



Date: 17th November, 2025

Ref: TARIL/SECT/2025-26/NSE-BSE/COMPL/056

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 the Earnings Conference Call - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Transcript of the Earnings Conference Call with analysts and investors held on 10th November, 2025, to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30th September, 2025.

The said 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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“Transformers and Rectifiers India Limited
Q2 FY26 Earnings Conference Call”

November 10, 2025



MANAGEMENT: **MR. SATYEN MAMTORA – MANAGING DIRECTOR –
TRANSFORMERS AND RECTIFIERS INDIA LIMITED**
**MR. CHANCHAL RAJORA – DIRECTOR FINANCE –
TRANSFORMERS AND RECTIFIERS INDIA LIMITED**

MODERATOR: **MR. SUBHADIP MITRA – NUVAMA INSTITUTIONAL
EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Transformers and Rectifiers India Limited Q2 FY26 Earnings Conference Call hosted by Nuvama Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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 Mr. Subhadip Mitra. Thank you, and over to you, sir.

Subhadip Mitra: Thank you, Bhoomika. On behalf of Nuvama Institutional Equities, welcoming you all to the 2Q FY26 Results Call of Transformers and Rectifiers India Limited. We have with us today the senior management of the company represented by Mr. Satyen Mamtora, Managing Director; and Mr. Chanchal Rajora, Director Finance. I will now hand over the call to Mr. Satyen Mamtora for his opening comments. Over to you, sir.

Satyen Mamtora: Good afternoon, ladies and gentlemen. A very warm welcome to all of you, and thank you for joining us on our Q2 FY '26 earnings call. It is a pleasure to connect with you and once again as we continue our journey of transformation and growth. Earlier on Saturday, our Board of Directors approved the financial results for the quarter ended September 30, 2025, which have been submitted to the stock exchanges and published along with the investor presentation.

Let me share some key highlights and developments of the quarter. During Q2 FY '26, our revenue stood at INR460 crores, with an EBITDA of INR65 crores. The revenue during the quarter was lower primarily due to temporary operational challenges. Firstly, there was a shortage of key raw materials, particularly CTC, and this led to clearance delays and impacted production schedules.

Secondly, heavy rainfalls across several regions affected manufacturing sites and readiness, leading to deferred delivery of high-value projects, and resulting in elevated finished goods and work in progress levels. Margins were also impacted this quarter mainly due to delivery of the last batch of low-margin orders and effect of fixed costs on reduced revenue.

Despite these short-term challenges, the fundamentals of the business remain strong, the company continues to execute its capacity expansion and backward integration projects as per plan. The Moraiya facility is progressing well, while Changodar expansion is slightly delayed due to the monsoon and equipment delivery issues, is expected to be operational in the next quarter.

We deliberately moderated fresh order intake on H1 to align with the extended deliveries, delivery schedules and capacity planning. However, we expect a strong order inflow in H2, with a robust pipeline of opportunities exceeding around INR8,000 crores. For the full year, we remain confident to achieving at least 25% revenue growth over FY '26, with target of around INR2,600 crores with EBITDA margin of approximately 16%.

Before I conclude, I would like to address the matter related to the World Bank project that has surfaced recently. The project in question is nearly back 4 years back and pertains to

transformers supplies made to TCN Nigeria, which was completed successfully with all payments received.

This was a World Bank funded project, and we have not received any communication from World Bank post-2023. In relation to it, we would like to reiterate that none of our current or under discussion orders are funded by World Bank. As process-driven organization, corporate governance and compliance remain at the helm of everything that we do. This commitment enabled us to declare our audited results within just 8 days of quarter close, a testimony to our discipline and transparency.

On behalf of the entire leadership team, I would like to thank all our customers, employees, suppliers and investors and Board members for their continued trust and support to the organization. Together, we are building future-ready organization poised for global leadership in the transformer industry.

I am pleased to inform you that Chanchal Rajora has been elevated as Director of Finance with a larger capacity, and I hand over -- Chanchal has been elevated as Director of Finance, who will be looking after our -- the finances of all our projects. And with the larger capacity, I hand over to him now to take through you the financial details. Chanchal?

Chanchal Rajora:

Thank you, sir, and good afternoon to everybody. And I know that today, when you all are here, you must be having lots of questions about the company and company's performance. I will be happy to address all of this. Thank you, Satyen sir, for the strategic overview and the continuing leadership during what has been a period of steady execution and realm of sense.

I'm also pleased to share that I have been elevated as the Director of Finance with the company, and I would be like to sincerely thank you the Board and management for the trust and opportunities extended to me. It's an honor to continue contributing the TARIL's journey and, therefore, the strength and sustainable growth.

During the quarter, our stand-alone basis revenue operations stood to INR428 crores compared to INR446 of Q2 FY '25. The moderation was primarily due to the temporary supply side of constraint and the deferred projects delivery. I'll be explaining them further during this call. EBITDA comes to INR42 crores against the INR76 crores Q2 FY '25, with the margin affected by the execution of the lower margin orders and also the lower capacity utilization as well as the delay in the deliveries to particular PSUs because of the unreadiness of the sites.

Profit after tax stood INR17 crores. Whereas in consol basis, revenues from the operation stood at INR460 crores compared to INR461 crores of Q2 FY '25. EBITDA comes in INR65 crores in Q2 FY '25, and the profit after tax stood INR37 crores. A very unique feature in this quarter is that all our subsidiaries are doing excellence results.

And the profit from the subsidiaries are increasing year by year and quarter by quarter, which shows that company's backward integration strategy is working very well. And the way the -- the manner the company's plan to come up with the backward integration facilities that has been basically reflected in this particular quarter.

Despite these near-term impact, our financial position remains very strong. We continue to maintain healthy liquidity, with a current ratio of 3.45, and efficient management of receivables and payables. Our focus on the cash flow generation, working capital optimization and the cost control has enabled us to maintain sustainability even during a softer revenue quarter.

The company's balance sheet remains robust, supported by the steady operating cash flow and the conservative leverage profiles. Investment in the capacity expansion and the backward integration are progressing as planned, and are expected to contribute meaningfully to the cost efficiency and margin improvement from mix quarters.

Looking ahead, we expect a significant robust H2 FY '26, driven by the normalization of supply conditions, improved plant utilization and execution of our strong order book. For the full year, we are on the track of achieving at least 25% revenue growth for over FY '25 with an EBITDA margin of around 16%. Our commitment to becoming a net debt-free within the next 18 to 24 months remains unchanged.

Before I conclude, I would like to draw all of your attention to what just MD sir has explained about the World Bank. I would like to add little on this. This World Bank funded orders, we have executed for the TCN in Nigeria. The order quantity was -- the quantity was 70 transformers worth of 24.7 million and all these orders have been executed in FY '22, except with the three transformers, which has got accidented during the discharges in Nigeria, which was rebuilt and resend to them in FY '23, '24.

The 90% payment of entire transformers, we had received in FY '22 itself, and the balance, 10%, we have received in the first quarter of this year, right? Till at present, from our order book, we don't have any single order, which is funded by the World Bank, neither in our inquiry book, any order, which has been funded by the World Bank.

Our company is focused on the India growth history. Company wants to contribute main to Indian growth. We don't intend to increase our exports also, and we don't increase to extend any of the project, which is funded by any of authorities like World Bank or Asian development banks.

In conclusion, I would like to thank our investors, Board members and the team members for their continuous confidence support. We remain firmly focused on financial discipline, sustainable growth and the long-term value creation to all of our stakeholders. With I conclude my remarks, and thank you all once again for joining us, and now I will all -- now let the floor open for the questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from the line of Piyush Kumar from Magnus Hathaway Investments.

Piyush Kumar: Am I audible?

Management: Yes, you are.

- Piyush Kumar:** Yes, my first question is regarding the inquiries under negotiation. So currently, as of Q2, we have around INR18,700 crores of orders under negotiation. So can you just shed some light from which sectors and industries are these orders coming from mainly?
- Satyen Mamtora:** So these are mainly from national utilities and state utilities. Some of them are from GETCO, some of them are from PGCIL, NTPC, and the likewise.
- Piyush Kumar:** All right. So sir, currently, we have around INR5,472 crores of unexecuted order book. So can you just shed some light around -- over the next 2 quarters, how much can we execute out of it?
- Chanchal Rajora:** Piyush, I just addressed this issue that as we said that we are trying to basically achieve 25% over and above what we have achieved in last year. We are hoping that in this next 2 months -- 2 quarters' time, we will be somewhere around INR1,600 crores to INR1,700 crores of execution.
- Piyush Kumar:** All right, sir. Sir, just one last question on the World Bank debarment, sir. What TARIL is doing to clear its image because there are a lot of fear in the market around TARIL now, and the World Bank has debarred. So are there any long-term consequences of this investigation?
- Chanchal Rajora:** Look, there is -- this is no investigation. This is -- World Bank has basically debarred us for not participating in near tenders. As of now, as I told you, we don't have any inquiries or orders which is related to the World Bank. We just -- as you all came to know about this last quarter, we -- last month -- last week, we also came in the last week.
- We are already taking up the matter with the World Bank. And we'll be shortly replying to the World Bank on these matters. As MD has explained to you very well that if our corporate government and processes are not that strong, you would have not able to declare our results within 8 days from the end of the financial year.
- So we are very strong on our corporate governance side and our processes side. We are taking out with the World Bank. Since we were busy in our quarter end and H1 audits. And now -- tomorrow only, we are taking up with the World Bank issue. We are writing them on that and as well as we'll be sending a clarification to the exchange on these regards.
- And I would like to ensure everybody on that, that there is no business, which is going to affect because of this, because as we don't have any issue, then we don't have any business. Also, I would like to add that if we -- look, this order, which we are was up to 2020. We have concluded in 2022.
- Last batch of payment we received in April, May 2026 -- '25. It means this year only. If World Bank had any issue, they would have stopped our payment, but they did not do it and they come up with this now in November. So we also need to address it very category and a very clearly. And I would like to tell you in past also, TARIL has come strongly -- came up strongly whenever such issues has come up. And this time also, we will rebound greatly. Don't worry about that.
- Moderator:** The next question comes from the line of Balasubramanian from Arihant Capital.
- Balasubramanian:** Sir, regarding this World Bank, I think the World Bank...

- Moderator:** I'm sorry to interrupt you, Mr. Balasubramanian, but your voice sounds muffled. Can you please fix your handset?
- Balasubramanian:** Right. Now it's fine, madam?
- Moderator:** It's still muffled. Please speak through phone.
- Balasubramanian:** I'm now audible, madam?
- Moderator:** Yes, sir.
- Balasubramanian:** Sir, actually, World Bank and Vice Presidency, the other dividend signed issued a notice for sanction proceeding on July 30, I think which is your final debarment. I just want to understand these are the inquiry pipeline, which is related to exports nearly 25%. Is there any impact on those export later held pipeline last four to five months? And how is current pipeline is there? And what is your concrete strategy to balance both the domestic demand with the higher margin potential of exports?
- Chanchal Rajora:** Bala, first of all, I would like to tell you that the order inquiry line, what we have as on today is 90% to -- I say, 85% to 90% is the indigenous inquiries, right? And all other inquiries, which export inquiries are there, there is no government entity or there is no World Bank funded or no -- any other funded projects is involved into that.
- So it is not going to have any impact on us, either on the value or on the margin side or any other side. Yes. It is the matter related to the image of the organization, which we are going to take a very, very aggressive with the World Bank. As they said that they have sent a letter to us, the mail to us on July this year, we haven't received that.
- So we are going to ask them that whatever the things are there, we are ready to work with them. And if you've seen that letter also that they have mentioned it that we have cooperated with them in past if anything has come up, right? So we strongly believe that this will be resolved very soon. And as far as the business is concerned, it is not going to affect at all on that.
- Balasubramanian:** Okay, sir. Sir, on the 35 to 40 percentage of revenue comes from particularly transformers, like foreign and rectifiers in these segments having higher margins. And what are the strategy to grow in this segment and is that cross-selling opportunities to the existing to our transformer customers? And how does the growth outlook of likely the major key consumers of furnace or transformers impacting this segment process?
- Chanchal Rajora:** Satyen, sir, I would like you to address this, please?
- Satyen Mamtara:** Sorry, Bala, I couldn't get your question clearly. Please can you come back again?
- Chanchal Rajora:** Sir, he wants to understand that special duty transformers, which is our specialization, how is the outlook of that business?
- Satyen Mamtara:** That business is currently looking very lucrative. There are a lot of projects that are coming up in certain countries, which require these special duty transformers. And apart from one of our

other competitors from Italy, we are the only qualified vendors for this. So the inquiry pipeline for this is close to about INR400 crores, INR500 crores.

Balasubramanian: Okay, sir. Sir, we have guided a 85% to 90% kind of utilization by this year. This plant utilizations, I think we are starting nearly 22,000 MA of new capacities. And if you could share, is there any risk of execution bottlenecks in terms of project delays? And then if we can ramp up this new capacity?

Satyen Mamtara: So the Changodar capacity is slightly delayed by one quarter. But once the Changodar capacity is up and running, I think by end of this quarter, we should be very -- fairly will be placed at a very high because we have orders on those also. And we are currently holding ourselves not to take orders as long as the capacity is not completely up. There are certain unforeseen reasons because of which we have had some issues in completing that project.

Balasubramanian: Okay, sir. So my last question, we are expanding into CRGO processing unit and other...

Chanchal Rajora: Bala, can we please allow others to have any questions? Can you from again, please? Because I'm seeing on the screen there a lot of people are saying that why one person is having so many question. I hope you don't mind.

Moderator: The next question comes from the line of Gayatri from Amity.

Chanchal Rajora: Moderator, can you please ask everybody one question at a time so that other can have opportunity because we are almost 480 people in this call today.

Moderator: Sure, sir. Please go ahead, Ms. Gayatri?

Gayatri: So sir, question is related to the business. I just want to understand, do we have any pipeline updated with World Bank for this INR5,000 crores? Do you have any addition to that?

Chanchal Rajora: No, there is nothing in our order pipeline related to World Bank.

Satyen Mamtara: And not in our inquiry.

Gayatri: So we can say that the entire 18,000 belongs to India only and some other locations apart from World Bank?

Satyen Mamtara: Yes.

Gayatri: Okay. And sir, do you have any update -- I got it. So sir, do we have any other updates related to this quarter as profit has been reduced by drastically. So will be -- it will be covered in the next quarter for October, November, December, do you think it or still we have some issue with the books?

Satyen Mamtara: I think one of the reasons why we have also -- there is some the downturn in the profitability is because we have given ESOPs to our people, and that is one of the reasons we wanted to make sure that everybody is now aligned in the growth of the organization. So organization-wise, we

have taken a decision that we will give ESOPs to everybody and so that everybody is aligned, and that is the reason why you see some downturn in the profitability.

Gayatri:

Okay. I have one more -- one last question. Can I go?

Chanchal Rajora:

Gayatri, just to end up what MD has said and what is your question is that, look, this is one of the quarter. In a long term, when we're talking about the long-term growth in long-term business, one quarter can come like this, where we have a less margin and less profits. But in coming quarters, the profit will again bounce back on to the levels what we have been achieving last three, four quarters.

And I assure that in these quarters, the profits will be much, much higher. You don't need to worry about that, right? There is one addition as we started in this -- from this quarter in our company's books is that, which may have the impact on the bottom line is that earlier August, the company had issued some stock options to around 26 lakh plus stock options to its employees.

And as for the Ind AS guidelines, we have to make the provisions for the expenses, which we'll be having once the options will start getting vested. So around INR3.76 crores impact will come on the -- is coming into the bottom line on that. And every quarter, it is going to come up. So we will be -- from next quarter, we'll be working on that because of some good operational efficiency and some good other returns, we should be able to minimize that one.

Gayatri:

Thanks hope so because I'm invested in since it was trading INR50. But today, I'm getting some fear. Apart from that, we had some issues with the government body last from 3 or 4 years back with some certifications but I'm pretty much sure that company will come up with this issue again with the profitability but hope so that should come up on the early days by next quarter.

Moderator:

The next question comes from the line of Subhadip Mitra from Nuvama Wealth.

Subhadip Mitra:

Sir, just wanted to understand that you did mention that the guidance for this year, we are now looking at a number of around INR2,500 crores, which is a cut from what we were expecting earlier. How much of this guidance cut is because of the delay in the Changodar facility? How much is because of the development of certain projects that you mentioned earlier because of shortage of components, etcetera? And how much of this do you think can be recovered over the rest of the year? And on similar lines, if you can also talk about some color on next year, which is, let's say, FY '27 and '28, how do you see those numbers panning out?

Chanchal Rajora:

Subhadip, very well asked this question. Let's just tell you that, first of all because of the Changodar facility, not much impact has come on the revenue guidance of earlier, around 10%, 12% should be the impact of that. The majority of the impact, what has come, has come because of the short -- because of the short supply of the raw material, particularly on the CPC and bushing side.

Look, when last year, we were not getting the CPC from the indigenous customers, we started importing them, right? And we were the first company to import -- start importing the CPC and

giving it to the indigenous customers. What has happened only this quarter, the government of India has come up with the requirement, obviously, the touch copper has come up.

Then copper, whatever is importing -- needs to be basically have the BIS certification. So it took some time to us to make the customer authorities understand that this does not -- the material, what we are importing does not come under that review. And because of that reason, almost 12 jobs of ours were stuck for quite some time in the custom clearance.

And then we -- with the help of the other authorities, with the help of the Power Grid Letter, we should be able to convince these customs to clear them up. So that has just impacted for the business side. So this is going to be basically save not that much of the trains into the requirements into system is coming up.

We are trying to recover as much as possible in the F2, but you should understand that job are jobs, which has been made. If a job is -- it's not this product is not one day, maybe it's acquired 35 days to make the product. So to say that, that is the reason we are saying that we will be using somewhere from business this year. As far as the next year is concerned, we are very optimistic about the next year. And I don't think that anything going to be changed in the next year. We will be completely on track for the next year business.

Subhadip Mitra: So can I assume that next year's number if I...

Satyen Mamtara: Subhadip, I think next year numbers, we'll tell you in this quarter's Board meeting, first, and secondly, adding to what Chanchal has said, from what I have seen, Changodar plant has made a dent of about 25%, 30% in terms of loss of production, which we will be able to make up in this month because the plant is getting much larger, we'll be able to make some of it in this quarter -- in the next quarter.

Subhadip Mitra: Understood. Understood. And with regard to the bushing and the CTC short supply, because since that supply is not in our hands, can that remain a challenge going ahead?

Satyen Mamtara: So Subhadip, by December or I think September next year, we should have our own CTC plant, which would be doing about 1,500 tons a month up and running. Our RIP in bushing plant also should be in June 1, production should be starting in June. So with all that in place, we should have relatively less issues about CPC and bushing next year. Even our tank manufacturing unit should be up and running in August. So all our new projects will be up and running very soon.

Moderator: The next question comes from the line of Ashish Soni from Family Office.

Ashish Soni: Sir, your 1 billion aspiration target by FY '28, what are you doing to achieve that? And any risk mitigation plan, like I think you said your current expansion for cost are there. What mitigation steps are we taking? And can you highlight on that?

Chanchal Rajora: Ashish, the '28-'29 target still remain the same, and we are under position that we will be achieving that target, right? Look, whatever risk we have foreseen is -- look, whatever risk we are foreseeing, we had already started working on them with having the backward integration

facilities that every year in that way, right? And we hope, as I just -- MD has just explained that by, say, the quarter 3 of next year, all these facilities will be in place.

So that -- to achieve that target, there is no problem. We will see into that. Yes, this quarter, I would like to add that why the Changodar facility has got delayed in results. So one very, very important aspect of this, that in this year, the rates are so huge that almost for 2 months, we did not have any work in that plant.

And then the equipment got supplied because of that -- this rain and all these things, which is basically was not in our hands. We are trying that ASAP. We should be able to conclude that -- those bottlenecks, and we're working out on that. Regarding the material mitigation is concerned that whatever CPC problems we have faced, we have overcome that.

Our customers understood the other things, so we will not have a real problem. And bushing is that we are trying to overcome with finding a new market, new customers, new suppliers of that. And we are making that the government utility should accept those products. So that we will be able to mitigate that. So '28-'29 guidance, we don't see any problems yet.

Ashish Soni: Just add on to this. Do you think you can achieve INR5,000 crores revenue next year if your guidance holds based on what you are telling...

Chanchal Rajora: I'm optimistic on that. I just know that MD sir has said that when we come up in the next quarter with you, we will give you the firm numbers of the next financial year.

Moderator: The next question comes from the line of Mayank Chaturvedi from HSBC.

Mayank Chaturvedi: Sir, on the revenue guidance cut, may I ask, due to this dispatches getting delayed, what are the liquidated damages that we might be looking at from the customer due to these delays?

Chanchal Rajora: Mayank, my apologies, I missed you in the morning. First of all, I was in a flight actually. My outlook to what has happened that, this delay is -- are not because of the other issues, particularly delays are there because of the site readiness and all other issues, right? And the liquidity damages, wherever the delay is there, particularly with the Power Grid, as we are basically under -- we are already accounting for them.

And we are also in touch with them to basically come out with a solution, where if there is a product delayed from our side, there is a product, which is getting delayed from their side also once the site, which is there. So some amicable solution will be there and the liquidity damage are not that much. We are already providing them for. So it won't have any impact on our profitability side. That much I can assure you.

Mayank Chaturvedi: By when you say you're providing for them, you mean you've taken provisions for it in this first...

Chanchal Rajora: Yes. We always -- as per the internal guidelines, our auditor insist us on for the -- any delay supplies provisions and all. So our company have a practice to take care of those provisions. And also when we quote to the pricing and when we quote to the customers, we already take the

risk alignment in discussion, and that is already in build with the price that we give it to the customers.

Mayank Chaturvedi: Okay. And sir, on ESOP stock, can you tell me how much effort was recognized for this quarter?

Chanchal Rajora: INR3.76 crores.

Mayank Chaturvedi: Okay. And sir, I see in the balance sheet, there is a reclassification between noncurrent trade receivables and current trade receivables was about INR340 crores in non-current margin. Can you elaborate on that?

Chanchal Rajora: Mayank, all these noncurrent trade receivables are basically the retention money, which is line with the customers, which we -- which they give us in project completion. And whatever retention money is beyond 6 months, it has been taken into the noncurrent trades.

Mayank Chaturvedi: Okay. But I see that it has been reclassified for the margin also, that's why I ask.

Chanchal Rajora: Yes.

Mayank Chaturvedi: Okay. So you expect that to get realized. And last question on this World Bank debarment, they also noticed to also say that any MDB-funded projects, I mean their debarment will be followed by other MDB funded projects also, somewhere on those lines. So do we have any projects in an order book or in the pipeline right now, which are funded by any development banks?

Chanchal Rajora: Mayank, basically let you explain to you and all, right? World Bank or these kind of entities are basically mainly funding to the project, of which is of the African countries, right, where the African country does not have the money with them and they go to the World Bank or ADB anywhere, right? And most of these projects are either on the side delivery basis or deliver it on the client side or the execution, everything involved into that.

If you've been following it up in, say, in last three consecutive calls, we affirm that we have stopped putting on the delivered side businesses on the export orders. Any inquiry, which has come into that manner, we will stop that because it takes well a lot of time, our capital gets involved into that. Whatever the export opportunities we are offering, we are either offering on the export basis or FOB basis.

So this is -- basically this is -- this will have no impact on us at all. In our present order book, there is no business, which is of the government entities of any of the African countries or any other countries, right? And inquiries also, there is no such inquiry, which is of this kind. Fundamentally, company has decided that we will not go beyond 15% on the export side. Fundamentally, we have decided we will not put any CIF or FOR delivery export order.

And fundamentally, we have decided that we will be more focused on the payment cycle rather than on the volume of the business. So this particular debarment will not affect anything on us. In fact, we are surprised that why World Bank has come after 2, after 2.5 years for that. That is the...

Moderator: The next question comes from the line of Anupam Goswami from SUD Life.

- Anupam Goswami:** First question on the around revenue guidance that we have had, how much Changodar facility falls into that, how much of a volume we can make of...
- Chanchal Rajora:** Anupam, there is background sound is there for you. If you can just move it down and then somebody is talking, I think, around you. So I cannot hear you.
- Anupam Goswami:** Yes, sir. Sir, just -- sorry, sir. Is it better now?
- Chanchal Rajora:** Yes.
- Anupam Goswami:** Okay. Sir, on the revenue cut, how much of the Changodar facility revenue are we are building in second half? And about another 22,000 MVA that we are targeting, what sort of expansion time line we can see?
- Chanchal Rajora:** Anupam, the 22,000 MVA, we are coming up in the Moraiya plant, right? And that 22,000 MVA, just as MD said, that it was in line. And we can say that from fourth quarter -- by fourth quarter, this will be completed, and revenue impact was -- this start coming from the quarter 1 of the next year, right? As the Changodar side is concerned, it's presently around say, around 20%, 25% revenue loss is there because of the delay. But in coming months, that is going to be mitigated on that line. So from next year onwards, both these things will be together.
- Anupam Goswami:** Okay. And sir, when second half, how much of a margin are we looking at targeting? Because this time, the execution also was lower and some deferment has happened. I'm guessing some - - now onwards, it will recover. And so hence, should we go back to the -- our margin what we delivered in the last previous quarters?
- Chanchal Rajora:** Definitely, we will be near there. And we will try to better that up.
- Moderator:** The next question comes from the line of Samarth Khandelwal from ICICI Securities.
- Samarth Khandelwal:** Sir, my question is on margins. So for us to exit, in fact, related for a 16% and looking at around 300 EBITDA we'll have to do in the next quarters. So what factors make you confident in achieving? Could you go over the factors that helped you be confident about achieving this number? And also, secondly, what order book do you look at when exiting FY '26?
- Chanchal Rajora:** Samarth, the order book, I think the MD in his speech has addressed this issue. From the beginning of the -- rather from the beginning of the first board meeting of this year, which was related to the Q4 of last year. We said that when we close this current financial year, we should have order book somewhere close to INR8,000 crores. And we are hopeful that we will be -- rather than we are sure that we will be having that order book.
- Coming to your second question, is this Samarth, there are two fundamental things I would like to address it here. First of all, the confidence of getting that margin is my order book. But the order book, what I have is on a very significant gross margin. So that will be the first parameter. Second parameter is this that the operational efficiencies.
- If I build more and if I supply more transformers, my operational cost is going down, right? My fixed costs will go down only MVA basis. So that will automatically add up into my EBITDA

margins. I'll just give you a small example here. At almost INR80 crores of the transformers, we could not able to fit into the revenue in this quarter because the government sites were not ready because of the heavy rents.

If those were into my revenue in this quarter, my EBITDA margin would be somewhere near to -- close to 16% because these are the high-volume business, and my operating cost goes down because of that. So same levels, the same thing, which is -- I am confident in this quarter, right? The more I will produce and supply more, I will have the margin into that.

And presently, we are, as sir MD has expressed in this meeting, that last batch of old orders has now almost finished up. So now whatever order book we have is on a significant good margin. So that will be the biggest confidence for us to have to reach into the -- to reach into the old margins, rather bettering up.

Samarth Khandelwal: Okay. And sir, any anticipated -- because of the raw material, which was unexpected and why would that not happen again if I have to factor that?

Satyen Mamtara: So we -- Samarth, we have already worked on it. And as Chanchal explained to you earlier, we had imported a few CTC for few reactors and transformers. But because of the delay in customer and explanation to the customer why we needed, this issue had occurred. Now since it is a process now and the customer is also aware of how -- why it is and how it is, the delay should not be there any further.

Moderator: The next question comes from the line of Viren Deshpande from Alphapeak Investments.

Viren Deshpande: I'm Viren Deshpande. See, actually, the inventory in this quarter, as you rightly mentioned, is about INR155 crores. And normally, we have inventory hardly of INR2 crores or about INR15 crores, INR20 crores. At the end of the way also we had inventory of INR49 crores. So as you mentioned that there were delays in execution and the billing. So can you quantify the impact of this in this quarter sale? Had we had the normal inventory?

Chanchal Rajora: Mr. Deshpande, just let me explain you or elaborate more for, right? If you see my inventory, in my inventory, we have INR226 crores of the advanced WIP, and we have around INR79 crores of the -- INR80 crores of this finished goods, right? We generally don't have any finished goods or hardly any finished goods at the end of the quarter because we planned it accordingly. So that our FD does not line here. It got built.

So that's a really detailed process of planning from our side that if it is a FOR delivery, the lower distance supply job should go first. So that by the end of the month, it should reach to the site and we can recognize the revenue. If that case would have been not there, my inventory of WIC as well as the finished goods would have been around INR225 crores instead of INR310 crores or INR320 crores. So would have been INR100 crores would have been add up into the revenue, which is immediately getting added.

Viren Deshpande: And in that is your -- in this quarter?

Chanchal Rajora: Yes.

- Viren Deshpande:** So you expect this INR100 crores turnover which has been postponed in this quarter, which will be billed in this quarter apart from the normal growth we will be having in the third quarter and fourth quarter?
- Chanchal Rajora:** Yes, sir.
- Viren Deshpande:** No, actually the capacity utilization last time you mentioned was hardly 65%. And this year, due to these delays, the capacity inflation must have fallen further?
- Chanchal Rajora:** Yes, sir. Yes, as of particular in this quarter, it has gone down. It has gone down. But we are targeting that once we close this year, we should reach around 70% level.
- Satyen Mamtara:** The other thing is we have already manufactured these transformers. These are either in transit or lying somewhere close to the site and because of Road availability or because of the infrastructure issue that the roads to the site or the road to that specific substation have been washed away. There has been an issue.
- So if you look at it, operationally, we have made this transformer. It is just that because of certain processes and certain rules and regulations, we could not build these transformers. So the operation is still at 65%, 68% but because we could not build it, it is showing less. So in this -- by end of this quarter, you should actually see, whatever we lost in the last quarter will come up in this quarter.
- Viren Deshpande:** Yes. So that INR100-odd crores or something more than that will get added and...
- Satyen Mamtara:** So operationally, the efficiency or the plant utilization has not gone up or down. It is just that there are certain issues which we could not address or which could not have been avoided. We are having this issue. Overall, the whole year, you would look approximately at INR2,600 crores, INR2,700 crores.
- Viren Deshpande:** So on that only, you mentioned that currently, our order book as on 30th September is about INR5,500 crores, 30th September order book?
- Satyen Mamtara:** Yes. Yes. Yes.
- Viren Deshpande:** Because in the presentation, 30th June is mentioned, INR5,400 crores something. So on September and also the order book remains the same, INR5,500 crores.
- Satyen Mamtara:** Yes.
- Chanchal Rajora:** No. Let me clarify. Presentation, I think presentation, maybe it is in 30th June, it might -- 30th September, it might have return 30th June. I need to see on 30th of June, our order book -- look, the thing it is my order book on -- as on 30th of June, was something around INR4,400 crores. I have executed around INR4,500 crores of the orders, and I got new order of around INR600 crores. So INR100 crores difference has come up into this.
- Viren Deshpande:** So the order as on 30th September will be how much?

Chanchal Rajora: INR5,500 crores.

Viren Deshpande: About INR5,500 crores. And we expect to end the year with an order book outstanding of about INR8,000 crores. So we expect significant -- almost INR3,000 plus crores orders in the second half. Is it correct?

Chanchal Rajora: Sir, if you see in my last year?

Satyen Mamtara: Viren, see we have -- this quarter also, we have executed some orders of the previous years that have come with low profitability. And we have learned a lesson that nothing beyond 16 to 18 months, we want to book. Now booking for 2.5 years and at the end of year after 3 years you will ask us why there is less profitability. We are taking a conscious call that we do not want to book anything, which is beyond 18 months, 18 months is also the fastest.

Viren Deshpande: Right. About INR5,000, INR6,000 crores...

Satyen Mamtara: We have taken some conscious calls so that we are efficiently running the organization.

Viren Deshpande: Right. So you -- around INR6,000 crores of order book will be a good target to have order book because that will be about 2 years or 1.5 years. That will be a reasonable thing because the margin is very important instead of only having the orders.

Satyen Mamtara: Yes, exactly. Exactly my point. So we want to curtail our order taking right now, where we are sure that whatever we are taking is executable, and there are no early charges on those orders also.

Viren Deshpande: Because if the delay leads to inflation and again, if you don't get escalation in your order, that becomes a problem and then a disappointing thing. Instead of that, it is better to have reasonable order book instead of having a very large order book and not executing anything. So -- and this a backward integration project of CRGO, which we had initiated about 6 months back, that is going to help us in increasing our operating margins by about at least 2%, it was mentioned. So is it likely to happen in this year or it will happen sometime next year?

Chanchal Rajora: This is Chanchal, it is not only the CRGO. It is basically all the backward integration activities are going to end up 200 to 250 bps in our business.

Viren Deshpande: But when it is likely to happen?

Chanchal Rajora: Sir, say, next year, effect will start coming down.

Viren Deshpande: Next year, from Q1?

Chanchal Rajora: Yes, sir.

Satyen Mamtara: Chanchal, we'll take last few calls and then we'll end the meeting. Chanchal?

Chanchal Rajora: Yes, sir?

Satyen Mamtora: We'll take last few calls and then we'll end the meeting, please.

Chanchal Rajora: Yes.

Moderator: The next question comes from the line of Roy Menez from Flagpoint Capital.

Roy Menez: Am I audible?

Chanchal Rajora: Yes.

Roy Menez: Just a very basic question. I just wanted to understand what was the reason behind letting go of big 4 auditor and appointing an internal auditor as your main strategy auditor? Any plans of going back to a big 4 or more reputed one?

Chanchal Rajora: Sorry, I did not understood your question, sir.

Roy Menez: I'm saying just wanted to understand what was the rationale behind going from big 4 auditor, statutory auditor, to your internal auditor would now become a strategy auditor? Any plan on going back to a big 4 statutory auditors...

Chanchal Rajora: Sir, my internal auditor is Ernst & Young, right? And my statutory auditor is one of the largest auditor of this country, right? So the big 4, we had long back with us and an additional basis, we come -- we changing the statutory auditors. The presented statutory auditor is one of the most reputed auditors in this country, and internal auditor, as I told you, is E&Y. There is no basically leeway from the company that we have moved away from our side.

Roy Menez: Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today's call. I would now like to hand the conference over to the management for closing comments.

Satyen Mamtora: Chanchal, closing comments, please.

Chanchal Rajora: I would like to thank you, everybody on behalf of the Transformers and Rectifiers India Limited. And I would like to also assure all of you that company is into the very right direction. You don't need to worry about a small hiccup which has come in this quarter. This is -- in a long journey, these kind of small, small hiccups keep coming.

And I would like to make you -- all of you comfortable that the organization is working for this -- to build up a great organization, which is going to come up in very near future. And I would like to thank you, everybody for supporting us and request you to keep support us in this entire journey. Thank you very much and looking forward to see you soon.

Satyen Mamtora: Thank you all.

Moderator: On behalf of Nuvama Institutional Equities, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.