



**"Vilas Transcore Limited
H1 FY'26 Earnings Conference Call"**

November 14, 2025



**MANAGEMENT: MR. NILESH J. PATEL – CHAIRMAN & MANAGING
DIRECTOR, VILAS TRANSCORE LIMITED
MR. AKHILESH GANDHI – STELLAR INVESTOR RELATIONS**

**MODERATOR: MR. SRI SURYA – PHILLIPCAPITAL (INDIA) PRIVATE
LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the H1 FY26 Conference Call of Vilas Transcore Limited, hosted by PhillipCapital PCG.

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 this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sri Surya from Phillip Capital PCG. Thank you and over to you, sir.

Sri Surya: Thank you, Tricia. Good afternoon, everyone. Welcome to the H1 FY26 Earnings Con-Call of Vilas Transcore Limited.

Today, from the management, we have Mr. Nilesh J. Patel, Chairman and Managing Director of Vilas Transcore.

Before we pass on to Mr. Nilesh ji, a small word from my counterpart, Akhilesh. Over to you, Akhilesh.

Akhilesh Gandhi: Good afternoon, everyone. I am Akhilesh Gandhi, and we at Stellar Investor Relations manage investor relations for Vilas Transcore. As Surya rightly welcomed you, I would also like to welcome you all for the Vilas Transcore Limited's H1 FY26 Earnings Conference Call, which is hosted by Phillip Capital, and I would like to thank Sri Surya and Phillip Capital for hosting this call.

Today, we will be “Sharing the Key Operating and Financial Highlights for the First Half-ended September 30, 2025.”

We are pleased to have with us today the management of Vilas Transcore Limited, Mr. Nilesh J. Patel. He is the Chairman and the Managing Director of the Company.

But before we begin, I would like to mention that some of the statements made in 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 the 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 the Investor Presentation have already been uploaded on the stock exchanges. Hope you would have seen that.

With that, I now invite “Mr. Nilesh J. Patel to Share his Opening Remarks on the Company's Performance for H1 FY26.” Thank you and over to you, sir.

Nilesh J. Patel:

Good afternoon, everyone. Myself, Nilesh Patel, would like to warmly welcome all of you to today's earning call. Thank you for your continued interest and support. I also want to thank Phillip Capital PCG and Sri Surya for hosting this call.

Today, we will be discussing the Key Operational and Financial Highlights for the Six Months Period ended September 30, 2025.

As you are aware, we at Vilas Transcore Limited are a leading manufacturer and supplier of power transmission and distribution components, primarily serving transformer and other power equipment's manufactured in India and internationally.

We were operating from two plants located in Vadodara, Gujarat, with 12,000 MT per annum capacity, which was being utilized to the full.

We carried out an IPO in May 2024 to raise funds for major expansions to set up a new plant to add 24,000 MT per annum to our capacity.

We are happy to share that the first phase of the commercial production at our new plant for CRGO Laminations and Nanocrystalline Cores began on July 25, 2025.

Further, in line with our vision to become a one-stop shop for all components and ancillaries of transformers, we have ventured into radiator manufacturing as well. The start of the radiator production was slightly delayed due to the power connection issues, but we are pleased to inform you that it has been resolved and radiator plant has now come in and trial production is underway.

We can now say that we now operate from three ISO 9001-2015 certified manufacturing facilities located in Por, near Vadodara, Gujarat, with a total production capacity of 36,000 MTPA of CRGO Lamination and 7,200 MT per annum for Radiators.

With these, our product range now includes CRGO Laminations, Transformers, and Amorphous Cores, Nanocrystalline Cores, and Radiators, all designed to enhance the efficiency and reliability of transformers.

We continue to upgrade our technology and improvement quality to deliver dependable high-performance products for our customers in India and overseas.

Further, as a part of our strategy to broaden our product portfolio and move into higher-value electrical components, we are now expanding into manufacturing of PICC and CTC Copper

Conductors. This marks a significant step in strengthening our presence across the transformer value chain and aligning with the growing demand for energy-efficient power systems.

New facilities will be located within the Unit-III premises, and we will have an installed capacity of 1,500 to 1,800 MTPA in Phase-I.

The estimated capital expenditure of INR 25 to 30 crores will be financed through a combination of internal accruals and term loans.

Installations are expected to be completed by end of March 2026, and after trial runs, the commercial production is expected by May 2026.

We also plan to expand the facility to include Busbars and Seats with higher production capacities in the second phase.

The new venture complements our existing product line in CRGO laminations, radiators, and nanocrystalline cores, positioning us as a more integrated supplier to the transformer and electrical equipment industry. It will primarily cater to transformer OEMs, EPC conductors, and electrical equipment manufacturers, enhancing our market reach and customer engagement.

Before we move to discussion of financial performance, let me take you through the industry's dynamics. We continue to see noticeable volatility in CRGO prices mainly driven by changes in global steel market and Indian political scenario.

The recent opening of a BIS of Chinese mill into the Indian market has brought a major shift, helping reduce import dependency, and improve local availability, while intensifying price competition among domestic players, which is putting some pressure on margins.

Over the past few months, CRGO prices have declined by nearly 15-20% from their previous highs, reflecting the impact of increased supply and market adjustments.

At the same time, demand from transformer manufacturers remains strong, supported by the continued expansion of power transmission and distribution networks across the country.

The government's focus on renewable energy integration, grid modernization, and the replacement of aging transformer plates is further driving production growth.

The sector is also benefiting from the steady rollout of large solar and wind projects with more than 21 GW of new solar capacity added in the first half of FY26.

This growth is translating into consistent order inflows from utilities and EPC players, who are ramping up procurement for upcoming transmission and corridors, green energy projects, and substation upgrades.

With rising industrial power consumption, ongoing rural electrification, and strong investment from both public and private sectors, CRGO demand is expected to remain firm over the medium to long term.

With robust demand, we remain confident for achieving our targeted volume growth of 30-40% going into the next half of the year, which will be translated to 35-40% growth in revenue.

Despite the falling CRGO price and with our specialized skills in inventory management and marketing strategies, we remain confident of fairly maintaining our margins as well.

Our investor presentation slide has already been uploaded on NSE website post our results meeting yesterday.

So, let me just quickly walk you through the “Key Financial Highlights for the Period.” First off, revenue from operations stood INR 229 crores, reflecting a 41% year-over-year increase.

EBITDA excluding other income was INR 31 crores, up 74% year-on-year with an EBITDA margin of 13.6%.

Profit after tax stood INR 24 crores, up 74% year-on-year with a PAT margin of 10.7%.

Additionally, we remain net-debt-free, maintaining a healthy and conservative balance sheet structure.

And going forward with our enhanced production capabilities, diversified product portfolio and a more resilient supplier network, Vilas Transcore is well positioned to meet rising demand in both domestic and international markets, expand into adjacent and high-value product segments, strengthen supply chain continuity, drive sustainable and 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 questions.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Garvit Goyal from Nvest Analytics Advisory. Please go ahead.
- Garvit Goyal:** Hi, I am Garvit Goyal. Good afternoon sir and congrats for a decent execution. Just want to understand more on the CRGO conditions or environment right now. Although the prices have fallen significantly in the recent times, so what is your take on right now -- are you seeing the prices to be bottomed out from here or what is the story from here likely to be? That is my first question.
- Nilesh J. Patel:** So, at present, it seems to be stable. In future, I am not aware, but at present, it seems that it is not bottomed down, but maybe 5% or 10% more decline can come and that will be the bottom-line.
- Garvit Goyal:** Understood. And secondly, on our bottom-line, we did around INR 24 CR of impact in the first half. So, I just want to understand more like I agree that the CRGO prices are falling, so revenue projections can be here and there, but on the bottom-line perspective, do you expect H2 will be better than H1 in terms of bottom-line like we did in last year?
- Nilesh J. Patel:** Most probably, it will be because now our two more products, Nanocrystalline and Radiator also will be coming in picture. So, we expect that has to be better. In terms of CRGO, we are well-placed. We reached the market very well in first half, and for second half, our preparation is in such a way that it would not affect to us and maybe we will be in a better position.
- Garvit Goyal:** Got it, got it. And lastly, on this Copper entry, what can be the peak revenue that we are targeting right now with the initial CAPEX that we have announced?
- Nilesh J. Patel:** Sir, that all depends on the prices of the Copper but at present value, it will be anywhere between INR 150 and INR 200 crores and this is a pilot batch project that particular line in which we are entering has a very big vast field for the future. So, we did it on the pilot basis and once we will achieve that, we will be okay with the product facility and then we will take the next phase of expansion.
- Garvit Goyal:** Got it. And sir, in the PPT, you have mentioned four customers for transformers, right? So, can you share like who is the biggest one for us and who is the second one, third one like that?
- Nilesh J. Patel:** Sir, at present the biggest one is Voltamp Transformers. The second is Electrotherm, and then we have Shilchar Transformers, along with one or two more. But as of now, I can say the number one customer is Voltamp Transformers.
- Garvit Goyal:** So, are you seeing any kind of slowdown in the demand because I think Shilchar is more towards export-oriented and maybe they are doing export to US as well. So, maybe affected by the tariff thing right now. So, are you seeing any kind of slowdown there on?

- Nilesh J. Patel:** Sir, I do not see any slowdown in transformer industries. In fact, after six months, there will be again a shortage of transformers, because the way the big players in India are coming up with the requirement of the transformers, at present, lots of people are searching the new vendors because the existing transformer manufacturers are not able to give them the transformers.
- Garvit Goyal:** No, I am not speaking about India, sir, I am particularly speaking about the export part, that too essentially to the US maybe because of tariff -?
- Nilesh J. Patel:** As far as Shilchar is concerned, if you just see its balance sheet and you can check it out, I do not think there is a drop in the requirement, they are continuously sending us the requirement, we are doing the business and there is no drop down in the requirement or not export transformer laminations requirement or something. Transformer value in India and transformer value in USA has a very, very big difference. So, 30-40% in tariff does not make USA competitive in particularly field of transformer.
- Garvit Goyal:** Got it, sir. I think that is it from my side, sir and all the best for the second half.
- Moderator:** The next question comes from the line of Naman Parmar from Niveshaay Investments. Please go ahead.
- Naman Parmar:** Good afternoon, sir. Congratulations on a great set of numbers. So, firstly, I wanted to understand on the copper products. So, as you mentioned, there will be INR 150 - 200 crores revenue potential from the current prices. But how is the margin profile for the PICC products and busbar that you are going to add in the coming future?
- Nilesh J. Patel:** So, the main product is a (CTC) Continuous Transposed Conductor and the alternative product with that is the PICC. So, CTC conductor has a margin of say around 5% to 6% and the PICC conductor is having around 3% to 4%, and the copper is a very high price item. So, this is what we have ordered the minimum numbers of the machines and we are targeting around INR 150 to 200 CR. Once this product and everything can set up, copper has lots of product in which we can go into for the switchgear, transformer, generator, motors. So, this is what we have started a growth in terms of the volumes and numbers.
- Naman Parmar:** And what about the busbar -- it will be adding in this facility only, no?
- Nilesh J. Patel:** No, it is in the second phase.
- Naman Parmar:** Okay. And what will be the margin for that?
- Nilesh J. Patel:** See, all copper products, whoever is operating copper products runs around anywhere between 3% to 7%. You can take that turnover to the thousands of crore. That is the main important thing.

Naman Parmar: Okay, understood. Secondly, on what is the update on the approval from PGCIL, is any approval we have got?

Nilesh J. Patel: That process is going on. Might be in March, we will be able to get that.

Naman Parmar: Okay, by March, yes. And lastly, currently, we are holding inventory at what price for the CRGO mainly?

Nilesh J. Patel: So, that all inventories' prices are different. We cannot say that we are holding inventory on this price.

Naman Parmar: Okay, all will be the average, yes, understood. And lastly, how much was the export in the first half?

Nilesh J. Patel: So, export is around our turnovers around 1.5% to 2% only. At present in export, there is lots of competitions is going on. China is ruling all over export market. And we do not see any benefit doing in export compared to Indian market.

Naman Parmar: So, you will be focusing on domestic only?

Nilesh J. Patel: Yes, once the radiator unit will be started, we are doing exports more in radiator, and this nanocrystalline goes.

Naman Parmar: Understood. Okay, thank you so much.

Moderator: The next question comes from the line of Vansh Handa from Nvest Analytical Advisory. Please go ahead.

Vansh Handa: Yes, thanks for the opportunity. So, sir, my first question is on the copper conductor side. Although you are saying that margins are lower than our existing business, but ROC will be higher because of the high asset turns, is that understanding correct?

Nilesh J. Patel: Yes.

Vansh Handa: Okay. And so, my second question is, as we are saying, H2 will be better than H1. So, can we expect that it will be in the same ratio as FY25?

Nilesh J. Patel: It will be better in terms of numbers. We are going to sell more quantity than the H1. That is the first thing. Second thing, at present, what market we have read, at present, whatever the situations, we are into about the CRGO procurement and our future contracts, we see that it will be better.

Vansh Handa: And sir, I am specifically asking on the PAT side, like PAT will be in the same ratio that we have last year because H2 will be better than almost 60% for the whole year PAT?

Nilesh J. Patel: It may be near to H1 plus/minus the very minimal margin. I cannot commit you right now that it will be better. But what I can see is that we are in a good position to tackle the H2. That is what I can tell you.

Vansh Handa: Okay. And sir, one last question is that going ahead, how do you see that competitive intensity building up specifically on our core business, and how do you see growth outlook for FY27?

Nilesh J. Patel: As far as growth is there, it would not come by jumping the things. It will come slowly. What we have done in the first six months, we are still not at the target what we wanted to reach. See, we wanted to go to 12,000 metric tons, but we are at 9,000 metric tons for the first half. So, there are two ways of growth. Once you do blindly with compromising the margin and you go steadily, slowly with keeping intact. And that is what the policy we are going to do. And I do not see any kind of problem for the next year also. It is all about how you are placing yourself with the procurement and with the market study.

Vansh Handa: Okay. Okay, sir. Thank you.

Moderator: The next question comes from the line of Hardik Gandhi from HPMG Shares and Securities. Please go ahead.

Hardik Gandhi: Hello, sir. Congratulations on a good set of numbers, sir. I just wanted to know two things. First is, what will be our future debt looking like? Right now, we are debt-free. So, given that we are doing small CAPEX right now and we plan to exceed that, so just wanted to know, what will be that number?

Nilesh J. Patel: We are just going to take the term loan of anywhere between INR 15 and 20 crores for these copper machineries. Once it will come and that will be the maximum debt we are going to take. Other than this, there is no plan to take any kind of debt.

Hardik Gandhi: Okay. And for this copper, when are we planning to ramp it up, because in March, we will start, then we will have some sampling, when will it start reflecting the revenue?

Nilesh J. Patel: It will be starting from May 2026.

Hardik Gandhi: So, sizable revenue will be starting in May, is that correct?

Nilesh J. Patel: Yes.

Hardik Gandhi: Okay. And just if this plan goes as per our expectations, so when we put our Phase-II, right, so do we have the space in the new plant?

Nilesh J. Patel: Phase-II will be the totally new expansion with the land building and infrastructure. When we will do the Phase-II expansion, that will be a lot futuristic with lots of other products incorporated for the next 10 years vision. So, this is the first step towards the copper products.

Hardik Gandhi: Okay. And just to know more on that, how is the competitive landscape looking in that field right now, who all are making those things, is it an import substitute, can you just give us some light?

Nilesh J. Patel: So, this particular product, what we are making is made by APAR Conductors, then ASTA, then Rational Engineers. These are the three major players, and there are some small players like Vidya Wires in Vidyanagar, and one in Jaipur, one in Hyderabad. And this is right now under the short supply. And in future also looking to EPC guideline, they are going to make the compulsion to use the CTC conductor above certain rating of transformer to reduce the losses of the transformer. And looking to that, we have entered into this situation that in future, the high transmission line will be taking place. So, more and more high voltage transformers will be coming, and in high voltage transformer, this CTC conductor, it has to be used.

Hardik Gandhi: Understood, sir. But is there any major barrier to entry when it comes to CTC conductors, because we are going from a CRGO steel product to a copper product, for others to also put up capacities and tap into the market, is there a particular barrier?

Nilesh J. Patel: No, no, no. Let me tell you. In any industries, if someone wants to enter, even if there is a barrier, they can take the time, break the barrier and enter. In copper, at present, creating the trust with the quality is the barrier. So, we are taking all those steps and we are putting up the plant and we are confident that we will enter, like radiator also new for us, copper is new for us, we are pretty confident that we will be entering into that market and we will do a very good job and we will start.

Hardik Gandhi: Understood, sir. And since you mentioned the radiator, as we last spoke, there was a short supply of radiator in the market and we were planning to cater to the demand. So, I think radiator is a better margin product. So, again, this is the Phase-I of that. So, when will the revenue start reflecting for the same?

Nilesh J. Patel: That revenue will be reflected from the December, January, February and March. So, it will start slowly from the December.

Hardik Gandhi: Okay. And are we planning any Phase-II in that also once we see a good demand building up?

Nilesh J. Patel: In radiator, we have kept the space in a way that once we will be utilizing one line of production, for that we do not have to go for to find a space, we have to just add up the machinery, second line that we will do once the first phase line will be totally occupied.

Hardik Gandhi: So, we have space for one more line, correct?

- Nilesh J. Patel:** Yes.
- Hardik Gandhi:** Okay. That is it from me. All the best, sir. Thank you.
- Moderator:** The next question comes from the line of Shrey Gandhi from CR Kothari Stock Broking. Please go ahead.
- Shrey Gandhi:** Thank you for the opportunity and congratulation on a good set of numbers. My question is regarding the demand/supply scenario of CRGO. Is there any demand/supply mismatch and hence the pricing pressure which we are seeing currently?
- Nilesh J. Patel:** At present, as far as our raw material is concerned, there is no constraint to get the raw material and raw material is available whatever we are required from Indian market as well as overseas market.
- Shrey Gandhi:** Is there any kind of dumping from major countries like China or Korea for raw materials?
- Nilesh J. Patel:** No, there is no such kind of dumping, because their prices are also at par with the Indian market price, they are not quoting a very, very low price.
- Shrey Gandhi:** Okay. And my second question is regarding the amorphous and nanocrystalline demands. How is the demand shaping up for these two products?
- Nilesh J. Patel:** Nanocrystalline has a huge demand always, but in India, that technology is coming slowly-by-slowly. In international market, there is a demand for that. For that, we have to set up lots of product criteria in our company and technicality in our company. So, slowly, slowly we are doing it. We have developed one or two products which we have started supplying to the market. And from the very first commentary, I say, that it is a very, very highly technical product. So, it takes time to reach to its peak level. But, we are on track, and in this year, we will sell a good amount of nanocrystalline cores and, what you say, radiators. Amorphous core, we have started and we have seen the numbers in our presentation. It is also, again, last year we started that product. So, that is also slowly, slowly ramping up.
- Shrey Gandhi:** Is there any guidance for revenue number for Amorphous and Nanocrystalline for 2026 and 2027?
- Nilesh J. Patel:** So, that product, as I told you very first, that it is a technical product. So, slowly, slowly it is ramping. And once the product gets set, then we fetch that particular set of market. And slowly, we are starting supplying them the samples and then bulk orders and all those things. So, for this, from the very first day, we do not forecast any kind of revenue. But we are on it because that is a highly profitable item, which we have to increase fast. So, we are on it.
- Shrey Gandhi:** Okay. Okay. Got it. Thank you.

Moderator: The next question comes from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin Nandu: Hi, Nilesh bhai, congratulations on a great set of numbers given the volatility in CRGO prices. So, my first question is around that, right, that despite some correction in CRGO prices, how have we been able to maintain the margin, right -- is it like we purchase the CRGO inventory just in time, and do we have some contracts with our customers, which are more back-to-back basis in terms of cost, can you just help us understand that how are we able to maintain, and do we think that we will be able to another 10% to 15% correction, maybe that you are expecting or some correction, we will be able to manage or maintain our margins going forward as well?

Nilesh J. Patel: Sir, when the Indian government has decided to open Chinese government's BIS, these things were supposed to happen. That we forecasted in April. And then onwards, we are controlling our inventory in such a way that it does not hamper to us. And that is what we did. Right now, also, we know that it is going to happen, 10% change in the market price in the next six months. So, we are managing our inventory in that way. So, whatever the long-term contract is there, we procure that material also in a stage wise, and at present, whatever the orders coming to us, we are managing our inventory by way of import, by way of local purchase. When we import, we know that after two months, this will be the price. If we get at that price, then only we import the material.

Prolin Nandu: Okay, understood, sir. And you mentioned there were some delays and you lost out on 3,000-metric tons, right, we were expecting 12K, we only did 9K. Do you think in the second half, we will be able to cover that 3K production and we will end up almost utilizing the entire capacity, is that possible?

Nilesh J. Patel: When the price goes down, and if I make the target that I have to reach to this level in a falling market, then you will not like my bottom numbers. We have to be very much cautious when prices are going down. We have to increase our quantity. We will increase our quantity definitely. But we will not run blindly that we have to cover this 3,000 metric tons and compromise with our profitability and everything. Many customers tell us, give us the order at whatever price, we are listed and we need the quantum. But that is something we do not follow.

Prolin Nandu: That is good to know, sir. And one last question on this copper venturing into the CTC conductor. Now, if I understand this copper business, right, one is that it is a business of scale, where procuring at a large scale typically helps, and also given that these are so thin margins versus your other business, right, managing working capital also becomes important, right? So, while you alluded to the fact that the Phase-II you have very big plan, but in initial days, right, how do we ensure that at our very small scale, we manage procurement and also working capital, right, given the fact that our product would be slightly new? And also, you said that the way we have done in radiator, I remember you sharing with us that how your radiator capacity is one of the best-in-class, so to say. Is the same template you are expected to follow in the copper business as well?

Nilesh J. Patel: See, your first question about the working capital. In copper business, we work on advance as well as against delivery payment and copper rod available from 80 or 90 kilometers from our place. So, I do not think that we have to keep very big inventory for the copper doing for CRGO. As well as when we sell the copper, we pay before delivery payment or against delivery payment. So, maintaining these 150 tons per month, I do not think it will give us the trouble, first thing. Second thing, as you said, the plant, we selected the machinery, which is right now one or two company has ordered right now a high-grade machinery. That is what we selected from the very first day. So, we are doing our best. We procured a very good set of machinery. Our people are going to China by tomorrow for the midway inspection of the machinery. So, these all things are happening. As far as order is concerned, in this region, there is a lot of order, and the CTC conductor, it will take time. Why we say that it will take three to four months to set, because again CTC conductor is a highly technical item, whereas PICC conductor is not the technical item. So, the moment machinery will come, we will start the PICC conductor, we will start selling it and CTC conductor will take two to three month's time to get set. So, these all things will take place and we will be in market to sell the material by May or June 2026.

Prolin Nandu: Okay, that is it from my side. All the very best. Thank you so much.

Moderator: The next question comes from the line of Yash Kothari from CRK Research. Please go ahead.

Yash Kothari: Hello, first of all, congratulations on a great set of results. Basically, I wanted to know a bit about how the supply chain works, like what is the lead time, and if there is any sort of price contract, and how do you hedge the pricing risk in the raw material?

Nilesh J. Patel: So, pricing risk in raw material cannot be hedged. We make our policy from the very first day, I say, if we are booking 100 Kg of material, we have a forward contract of 30 to 40 Kg, we sell 30-40 Kg on the spot basis. This is how we work from the very first day. And again, that spot selling 30 to 40 Kg of material, we manipulate with our inventory plus and minus looking to the market scenario, which is going to come for the next two months, three months or four months, like if I say today that the market is going to be down for next 10% around in six months, I will not keep my inventory, which is open. I keep on buying the material, I keep on booking the material orders, and then I book the material kind of things, we do more at this present time. And even if we buy the forward material in import, we buy at the lower rate from the present market price. And that is how we come to know that the price maybe go down in the next two months or three months or four months.

Yash Kothari: Okay. And sir, so there are some major transformer players that are facing some sort of a slowdown. So, is there any slowdown in order intake from our side?

Nilesh J. Patel: So, I do not know which transformer manufacturer you are talking about. None of my customers are seeing that slowdown. If you are talking about slowdown in the last four months, then in a rainy

season always big power transformer movement get restricted and their inventory gets blocked and their sales goes down, which gets ramped up in these last six months after rain gets stopped. Otherwise, very good order book and lots of enquiry we are receiving.

Yash Kothari: Okay. So, I will check into that. Sir, also for the third CAPEX requirement that we are thinking and the funding plans for the Phase-II, so what are the kind of CAPEX requirements or funding plans we need for the Phase-II of copper products, is there any sort of understanding in that area right now?

Nilesh J. Patel: First, we are working on our Phase-I. Meanwhile, we are working on the paper work of the Phase-II. We are producing the product, we are doing market research on that, R&D on that. Once that all will be done, we will come out with the project. At present, there is no point disclosing all those things unless and until we have a 100% and foolproof data with us.

Yash Kothari: Okay. Thank you, sir.

Moderator: Our next question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello! Thanks for the opportunity. So, can you just tell me how much CAPEX have we done for the plant that we just commissioned in July?

Nilesh J. Patel: At present, almost INR 80 crores has been invested, INR 15 crores is yet to be invested, and that investment is just the full and final payments of all contractors, civil and all those is pending. So, once they get finished everything, slowly, slowly we are going to pay them that 10%. That is how it is. So, almost full CAPEX has been done what has been planned, all machineries has been received, now the last touch-ups and final things is going to be pending.

Disha: All right. That is worth INR 15 crores.

Nilesh J. Patel: Around INR 12 or 13 crores.

Disha: All right. All right. And so what is the utilization we see for this unit for this year and for FY27?

Nilesh J. Patel: So, we are actually late due to the power and all those things. So, actual utilization is getting started from this month in lamination and transformer radiator will be started from the December. Nanocrystalline cores already established, but the Chinese people is yet to come. So, they are coming in December 10th or somewhere to set up the other machineries. One product we have already started selling, another product, the machineries came and they are about to come in December. So, mainly next financial year, we will be able to utilize full capacity of this entire plant. At present, we might have been used around 10% to 15% of the capacity. If you say entire year capacity, we have utilized around 25% to 30% of entire year's capacity.

Disha: All right. All right. And sir, for the copper cable segment, you said the peak revenue is INR 150 to 200 CR that we are targeting. So, when are we expecting to reach that peak, what is the timeline?

Nilesh J. Patel: That is again, I say it is a technical product. See, there has to be two things -- one is the demand and another is the production with technicality. So, the product what we are starting, the demand is there. So, we have to set up our technicality with the production. Once our perfect product will be there, we will be able to sell to the customer and customer will not give us the order from the very first day, they will give us the trial order. Once the trial order is okay, they will make the transformer, then once the transformer is okay, then they will give us slowly, slowly order. Next financial year and last quarter, we will be able to reach to the peak of that.

Disha: So, FY27, you are saying last quarter?

Nilesh J. Patel: Yes.

Disha: All right. All right. Thank you. That will be it from my side.

Nilesh J. Patel: Yes.

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

Krupa Desai: Hi, sir. Congratulations on good set of numbers. My question was that once we start the conductor business from May, do we expect a margin dip or does the better margin radiator business would keep the margins at current level for next year?

Nilesh J. Patel: Most probably, yes.

Krupa Desai: At current level?

Nilesh J. Patel: Yes.

Krupa Desai: That was my question.

Moderator: The next question comes from the line of Dipankar from CCVIM. Please go ahead.

Dipankar: Do we have the revenue segregation for CRGO and radiators and Nanocrystalline segment?

Nilesh J. Patel: At present, the majority of it is CRGO only because for radiator division we have not still started commercial sales and nanocrystalline was the negligible amount in this particular thing and in our presentation it is mentioned.

Dipankar: Okay, sir. And sir, how much revenue can we expect to generate at the peak capacity from this copper conductor segment?

Nilesh J. Patel: Somewhere around INR 150 to INR 200 crores. That depends on the pricing of the copper. If we take the today's price, it must be somewhere around INR 200 to INR 220 crores. But we have to count from INR 150 to INR 200 crores because copper prices are very volatile.

Dipankar: Okay, sir. And sir, last question. The company has the capacity of around 36,000 metric tons for CRGO and 7,200 for radiators. So, what is the total capacity for this nanocrystalline and amorphous core?

Nilesh J. Patel: Nanocrystalline, as I said, it has lots of geometries. So, it is not in quantity, but the plant what we have put can fetch the revenue of around INR 50 crores. That is the situation what we have right now.

Dipankar: And what about the amorphous core segment?

Nilesh J. Patel: It must be the line what we have right now can make around 500 metric tons per annum. That is what is the amorphous core.

Dipankar: Okay, sir. Okay, sir. Thank you.

Moderator: The next question comes from the line of Vandit Dharamshi from Antara Growth Capital. Please go ahead.

Vandit Dharamshi: Hello! Thank you for the opportunity, sir. First question is on copper business. What kind of payback period are we looking at and the of return on capital employed?

Nilesh J. Patel: I am investing around INR 25 to 30 crores, and if I do a turnover of INR 150 or 200 crores and with the minimum margin of, say, 4%, then four to five years is the payback period of the copper plant.

Vandit Dharamshi: Understood, sir. And in this first half, the increase in employee cost is with regard to the ramp up that we see in the second half?

Nilesh J. Patel: See, new unit, we have already appointed lots of people, because we have to make lots of policies and all those things. So, all the nanocrystalline plant, radiator plant, and the CRGO plant, employees have been appointed since long. Now, they are in work. So, that is what the employee cost has been increased. It is the most essential. If we go to the market today to get the manpower, we cannot get it. So, we have to hire them well in advance.

Vandit Dharamshi: Understood, sir. And last one on receivable day, sir. I think there has been a slight increase in receivables. Is that the normal level you would work with?

- Nilesh J. Patel:** Yes. Receivables slightly increased because your turnover has been increased.
- Vandit Dharamshi:** Okay. Thank you so much. Wishing you all the very best.
- Moderator:** The next question comes from the line of Miten Shah, who is an individual investor. Please go ahead.
- Miten Shah:** Thanks for the opportunity and congratulations for a good set of numbers. So, my first question would be, if you see your peers, basically, I am talking about the other two listed peers primarily, if I were to say they are basically also into the manufacturing of transformers as well, to give that backward integration, because the CRGO consists of almost 30% of the cost of transformer. I mean, why are we not thinking in the same line? Obviously, every business is different, but why are we going into this particular field?
- Nilesh J. Patel:** Sir, basically, those who are making transformers and they are doing transformer laminations, I have seen lots of people, they do not count these two businesses differently. And when they go to the market to get the transformer order, they just pass on the benefit of CRGO to their customers. They consider that a transformer lamination is their ancillary and raw material, first. Second thing, if tomorrow I will make the transformer and I will go to the selling of transformer where then my next share, my customer will be there to sell his transformer. And then if I go to sell transformer lamination to him, he will not buy from me. So, making transformer and if I have to do transformer, my company is in transformer ancillary. My first rule should be that I will not enter into the transformer. If I will enter into the transformer, lots of customers will not give me any order for the transformer.
- Miten Shah:** Got it. Got it. Appreciate that. And second thing, I would just like to know, if the CRGO prices decreases, so that also decreases our sales or the margins? I am not able to understand it properly. And how is that? I mean, if it increases, then what happens? And if it decreases, then what happens?
- Nilesh J. Patel:** Sir, if you go by percentage wise, your numbers will remain same in percentage wise and a top line will reduce. So, you have to increase the quantum to maintain your top line. And that is why you see from the very first day if you see my commentary, I kept on saying that our aim is to reach to this level. We count on CRGO, but we never count on nanocrystalline core, radiator and all those other ancillary products. Our main figure is this with the CRGO. If CRGO price remains same, then our top figure will be more. If that reduces, then all other products will compensate that top line. But the bottom-line has to be in similar line what we are giving right now. Our main agenda is that we will progress, we will reach to our goal, it might be six months, eight months plus/minus but our top line goal, we will achieve and in our bottom-line we will not compromise with that.
- Miten Shah:** Got it. And we targeted around INR 600 crores revenue in the previous concall. Will we still achieve it with the same margins as we were expected around 10% to 11% or we exceed?

- Nilesh J. Patel:** So, my point is that because now the price has gone down, that INR 600 crores 10% to 15%, not plus, it might be on minus side, but definitely we will not compromise with the bottom-line.
- Miten Shah:** Understood. I really appreciate and I must really congratulate because I have been seeing the peers, the margin pressure what they are seeing and the way we have done it, it is really commendable, I really appreciate that and thanks a lot for giving the opportunity. Wish you all the best again.
- Nilesh J. Patel:** Thank you very much.
- Moderator:** The next question comes from the line of Hardik Gandhi from HPMG Shares and Securities. Please go ahead.
- Hardik Gandhi:** Hi, sir. So, on the power side, are we planning to put any solar plant or any cost-saving measures?
- Nilesh J. Patel:** Yes, once this January month will come, we will install the solar plant.
- Hardik Gandhi:** What will be the size or the savings from it?
- Nilesh J. Patel:** Yes, yes, yes. That we will install. Whatever the government permission is there, up to full eligibility, we will install the solar plant.
- Hardik Gandhi:** Okay. And the CAPEX for the same will be roughly how much if the government permits?
- Nilesh J. Patel:** If I will give to some contracting agency, CAPEX will be somewhere around INR 2.5 crores, but we are planning to do it by ourselves to learn how to implement the solar plant.
- Hardik Gandhi:** Okay. Perfect. Perfect. All the best. Thank you. That is it.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question. I would now like to hand the conference over to Mr. Nilesh Patel for closing comments.
- Nilesh J. 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 relations advisor, Stellar Investor Relations. Thank you. Have a good day.
- Moderator:** On behalf of Phillip Capital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.