we said about $1 billion at that particular point of time, the rupee rate, was low. So we are targeting, say, INR8,000 crores revenue. As we have given in our presentation, through this expansion at Changodar and Moraiya, we will be able to easily achieve around say, INR5,000 crores to INR6,000 crores.

And with this backward integration, additional, say, INR800 crores to INR1,000 crores. So that gives us the up to say, INR7,000 crores to INR8,000 crores by FY'29. So instead of INR9,600 crores, you can look at around INR8,000 crores.

Moderator: We take the next question from the line of Viren Sameer Deshpande from Alphapeak Investment.

Viren Deshpande: My questions have been already answered. I had only one small question regarding this EBITDA margins, which we have been mentioning it is 16% will be hopefully the blended margin. Is it correct? 16% we are mentioning in guidance. Is it for the consolidated entity? I think it is only for the transformer that is standalone, you mentioned?

Mehul Shah: Yes, 16%. Yes.

Viren Deshpande: Okay. That includes other income, but it is only for the standalone entity. And the subsidiaries will have higher margin because last year, our blended margin for consolidated was 17.3%. So, we will be close to that?

Mehul Shah: Subsidiary may be given some additional 100 basis points. So that will be there.

Viren Deshpande: Okay. So overall, the margins will be higher than the last year '25, '26?

Satyen Mamtora: Yes, yes.

Viren Deshpande: For the consolidated company?

Satyen Mamtora: Yes, that is correct.

Viren Deshpande: Okay, okay. Thank you and all the best. Our expansions are really promising, and we look forward to the quick and prompt completion as early as possible. So really, the next 2 years will be very good inflection point for the company. And all the best.

Satyen Mamtora: Thank you, sir. This will be the last question, moderator, please.

Moderator: Okay, sir. We take the next question and the last from the line of Arun from ABDS Capital.

Arun: Okay. So I guess a little bit of a repeat. In the utilization chart that you have in the presentation, Changodar, we understand all the reasons that you mentioned. Odhav is 100%. So my confusion is what was holding back Moraiya to be closer to 100%? That is 57%.

Satyen Mamtora: Arun, there are certain geopolitical issues that we have faced in the past quarter. And that is the reason why we were constrained at 57%. But by now this quarter onwards, we have already protected until December. And with our backward integration plant coming in the play, our utilization will be much higher than this in the coming quarters.

Arun: So Moraiya utilization would really improve after the backward integration comes into play or even before that?

Satyen Mamtora: No, we have already protected ourselves in terms of the raw material for up till December. So this quarter is going to show a pretty good improvement in terms of capacity utilization. And after December, with our backward integration plant coming into play, we will see a much better improvement.

Arun: Okay. So do you think Moraiya could get to something like an 80% by Q3?

Satyen Mamtora: We are working on it. 80%, 85% is not far-fetched.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Satyen Mamtora: Good evening, everybody. Thanks once again for joining the investor call for Transformers and Rectifiers (India) Limited. We hope we have been able to address all your key questions and provide clear perspective on TARIL's performance, growth plans and outlook for FY27.

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

Moderator: Thank you. On behalf of Transformers and Rectifiers (India) Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Satyen Mamtora: Thank you.