



**“Vilas Transcore Limited
H2 FY '25 Earnings Conference Call”
May 22, 2025**



**MANAGEMENT: MR. NILESH PATEL – CHAIRMAN AND MANAGING
DIRECTOR – VILAS TRANSCORE LIMITED**

MODERATOR: MR. AKHILESH GANDHI – STELLAR IR

**EARNINGS CALL HOSTED BY PHILLIP CAPITAL PCG, FOLLOWING
RESEARCH COVERAGE INITIATION BY MR. SRISURYA KALAGARLA**

Moderator: Ladies and gentlemen, good day, and welcome to the H2 FY '25 Earnings Conference Call of Vilas Transcore Limited hosted by PhillipCapital PCG Desk. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Akhilesh from Stellar IR. Thank you, and over to you, sir.

Akhilesh Gandhi: Thank you, Alaric. Good afternoon, everyone. I'm Akhilesh Gandhi, and we are Stellar Investor Relations Manager, Investor Relations for Vilas Transcore. I'd like to welcome you all to the Vilas Transcore Limited H2 and FY '25 earnings conference call hosted by PhillipCapital PCG Desk.

Today, we will be sharing the key operating and financial highlights for the second half and full year ended by March 31, 2025. We are pleased to have with us today the management of Vilas Transcore, Mr. Nilesh J. Patel. He's the Chairman and Managing Director of the company.

Before we begin, I would like to mention that some of the statements made during this call may be forward-looking in nature. These are based on the company's current beliefs, assumptions and expectations. They are not guarantees of future performance and involve certain risks and uncertainties. The company does not undertake any obligation to update these forward-looking statements to reflect any future events or developments. The financial results and investor presentation have already been uploaded on the stock exchange and available for the public.

With that, I now invite Mr. Nilesh J. Patel to share his opening remarks on the company's performance for H2 and FY '25. Thank you, and over to you, sir.

Nilesh Patel: Yes. Thank you, Akhilesh. Good afternoon, everyone. Myself, Nilesh Patel, would like to warmly welcome all of you to today's earnings call. Thank you for your continued interest and support. I also want to thank PhillipCapital PCG for hosting this call. Today, we will discuss the key operational and financial highlights for the 6-month period and full year ending March 31, 2025. Before we deliver into the specifics, I would like to provide a brief overview of our company for those who may be new to Vilas Transcore Limited.

About Vilas Transcore Limited started in 1996 as a proprietary firm and converted into private limited company in 2006. Vilas Transcore Limited is a leading manufacturer and supplier of power transmission and distribution components, primarily serving transformer and other power equipment manufacturers in India and internationally.

Our product portfolio includes a wide range of cold rolled grain-oriented, CRGO electrical laminations such as CRGO laminations cores, slit coils, stacked assembled cores, wound cores and toroidal cores. These components are integral to the efficient functioning of the power and

distribution transformers. We operate from 2 ISO 9001:2015 Certified manufacturing facilities located in Por near Vadodara, Gujarat, with a total production capacity of 12,000 metric tons per annum.

We are pleased to share a major milestone in our growth journey. We have successfully expanded our total installed capacity from 12,000 metric tons per annum to 36,000 metric tons per annum. This capacity expansion is significant leap forward and aligned with our long-term strategy of expanding market presence, supporting growing demand and improving operational efficiencies.

In addition to capacity expansion, we are diversifying our product portfolio with the introduction of 2 new offerings. One is transformer radiator. These are critical components used in transformer to distribute heat and maintain optimal operating temperature. We have commissioned a dedicated line for radiator manufacturing with an installed capacity of 7,200 metric tons per annum.

This addition is expected to enhance our value-added product mix and contribute meaningfully to our revenue growth. The other product is nanocrystalline cores. These are high-performance magnetic materials known for superior energy efficiency and compact form factor. They are used in advanced applications such as EV charger, renewable energy system and high-frequency transformer and energy meters.

With this addition, we are positioning ourselves at the forefront of next-generation power technologies and energy infrastructure. The journey to this milestone was not without its challenges. We encountered delays due to multiple statutory approvals and faced unforeseen flooding at the project site and challenges of very high shortage of labor and skill workers agencies to finish the project. Despite these setbacks, our team demonstrated resilience and remained focused on execution.

Today, I'm pleased to report that all the machineries are at the final stage of installation. Trial production will commence in the next 10 to 15 days. We are on track to begin full-scale commercial operation by July 2025. A key highlight of financial year '25 was full capacity utilization on the existing 12,000 metric tons per annum capacity, total production was 12,069 metric tons per annum due to change in product mix.

This reflects strong and sustained customer demand, operational excellence and efficiency, our readiness to seamlessly scale up our new capacity becomes operational. This track record gives us strong confidence that the recently added capacity will be optimally utilized backed by our growing order book and robust customer pipelines.

Now let me walk you through the key financial highlights for the period. Second half, H2 financial year '25. Total income stood at INR195 crores, reflecting a 27% year-over-year increase. EBITDA include other income was INR31 crores, up 70% year-on-year with an EBITDA margin of 15.7%. Profit after tax stood INR20 crores, up 67% year-on-year with a PAT margin of 10.2%.

Full year financial '25, total income stood to INR362 crores, reflecting a 15% year-over-year increase. EBITDA including other income was INR54 crores, up 55% year-on-year with an EBITDA margin of 14.8%.

Profit after tax stood INR34 crores, up 48% year-on-year with a PAT margin of 9.4%. We also delivered a strong return ratio with ROE at 16.4%, ROCE at 17.7%. Additionally, we remain net debt free, maintaining a healthy and conservative balance sheet structure. And going forward, with our enhanced production capabilities, diversified portfolio and a more resilient supplier network.

Vilas Transcore is well positioned to meet the rising demand in both domestic and international markets, expand into adjacent and high-value product segments, strengthen supply chain continuity, drive sustainable, profitable and scalable growth.

Looking ahead, we remain focused on innovation in product and process, widening our market presence, enhancing operational efficiency and ultimately delivering a long-term value to all stakeholders.

With that, I conclude my opening remarks. Thank you once again for your time, trust and continued support. Moderator, you may now open the floor for the questions.

- Moderator:** The first question comes from the line of Naman Parmar from Niveshaay Investment.
- Naman Parmar:** Congratulations on a great set of numbers. Firstly, I wanted to understand currently in the H2, how much the new product has contributed in the revenue, the nanocrystalline core and the radiator?
- Nilesh Patel:** Sir, that new product, as I mentioned in my opening remarks that all operational is coming from July 2025. Our sales will start from July 2025 for all new products from the new plant.
- Naman Parmar:** Okay. From July, it will contribute. So how much total revenue potential would be there for the radiator and crystalline core?
- Nilesh Patel:** As we said, we have put the plant of 700 metric tons per month, 600 metric tons –so and next - - this financial year, we are targeting to reach to around 300 metric tons per month as in radiator and the lamination is 1,000 metric tons per month. So 12,000 metric tons and 3,600 metric tons for radiator, and 12,000 metric tons for the CRGO is targeted for this financial year.
- Naman Parmar:** And nanocrystalline core?
- Nilesh Patel:** That we will contribute in somewhere around INR50 crores as a value, because that is -- what we described in our tones because the few sales are in the Pieces and sales cells are in kgs.
- Naman Parmar:** Okay. And secondly, any expectation to go into higher class of kV of lamination or we have applied for any PGCIL approval for higher class 220 or 240 kV?
- Nilesh Patel:** After July, we will be able to apply in PGCIL approval.

- Naman Parmar:** Okay. And lastly...
- Nilesh Patel:** First, we will get the approval of 220 kV. Then after a few months, we will go for 400 kV and then we can go for 765 kV.
- Naman Parmar:** Okay. So in the current year, how much capacity utilization you expect from the new plant, the 24,000 tons that you have added?
- Nilesh Patel:** So 50% of the expanded capacity.
- Naman Parmar:** Okay. 50% utilization you will achieve for the new capacity and 12,000 old, you will get 12,000 in the current year also. And currently, how is the CRGO prices and how is it evolving overtime?
- Nilesh Patel:** Pricing with 1% or 2% plus or minus. This time, it is minus with the 2%.
- Naman Parmar:** So any shortage you are not facing currently?
- Nilesh Patel:** No.
- Moderator:** The next question comes from the line of Shridhar Jadhav from JM Financial.
- Shridhar Jadhav:** Sir, just wanted to get a flavor on the movement of raw material prices. So one of your peer competitors, they face certain challenges in procuring raw materials. So just wanted to get the BIS approvals of all the suppliers is in place and we don't envisage any raw material shortage in the coming quarters?
- Nilesh Patel:** We don't see any kind of raw material shortage. We didn't see in this entire financial year, even we don't see for the future also.
- Shridhar Jadhav:** Okay. And so on the capacity utilization, sir, so with this new expansion, when -- so with the coming demand, when can we expect full utilization? So how much time will it take for you to reach 80% to 90% of the entire 36,000 capacity?
- Nilesh Patel:** Sir, I always said in my commentary, this year, we are targeting to get the 50% output of the plant. So 12,000 metric tons we have targeted from this year. And the next financial year, we will reach to 24,000 metric tons from the new plant. First thing to get is 12,000 first for this financial year.
- Shridhar Jadhav:** Okay. Okay. And sir, any plans to forward integrate towards the transformer manufacturing or we try to move across adjacent products?
- Nilesh Patel:** Our company, we are forecasting as a component manufacturing company. We will definitely expand -- we will have new products, add transformer components. We have no plan to go through the transformer manufacturing, Vilas Transcore Limited nor even the CTA also because that business we have done in the past and back in time.
- Moderator:** The next question comes from the line of Arnav Dharamsee from Aashima Enterprises.

Arnav Dharamsee: Congratulations on great numbers. First question is on receivable days, sir. We have seen some substantial increases in receivables and inventory. So if you could just speak on what could be the normalized receivable number days we're looking at?

Nilesh Patel: Sir, normally, when there is a shortage of CRGO, the receivables is around 60 days after our sales. And when there is ample CRGO is available, receivable is 90 days after our sales. So whatever the receivables is there right now is due to a little bit increase in sales because all those receivables are less than 90 days. And as in last quarter, we have a very good sales. So the numbers are higher than the last year. That's the first thing.

Second thing, stock is more because we are setting up the new plant. So we have to build up the little bit of more stocks because now we are the -- in few days, we will start the trial production from our new plant. And from July, we are planning to start the sales from that. So we need to maintain the stocks over there also and which is that we have built up because CRGO is our product, which I go today and I can find -- I'll get it today.

Arnav Dharamsee: Understood. Understood.

Nilesh Patel: These are the reasons. That's why this a little bit receivable is on the higher side as well as the stock is on the higher side.

Arnav Dharamsee: Understood, sir. Sir, second one on the supply side, we have seen some transformer companies come in the CRGO lamination space and they're doing some capex on that side. Do you think that will soften or any kind of margins, so that will be in enhancement because I understand right now, the market size should be 450,000 metric tons for approximately plus/minus. So with transformer companies backward integrating into CRGO lamination, how do you look at it?

Nilesh Patel: Sir, till date, I have seen one transformer company who has done that, TRIL has done that. But even today, we are supplying to TRIL also.

Arnav Dharamsee: Understood. Understood.

Nilesh Patel: Backward integration will not solve the problem because that is not their main business. They will also have our challenges in procuring the material, production and all those things. In spite of that, TRIL has their own manufacturing facility, we are supplying laminations to them even today's date.

Arnav Dharamsee: Okay. Okay. And sir, on FY '27 numbers, approximately, obviously, what would be -- what do you think would be our market share in the overall CRGO industry?

Nilesh Patel: Sir at present, if you see our market share is around 3%, and we are targeting to get that up to around 5% to 6% as we are forecasting around 24,000 metric tons in the next -- this financial year.

Arnav Dharamsee: Okay. I think you had mentioned 18,000 metric tons or 24,000 metric tons, sir?

Nilesh Patel: I said 12,000 from the old plant we are doing and 12,000 to do it from the new plant in this financial year.

- Arnav Dharamsee:** Also we are looking at total utilization of total...
- Moderator:** I'm sorry to interrupt, Arnav. You are done with your two questions kindly rejoin the queue.
- The next question comes from the line of Khadija Mantri from Capri Global.
- Khadija Mantri:** So my first question is I wanted clarification regarding PGCIL approval. You said that you will be receiving approval in July 2025 or July 2026?
- Nilesh Patel:** Ma'am, we will be eligible for the application in July 2025, and it will take direct audit, inspection and everything. So we are expecting in 6 to 7 months to get the approval from the PGCIL.
- Khadija Mantri:** Okay. So within the next 6 to 7 months from July 2025 onwards, you expect that you will get approval for all the higher kV products from 220 to 765?
- Nilesh Patel:** No. No, ma'am. That will be apart from the PGCIL approval. Then after certain supplies and on that performance, they will upgrade our self or they can give us up to 400 kV class at the first plant because our plant is for the 765 kV. But we don't know what will be their strategy, they can give upto 220, or they can give us to directly 400, that all depends at the time of inspections and all those things.
- Khadija Mantri:** Okay. But best estimates by FY '26 end should we have all the approvals...
- Nilesh Patel:** In next financial year, we will get all the approval.
- Khadija Mantri:** Okay. Okay. You mean FY '27?
- Nilesh Patel:** Yes.
- Moderator:** The next question comes from the line of Chetan Vora from Abakkus Asset Manager.
- Chetan Vora:** Sir, 2 questions. I just missed out the reason you gave for the increase in the inventory and the increase in debtors.
- Nilesh Patel:** So you want me to give you again?
- Chetan Vora:** Yes, please.
- Nilesh Patel:** Okay. So increase in debtors is because we have more sales in last quarter as well as there is -- right now, people are asking for a little bit credit as material is available in the market. When material is in shortage, we always take the advance or LCs. But our few customers, those who want on the credit basis, and we have to give them as they are our 20-, 25-year-old customers. So this is around 2 months outstanding, which is normal in CRGO situation -- CRGO business -- whatever we sell monthly, 2 to 3 months outstanding is normal.
- Chetan Vora:** Right. And what about the inventory, sir?

- Nilesh Patel:** Out of that outstanding, we have lots of LC, which we have received material supplied against the LC, but we don't get that discount there. So it shows as a debtors only.
- Chetan Vora:** Right. And what about the inventory, sir?
- Nilesh Patel:** Inventory we have to start this new plant. We have to keep the 1,000 to 1,500 metric tons inventory at the new plant. And earlier, our plan was to start production in April or May. So that's why we have procured the material. Now this -- we are shifting that all materials -- we are waiting for the BIS approval for the new plant, which we have already applied for the inspection to come. So once that approval will come, we have to -- half of the inventory from here to new plant for the process.
- Chetan Vora:** Okay. Sir, about the new plant commercial production, as what you have mentioned, it will be commencing only from the quarter 2 of July onwards, right?
- Nilesh Patel:** Yes. So we will start the commercial production in next month. Mostly billing will start from the next month.
- Chetan Vora:** Right. Right. And sir, what makes us confident that we'll be able to utilize the 50% of the new capacity of lamination and for radiator also, we will be able to utilize at 300 of almost 50%?
- Nilesh Patel:** As far as radiator is concerned, it's about our manufacturing capability and capacity. Market is not a question at all. Regarding utilization, yes, there is a challenge, but we have developed 2, 3 new customers in our old plant, which we have developed for the new plant. Once the new plant will start, we will start supplying material from that.
- And looking to the present market situation and market demand, we don't see big challenge here. Yes, there is a challenge. We don't see big challenge, which we will -- see, in always my commentary, I said next year, we will achieve a INR600 crores of turnover. And financial for year '27, INR1,000 crores. That's I always say.
- So to increase INR250 crores sell in next financial year, we don't find any challenges because even at present, our old plant, we are refusing lots of orders. So once the plant will start, we will definitely start doing from that. And yes, we have lost first 2 months, but we'll recover it in last quarter.
- Chetan Vora:** For nano, you told that it is not possible to quantify in volume terms. So you told that INR50 crores to INR60 crores of revenue, right? From nanocrystalline?
- Nilesh Patel:** Right.
- Chetan Vora:** And sir, can you give us the profitability in terms of the lamination we make like 12% margin. What about the radiators and nanocrystalline cores?
- Nilesh Patel:** Both are more than the lamination.
- Chetan Vora:** But how much more? Would it be 15% to 20% or more than 20%?

- Nilesh Patel:** For nanocrystalline is around gross margin -- EBITDA margin of around 25%.
- Chetan Vora:** Okay.
- Nilesh Patel:** And radiator is around 20%, 22%.
- Chetan Vora:** Okay. And this we will be able to make it from this year itself, sir, or optimal capacity?
- Nilesh Patel:** Yes. We are trying that we will be seeing optimal capacity, but that nanocrystalline is a technological product. We have 2 or 3 products technology we have, which we will start immediately and then the other products we have to develop.
- Moderator:** The next question comes from the line of Prolin Nandu from Edelweiss Public Alternatives.
- Prolin Nandu:** Nilesh-bhai, congratulations on good set of numbers. My first question is on our core CRGO business. Now if I look at your margins, right, you have always guided for, let's say, 11% to 13%, maybe at the top end of our guidance when there is a shortage of CRGO or maybe there is a lower priced raw material, which we have and we enjoy the benefit of it.
- But full year, we have done 14%, right? So is there anything like a one-off here or anything related to CRGO price because of which we have been able to report such high margins higher than our stated range as well? And how should one think about next year margins or a steady-state margins going forward?
- Nilesh Patel:** Sir, CRGO, you can always take -- say 7% as a net margin and 2% to 2.5% than the present what we have achieved. That should be the bottom or base level that is what we have to consider. And when there is a good base and good demand, you can always have 2%, 3% more margin, which we have done in this financial year.
- But the base part in our company is that we are adding up 2 more products, which will definitely contribute helping us overall margin of the company. And in CRGO also, we don't see extraordinary drop or a market in such a condition that you will drop drastically. I don't see.
- Prolin Nandu:** Understood, sir. And one more question or two more questions from my end. When you say that you are very confident, right, of achieving this 12,000 tons number for the entire year, and we have also developed some of the customers. So are we going to replace some of the smaller CRGO lamination companies who are unorganized in nature? And are we gaining market share? Or is it more to do with these companies which are expanding?
- And also on your other businesses, right, radiator in the past, you had -- sorry, the radiator part, in the past, you had mentioned that the peak would be somewhere close to INR100 crores, INR120 crores. So there also, this whole approval, will it coincide with the approval or the testing for our CRGO business? So there also, we can expect a 9-month kind of a run rate for radiator business? Is that assumption correct?
- Nilesh Patel:** Sir, in radiator business, we had already had a visit of 4 to 5 transformer manufacturers and they are ready to do the annual contract with us once our plant will be in operation. So for radiator,

it's about -- because it's a new product for us, how fast we will be able to achieve the quality and deliver to the customer, that's on us, and we have to do that.

Otherwise, market is no problem at all. In CRGO, you can have a 0.001% doubt, but in radiator, we don't have any doubt. So once that plant will be operational, whatever the -- we will develop the capacity slowly, slowly, that will be all fully booked.

And coming forward to the next 1 or 2 years, we don't see that even we will sell the radiator in India. We are going to do this is 100% export-oriented unit, because we put up the plant capacity and everything like that only. So about radiator, we don't have anything in our mind.

Now second thing comes to us 1,000 metric tons per month in CRGO. So if you see, I had promised that in this financial year, we are going to get the INR600 crores turnover. We are focusing that we will achieve -- we are going to achieve 1,000 metric tons lamination from the plant 2. But even if we don't do 1,000 metric tons, we will be at 800 metric tons, we will reach to INR600 crores of the turnover. But we are definitely going -- yes, go ahead.

Prolin Nandu: What I wanted to understand is, will this incremental growth come from clients of unorganized players?

Nilesh Patel: No, no, no. So that's what I'm saying. Our 2 or 3 customers to whom we are supplying, they are expanding in big way. Their manufacturing facility is also coming in this -- come into the picture in this financial year only. And the 2 new customers we have developed. So around 300 to 400 metric tons, we are going to get from these 3, 4 customers only.

And another 400-500 tons we have to source, which might come from the share of another lamination manufacturer. But when we go to all the transform manufacturing, everybody is growing right now. So it's not a question that we will take the share of anybody else. The demand is increasing, and we are complying to them. We are catering to the increased demand. We don't have to cut anybody.

Prolin Nandu: Understood, Nilesh-bhai. All the very best.

Moderator: The next question comes from the line of Krupa Desai from Electrum Capital.

Krupa Desai: Sir, my question was, as you said that radiator and nanocrystalline are high technology products. Sir, have we done any technology tie-up for this?

Nilesh Patel: Ma'am, for radiator, we have a good technical team. We have hired a team last 10 months from the very renowned in India number 1 radiator manufacturing company. For that, we need the skilled labor and everything, which we have tied up.

The second thing, nanocrystalline core. In that we have our small unit in Manesar, where we make this since last 5, 6 years. So the similar product, we have lots of orders, which that unit is very small and not able to cater. So the new -- all the business which is getting imported from China, that will be diverted from in our unit, and we are going to cater from our unit.

So 2 or 3 products which regularly is going on, that is what we will start initially. And once that will be stable, 3 or 4 new products is there for which we have to develop and for the trial error and the technology tie-up or technical guidance we have to take from the companies based in China. So we have all those kind of understanding. They will not come here, but they'll guide us for how to achieve that products and everything.

Krupa Desai: Okay, sir. And right now, all of these radiators and nanocrystallines are imported from China. Is my understanding correct on this?

Nilesh Patel: No, no. Radiators, there are a lot of manufacturers in India. It's not getting imported at all. But the demand is increasing, as I said, as transformer industries is getting increased, their ancillaries are not have been developed. So they are struggling to get -- if you listen the commentary of any transformer company, they are struggling for the parts. They are struggling for the lots of products.

So we are identifying that product and putting up the international level plant, so that when we start that, we definitely get the order if we are making the very good product. And that's how -- and we are sitting into the hub of the transformer. The radiator is a highly transport-sensitive product. So when we will be able to make it here, there are lots of manufacturers to whom we met transformer manufacturer, and they are eagerly waiting that when we will start our unit.

Krupa Desai: Okay, sir. And sir, this quarter, we did a 14% EBITDA margin. So are these margins sustainable?

Nilesh Patel: If we start with these 2 products, yes, it is sustainable. If we count -- as a whole Vilas Transcore, it will be sustainable.

Krupa Desai: Okay, sir. And sir, you have guided in the presentation that next year we'll do 60% to 70% of growth. So sir, what could be the short- to medium-term growth guidance accordingly, if you can provide a ballpark number?

Nilesh Patel: It's the same, you may -- you can say that if we are targeting INR600 crores turnover for the next financial year, the first 6 months has to have INR300 crores. That may be shortfall by, say, INR260 crores or INR270 crores or INR250 crores, and we have to do the INR350 crores in the next half. That kind of fluctuation has to come, maybe come. But definitely INR600 crores, we are going to reach to the INR600 crores for sure.

Krupa Desai: Okay. And sir, in the short to medium term, can we do 30%, 40% in CAGR growth, like in '27, '28?

Nilesh Patel: After '27. Yes, definitely, we will do that because we are not going to speak to these 2, 3 products. We have 2 products -- one more product going on studies, we are studying up for which we will come into the picture after our all study will be completed. So we are going to add up more products as Vilas Transcore has to grow. We are not going to stop anywhere.

Moderator: The next question comes from the line of Vishal Dudhwala from Trinetra Investment Management.

- Vishal Dudhwala:** Sir, congratulations on the strong financial performance. So I had a few questions. How does your current order book looks in terms of sector contribution?
- Nilesh Patel:** Can you repeat your question, please, a little bit slowly?
- Vishal Dudhwala:** How does the current order book looks in terms of sector contribution, utilities, industrial and renewable segments?
- Nilesh Patel:** Sir, we supply lamination to all the transformer manufacturers. So mainly right now, we are having a lot of orders for the power transformers as well as the solar inverter duty transformers, transformer lamination in short. So mainly 60%, 70% to 80% is of these 2 categories.
- Vishal Dudhwala:** And second question, can you please share how much of your total revenue came from the group company, Atlas Transformers, this year?
- Nilesh Patel:** Again, you have to repeat your question.
- Vishal Dudhwala:** Can you please share how much of the total revenue came from your group company transformers?
- Moderator:** Vishal, you're not quite audible. Please move to an area where the network is a little better.
- Nilesh Patel:** Sir you are -- you want to ask that how much is our sales to our Group company. That's what -- is that your question?
- Vishal Dudhwala:** Yes. How much revenue came from your group company?
- Nilesh Patel:** It must be somewhere around 7% or 8%.
- Moderator:** The next question comes from the line of Naitik Mohata from Sequent Investments.
- Naitik Mohata:** So my first question is, is it possible to share our volume numbers for FY '25?
- Nilesh Patel:** Yes. Volume numbers to product, right? Yes. So in this year, the lamination product was 10,814 metric tons, transformer cores was 881 metric tons, slit coil was 158 metric tons.
- Naitik Mohata:** Okay. My second question would be like we are commissioning a big capacity now in July, as you said. So will that raise some cost for us in first half and we could see some margin headwinds for the first half numbers?
- Nilesh Patel:** Sir, you have to repeat your question.
- Naitik Mohata:** Sir, my question is basically, we are commissioning a big facility in the quarter 2 of this year, right? So will be commissioning of that facility will raise some cost for us and we could see some margin pressure especially for the first half.
- Nilesh Patel:** Sir, if I go blindly to increase my capacity, yes, there is, but we don't have such kind of plan. We are going a very systematical way. And we will try maximum that we don't compromise with

our margin, whether we are delayed by 1 month or 2 months in achieving our target. But margin-wise, till that we didn't compromise then in future also, we will not.

Naitik Mohata: That's excellent, sir. Sir, lastly, I believe our total capex is somewhere around INR90 crores, right?

Nilesh Patel: Right.

Naitik Mohata: So can you give us the number, how much total money we have spent as of now on the capex?

Nilesh Patel: So we have spent around INR50 crores till 31st March, because everything is at last stage. So all money will be spent in next -- in this April, May, June.

Moderator: The next question comes from the line of Divesh Tated from Finterest Capital.

Divesh Tated: Sir, I just wanted to ask about the order visibility. You are saying that INR600 crores of revenue for this year. So for radiators, you said that there is full visibility, but for other products like CRGO lamination, are we seeing order visibility there also, sir?

Nilesh Patel: Yes, sir, our customers are fully booked. And -- but in lamination, no once gives you order for the 2 months or 3 months or 4 months, order comes every month. The only two companies we are doing contracts quarterly. So that contract has been done, and we are delivering that material at present to our customers. So usually, we always have an order of 45 to 60 days in hand.

Divesh Tated: Okay. Okay, sir. Got it. And sir, my next question is regarding the depreciation we will be charging for this new plant. If you can give me the number for that, sir?

Nilesh Patel: So it will be somewhere around INR4 crores to INR5 crores additional depreciation next year.

Moderator: The next question comes from the line of Tejas Panchal from Prudent Equity.

Tejas Panchal: So as you said, the nanocrystalline cores have higher EBITDA margin of 25% and this radiator have 20%, 22% EBITDA margin. So I wanted to know what would be our blended margin for next 2 years, where will we settle at?

Nilesh Patel: Sir, somewhere around whatever right now we are sitting, we'll try to maintain that. Some 1% or 2% plus or minus over that.

Tejas Panchal: So around 14% you're saying?

Nilesh Patel: Yes.

Tejas Panchal: Okay. And sir, in FY '25, you have paid 30% in taxes. So why is that? And what tax rate can we expect?

Nilesh Patel: Because we have accounted IPO expense in the first half, which is not going to get fully deduction in income tax. So that's why the rate of income tax is higher. Next year, it will be 25%.

- Tejas Panchal:** Okay, okay. And I had a last question regarding borrowings. So are you going to take any debt for working capital for this new plant?
- Nilesh Patel:** So even if we will require the working capital, we will go for a nonfund-based limit because we import the CRGO, we buy, again sell it. So at present, we don't see because even with the 3,000 metric ton of stock, we are not getting any more debt. So even if we go for the debt in next -- if we require more working capital, we will go with the bank and take the nonfund-based limits.
- Moderator:** The next question comes from the line of Purva Shah from Perfect Research.
- Purva Shah:** Sir, first of all, my question was a follow-up question on the capex that you have done. You mentioned you have spent around INR50 crores. Am I right, sir? Till 31st of March.
- Nilesh Patel:** Yes, right.
- Purva Shah:** Right. But the financials that you have published publicly have a total outflow of INR40 crores and you have sold investments of INR10 crores. So the capex that you have done for this year was INR40 crores and the CWIP on the balance sheet is around INR40 crores. So there was a mismatch of INR10 crores. What is the different there, sir?
- Nilesh Patel:** So out of that INR10 crores, INR7.5 crores is the IPO expenditure.
- Purva Shah:** Sir, I'm sorry if I'm mistaken, sir, but the fixed asset purchased from PFI is INR40.81 crores.
- Nilesh Patel:** Purchase from what?
- Purva Shah:** Purchase of fixed assets, the number on PFI for the cash flow statement is INR40.81 crores. And you mentioned that you have done a capex of INR50 crores for the full financial year till 31st of March.
- Nilesh Patel:** So the INR50 crores is the total expenditure gone from the IPO fund, out of that INR7.5 crores is the IPO expense, INR2.5 crores is the other corporate expense and INR40 crores has been invested into the expansion, which is in line with our prospectus.
- Purva Shah:** Okay. And another question was on the realizations of laminations, radiators and nanocrystalline cores, if you can give a number, sir?
- Nilesh Patel:** So the -- I'm talking about financial year '26. So radiator must be somewhere around INR35 crores for this financial year, nanocrystalline will be INR50 crores and the balance will be the lamination.
- Purva Shah:** I'm sorry, sir. I'm not asking about the revenue. I'm asking about realization per ton.
- Nilesh Patel:** Sir, as I replied in terms of the percentage, I'll not be able to give you exact calculation on the realization per ton. I replied on percentage. So you have to go with that, because steel price may vary plus or minus. We go on the per kg basis, like if we sell the radiator, its cost must be

somewhere around INR130 to INR155 depending on the paint position, compositions and all those things. So realization maybe vary product to product.

Moderator: The next question comes from the line of Anshul Shah from Alfaplus.

Anshul Shah: Congratulations on a good set of numbers. My question is with regards to the CRGO supply. So for the next 1 year with the trade tensions and everything, how do you see that panning out? Do you see there will be a stable supply? Or do you see some changes in supply happening?

Because I think last year, we had some shortages and things like that. So what is your view for the next 6 months to 1.5 years, especially with the trade tensions and everything -- tariffs and everything happening?

Nilesh Patel: Sir, with the trade tension and all those things, material are still coming from the China with the two mills who had got the BIS approval. Even if they will not get the approval and we -- in last financial year, we have assumed that it will not come and we have tied up with another companies to secure our supply. And that tie-up is slowly, slowly, slowly, we are making it very strong.

And when China started, we have imported materials from China also. And at present, we -- I don't see that India will stop China because we are not producing that much of steel what we require. If they will stop, all the power equipment manufacturer will suffer.

Anshul Shah: Okay, okay. And in terms of our -- you mentioned that 50% of the radiator capacity you are targeting for this year. So what kind of top line will we get from that?

Nilesh Patel: Around INR35 crores to INR36 crores.

Anshul Shah: Okay, okay, okay. And my last question was with regards to working capital. We -- I think there has been an increase in our inventory, which is largely because of the -- in anticipation of the new plant. How much additional working capital would you require? Or is most of it already within the cycle already?

Nilesh Patel: At present, whatever the working capital requirement, what we forecast, we have at present. Even if we'll require around INR20 crores, INR30 crores or INR50 crores, if market is slow or market goes down or something, then we will require.

Otherwise, in present scenario, I don't feel that we will require any working capital. Whenever we will require, we'll go to the bank and get the non-fund based limits. But till September, we don't see any kind of requirement.

Moderator: The next question comes from the line of Dhavan Shah from AlfAccurate Advisors.

Dhavan Shah: Sir, so my question is on the new capacity which is 24,000 tons. That includes CRGO lamination and nanocrystalline cores. So can you break it up between these two? How much would it be for CRGO lamination and what it would be for nanocrystalline?

Nilesh Patel: Sir, when we say 24,000 metric tons, that is only for CRGO.

- Dhavan Shah:** Okay. I think in the presentation, it was mentioned that it includes nanocrystalline also, that's why.
- Nilesh Patel:** No, no, nanocrystalline is 20 -- sorry, CRGO is 24,000 metric tons, radiator is 7,000 metric tons and nanocrystalline must be somewhere around 30 to 40 metric ton per month. So, up to INR50 crores. We usually say INR50 crores in nanocrystalline as next year's target. Capacity is all the machinery and all everything is capable to go to INR150 crores turnover, but next year, we are targeting around INR50 crores from the nanocrystalline.
- Dhavan Shah:** Understood, understood. And sir, in radiators, how much volumes you are estimating this year, FY '26? You already mentioned that revenue could be around INR35-odd crores. But in terms of the volumes, what it could be?
- Nilesh Patel:** Somewhere around 3,000 to 3,600 metric tons.
- Dhavan Shah:** Understood. And sir, what is the domestic India requirement of radiators in terms of the market size, if you can share? And who are the other players in the market who manufacture this?
- Nilesh Patel:** I really don't know about more in this radiator because such kind of data is not available. CRGO is a high priced item. So that data is available. Radiator we don't find but when I say that 300 metric ton per month, my two customers require more than that. So if I have to sell 300 metric ton per month it will be around 2 to 3 customers.
- Dhavan Shah:** Okay, okay, okay. So here, the realization is roughly INR100 per kg. Radiator is also -- radiator you mentioned realization of INR130 to INR155 earlier, but if we do reverse...
- Nilesh Patel:** Yes.
- Dhavan Shah:** Okay, understood. And nanocrystalline would be how much realization net-net?
- Nilesh Patel:** Sir, that is our cores which we sell in the numbers. So if you give me the time, I'll tell you that cores will be INR30 per number, INR50 per number, INR60 per number. So the labor, its technicality and all those things mix it in the price. So that is a business which I cannot simply calculate.
- Dhavan Shah:** Understood, understood. And what are your plans to move to the mainboard from SME? When are you planning to move...
- Nilesh Patel:** We have a plan to reach to that INR600 crores, INR1,000 crores. In between, we will definitely think. Whenever our eligibility will be there, we will shift to the mainboard. Once that will be fulfilled, we will shift to the mainboard.
- Moderator:** The next question comes from the line of Jayesh Lad from Centra Insights LLP.
- Jayesh Lad:** I had a question on CRGO prices. Actually, one of your peers mentioned that in the first half of this year, the prices were around INR200 per kg, whereas in November, December, they went up to INR250 and now they are back to INR230 levels or something.

And due to this, they were not able to command that margins. They made around single-digits, 9%, 10% whereas we were able to make around 15% even in H2. So sir, what is the reason? I mean, what are something you are doing differently than they are doing?

Nilesh Patel:

Sir, I don't know what they are doing, but I stick to my basics. I go with the market survey and all those things because there was a panic situation somewhere around -- somewhere around December that two Chinese mills with BIS was opened.

And people were panicked that as now as the China has been opened, the price will be dropped substantially and people started selling in panic, which we did not. Because I had talked to Chinese mill and all those people, higher-ups, and they said that we don't have any kind of planning to sell the low-cost material to India with the BIS approval.

And we stick to our sales price and we struggle -- we have to struggle and we -- as I said, we always work hard, our team work hard, our marketing people work hard, we stick to our price, convincing to the customer and getting the price what we want. Sometimes we succeed, sometimes not, but we don't get panic or we don't get in hurry. We did our market study.

Jayesh Lad:

So sir, during that October and December period, you were able to pass the prices on to the -- your final customer?

Nilesh Patel:

Because there was -- see, when China has started, we talked to the mill and they said, even if we get the approval today, we cannot simply supply materials from today. We have to manufacture. We have to -- we are having our orders in line.

So we studied that this material -- even if today China sells the material, that material will come to the India in somewhere around March end or the April. People get panicked immediately and started selling that now price will be crashed. There was no material in the market. Even if China starts supplying, there was no point that they will be able to supply before the March.

Our customer has also asked lots of time to reduce the price. We said that we don't have a low material -- low-cost material with us. This is our price. Even if China has been open, they did not quote it and even when they quoted, the prices was higher than the Indian price. That was the panic trigger for 20, 25 days. If someone has to manage, I don't know about other people, we managed very well.

Jayesh Lad:

Okay. And sir, just last question. So what would be the current prices of CRGO mother coils that you are importing per kg?

Nilesh Patel:

It is around 3% to 4% lower than what it was earlier.

Jayesh Lad:

Okay. So is this below INR250?

Nilesh Patel:

Sir, this is something which our competitors should not know what is our price and all those things. So I can tell you that the market drop is somewhere around 2% to 3%. And we are able -- all those drop to our customers means we -- whenever there is a low price item is available,

we have reduced our price. And whatever the stocks we were holding at that time, we have sold at the market price only, not at the lower price.

Moderator: The next question comes from the line of Miten Shah, an individual investor.

Miten Shah: Congratulations on good set of numbers and that is evident on the stock price as we see right now. I think everyone in the floor would be happy. Okay. So my first question would be like I saw a disclosure regarding the Amorphous Core dated 11th February, correct?

Nilesh Patel: Correct.

Miten Shah: You're starting the product of Amorphous Core. So I am also an electrical engineer, having worked in corporate life for 20 years in EPC companies and consulting companies, both in India and overseas. But based on my channel checks, I don't see any requirement of Amorphous Core from any of the customers, either in India, from any of the EPC or consulting guys or overseas, especially Middle East. So can I just know the reason for this introduction of new product, whether we have received any inquiry for the same and also the traction that we are receiving for the same?

Nilesh Patel: Sure. At present, there are lots of orders going in Gujarat as well as in south as well as in the north. And we have started up that. We got the little bit late BIS approval. And right now, we are selling that. We have full order book for the next 2 to 3 months.

Miten Shah: So for the Amorphous Core, you're saying, right?

Nilesh Patel: Yes.

Miten Shah: And my second question would be like, what will be the percentage of exports of -- for overall revenue, contribution of exports? And how much of it is to U.S.?

Nilesh Patel: So we have started exporting last year only, and we contributed around 2% of our total revenue in last year. Out of that, there is no export in U.S. All of this is in Europe and Gulf countries.

Miten Shah: Okay. And what is the target going ahead? Any target to increase this percentage contribution?

Nilesh Patel: This year also, we are going to do 2% to 3%, which will be for the total numbers of 22,000 to 24,000 metric tons.

Miten Shah: Correct, correct. So my last question would be like what will be our asset turnover ratio from the capex that we did just right now. Like I guess we had a IPO process of INR95 crores, so say suppose around INR75 crores, we did capex and rest will be for general corporate purpose, what is the total asset turnover ratio that we could expect from this new expansion?

Nilesh Patel: It will be 10x, sir.

Miten Shah: 10? So say, we had an expansion of about INR75 crores say for this plant, so INR750 crores is the block value that we can expect from this expansion? Is that understanding correct?

- Nilesh Patel:** Yes, yes. In finance year '27.
- Miten Shah:** Yes, yes, if it is fully functional, 100% utilization.
- Moderator:** The next question comes from the line of Arnav Dharamsee from Ashima Enterprises.
- Arnav Dharamsee:** Just wanted to understand one thing. Are we seeing any China Plus One demand coming in because of geopolitical tension or just supply chain -- just if customer want to diversify the supply chain, anything on that?
- Nilesh Patel:** So the China plus effect was there initially stage, lots of transformer orders was diverted from China to India. Even in our transformer company, we got few order which was earlier, some customers gave it to China and then they had diverted to us. But again after -- in the last 10 days or something, the things have been changed a little bit. Again, China has started exports.
- So yes, we can get the benefit but we cannot assume that, yes, it will be the boom kind of thing. And frankly speaking, we don't need that also. India has its own requirement, lots of requirement. And the plants which are for the renewable energy and everything, all transformer companies right now, their present capacity is fully booked.
- Arnav Dharamsee:** Okay, okay. And sir, second question is, say, by FY '27 next -- 2 years later, what kind of export percentage will we be looking at for our overall sales?
- Nilesh Patel:** Sir, we are trying maximum to get the exports. Right now, we have our presence in Gulf and Europe. After this plant will started, a few customers from the U.S.A. will be started. So we are not -- what you can say, boost up it, but somewhere around 5%, 10% in the next 2 years, we'll definitely do exports.
- Arnav Dharamsee:** Understood. Understood, sir. And will there be any possibility of the plant visit going ahead?
- Nilesh Patel:** Yes. After July, you can visit any time.
- Arnav Dharamsee:** Sure, sir. We'll get in touch with the IR agency for the same.
- Moderator:** The next question comes from the line of Prolin Nandu from Edelweiss Public Alternatives.
- Prolin Nandu:** Two questions. One is that just curious to know while you -- I mean is our core original facility approved by PGCIL. And any reason why to probably not go or go for it, right? That's my question number one.
- Nilesh Patel:** Sir, that original capacity approval was for the toroidal cores, not for transformer lamination. So that toroidal core supply is still going on, and that is a -- PGCIL approval is always unit to unit. So that our unit #1 is approved by PGCIL for the toroidal cores.
- Prolin Nandu:** But you manufacture the laminates also from unit 1, right?
- Nilesh Patel:** This PGCIL approval always comes for the product to product.

Prolin Nandu: Okay. So in -- from unit 1, the laminate that we sell are not PGCIL approved. Am I correct? Is that understanding correct?

Nilesh Patel: We have two units. One is unit 1 from where we are supplying the toroidal cores maximum. And for that, 220 kV approval is there. Then the second one is unit 2 from where we supply the lamination which that unit does not have PGCIL approval. So when we are starting up unit 3, we have to take it from the scratch.

Prolin Nandu: Correct. So, no, no, I just wanted to know — was there a reason we didn't apply? Was it that our customer didn't require it, or that the capacity at which we were selling didn't require PGCIL?

Nilesh Patel: Unit 2 was not adequate or it was not -- didn't have dustproof area and all those things. So we should have -- even we have applied, it would not have been passed.

Prolin Nandu: Understood, understood. Right, right. And sir, second question would be, you mentioned that you are not going to probably stop at these three products, right? So is it that you want to stay within laminates and there we will see what is the bill of material, whatever part goes into transformers, for example -- not laminates, transformers, right?

How do you decide, right, which segment within transformers to get into? And you want to stay within transformers and also in terms of your personal bandwidth, sir, in managing things, right? Now we are almost tripling our capacity in CRGO laminates, adding two new products as well.

So by when do you think you will be in a better position in terms of your bandwidth to think about getting into anything beyond these three products? And how -- what is your thought process to decide as to which product to get into?

Nilesh Patel: So usually, we make small, small goals and parallel our one team is working for some studies for the other products. So right now, our first goal is to reach to INR600 crores in this year. And by maintaining the same profitability or better profitability, that is our first goal.

In parallel, we are planning for one more product for which parallel study is going on. Once that data and everything will come, we'll talk to the customers what is their future plan, what will be their requirement, who are the players in that field, what is the requirement, how people are getting it, what is the margins, all those study is going on.

We have hired two people for that particular project. And once that will be done, we will announce that, that we are going for that. And of course, we have to see our financials also for that. But we do in that way only.

Moderator: The next question comes from the line of Rajesh Jain from RK Capital.

Rajesh Jain: So this year, you had a higher other income because of the funds lying in your bank is around INR9 crores of other income. So what will be the trajectory of other income, keeping in mind the funds utilization plan? Will it come down from INR9 crores to, let's say, around INR2 crores?

- Nilesh Patel:** No, INR9 crores to somewhere around INR4 crores to INR5 crores. Because that all the income is not from the IPO funds. We have our company's fund, which has been invested in FDs and around INR4 crores to INR5 crores interest we are going to get from that every year.
- Rajesh Jain:** Okay. And sir, can you give some insights on your ability to pass on raw material prices? And also like how are the steel prices trending, whether they are low or high compared to their historical rates? And how are the prices of your finished products agreed on with your customers? What is the escalation clause for the raw material? How have you structured it?
- Nilesh Patel:** So usually, we have a few customers with whom we are doing quarterly agreement, which is based on our imports and our values and everything. We sit together, we decide the price and we close the price, which is, of course, in line of the market price. But it all depends that when you go to sell the lamination, customer will always ask for the lower price and what you want to sell about your price and how much you are getting trapped into the customer's counter offer. That all is a one-to-one situation.
- But we definitely -- in my last 30 years, whenever there is a price escalation or price drop down, customer supports us because we have long-term customers. Even when we do contracts with the big companies, we make sure that whenever there is a price drop, they buy the same price what is the contractual price.
- Rajesh Jain:** Okay. No, so price drop -- okay. So if the raw material prices increase, so you are able to pass on the prices to your customers with a lag of...
- Nilesh Patel:** When there is a raw material price increase, we have our stocks. We don't have to buy at the higher price and sell at the lower price.
- Rajesh Jain:** Yes, that's correct. But eventually...
- Nilesh Patel:** No, no, no. There are two kind of working policy. One, we keep a few customers with whom our prices are fixed. We keep fishing on the everyday quotation and everyday order booking. So whatever we do on every day basis, that is a plus or minus compared to market situation or market sentiments. But whatever we do is a fixed price -- is a fixed price business. And we balance all those things and manage our prices.
- Rajesh Jain:** So the fixed prices, do you reset like every year? Or how do you renegotiate?
- Nilesh Patel:** Quarter.
- Moderator:** The next question comes from the line of Aditya Trivedi from Nepean Capital.
- Aditya Trivedi:** So a question I had was as you all gain approval from PGCIL for providing CRGO laminations for higher kV transformers, will you all have a higher realization per metric ton? And if so, what would the approximate lift in realization on a percentage basis be?
- Nilesh Patel:** I don't think that there will be a higher realization, but yes, the volume will be the immediate increase. That's the only one benefit.

- Aditya Trivedi:** Okay. And on this INR1,000 crore FY '27 top line projection, what do you expect the blended EBITDA margin to look like given that the two new products are at 22% EBITDA and the other one at 25%, what does the blended EBITDA look like, EBITDA margin?
- Nilesh Patel:** We can say it's somewhere around 13% to 14%, anywhere between 12%, 13%, 14%.
- Moderator:** The next question comes from the line of Shrey Gandhi from CR Kothari Stock Broking.
- Shrey Gandhi:** Congratulations on the very good set of numbers. My first question is regarding raw material sourcing. What percentage raw material is imported versus what we locally sources from India?
- Nilesh Patel:** Sir, your voice is not clear. Can you repeat the question?
- Shrey Gandhi:** Yes. My question is regarding the supply chain issues of raw material. Like how much are you importing and what is -- what percentage is locally sourced?
- Nilesh Patel:** Sir, that all depends on the time to time and price to price. At present, we have somewhere around 60% local purchase and 40% import.
- Shrey Gandhi:** Okay. And is there any major difference in the price of locally sourced over imported?
- Nilesh Patel:** Yes, of course, when you import, it is a lower price and when you source locally, that is a higher price.
- Shrey Gandhi:** It's mainly from Japan, North Korea or any other country as well, the imported materials?
- Nilesh Patel:** It comes from Germany, Japan, Korea and Russia.
- Shrey Gandhi:** Okay. And what is the competitive landscape right now in the industry for CRGO?
- Nilesh Patel:** What competitive? I don't understand your question.
- Shrey Gandhi:** Competitive landscape in the CRGO industry currently?
- Nilesh Patel:** Competitor? You are talking about competitors?
- Shrey Gandhi:** Yes, who are the competitors?
- Nilesh Patel:** Yes. So there are Amod Stampings, then Vardhaman Stampings, KRYFS Power Components, Mahindra, Jay Bee Laminations, few are the competitors.
- Shrey Gandhi:** So are we facing any major -- fierce competition in terms of market shares shrinking or something with the competitors and peers in the market?
- Nilesh Patel:** As I said, there is always a competition. From the very first day we started the business, there were -- every transformer manufacturer keeps four, five suppliers or two suppliers. So they compare the price, they compare the quality, they compare the delivery, service and all those things.

- Moderator:** The next question comes from the line of Ankit Soni from Sharekhan.
- Ankit Soni:** Congratulations for a good set of numbers.
- Nilesh Patel:** Yes, thank you.
- Ankit Soni:** I just wanted to understand on the radiators market, how is the market around? And what would be the statistics? And what would be the competition? How is the competition intensity? It's more organized market or it's more a nonorganized market? And also -- would also better if you highlight what would be the major competitors out there?
- Nilesh Patel:** So this is right now based -- mostly unorganized market. There are only 2 to 3 big players in all around the India, and they are more focused on the exports. They don't sell even in India. So all the transformers manufactured in India has to end up with the unorganized market.
- And if you talk about volume wise, I don't know, but radiator does have a cost of somewhere around 2% to 2.5% to 3% of the transformer cost. So that's market share and mainly it is in unorganized and sectorial. So we are putting up a plant where we can be focused ourselves as an organized standard radiator manufacturer.
- Moderator:** The next question comes from the line of Vishal Dudhwala from Trinetra Investment Management.
- Vishal Dudhwala:** So how are you positioning yourself against established international players in export market specifically in terms of product quality, pricing and delivery capabilities?
- Nilesh Patel:** Product quality and delivery capabilities, we always have, and we take the order only what we can deliver. So we never faced those kind of questions where we take the order and we are not able to supply in terms of quality or delivery. So that's the first thing.
- Second thing, there is lots of competition when you go to international and the main competition is from China. So that's why whenever I say I always don't forecast bid for the export market. But yes, once our plant will start, we will definitely start in Canada and U.S.A. and if we get the better margin from there, we will increase our quantum over there. Right now, we are supplying to Europe and Gulf, which -- where we have to compete with the China.
- Vishal Dudhwala:** And what about pricing power? Like how expensive or cheap you are as compared to your international competitors?
- Nilesh Patel:** Sir, we are not cheap. We always take the orders on our quality and delivery basis.
- Vishal Dudhwala:** My question was, like if China players is selling products at INR1,000, so at what cost you are selling? Like it is INR1,100 or same as Chinese product?
- Nilesh Patel:** So if China is selling at INR1,000, sometimes if we can sell at INR1,000 with our profit, we match their price. If we don't, then we ask for INR1,050. If we get on our delivery and quality basis, we get that order. If we don't, then we lose that order.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Nilesh Patel for the closing remarks.

Nilesh Patel: Thank you all for being part of our conference call and for actively participating in the call. We appreciate your support and trust in us. We hope we have been able to address most of your queries. In case of further queries, you may reach out to our Investor Relation Advisor, Stellar Investor Relations. Thank you. Have a good day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Nilesh Patel: Thank you.