

“Vilas Transcore Limited
H2 FY '26 Earnings Conference Call”

May 12, 2026



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MODERATOR: MR. SRI SURYA K – PHILLIP CAPITAL PCG DESK

Moderator: Ladies and gentlemen, good day and welcome to Vilas Transcore's H2 FY '26 Earnings Conference Call, hosted by PhillipCapital PCG. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and then zero on your touchtone telephone. I now hand the conference over to Mr. Sri Surya K from PhillipCapital PCG desk. Thank you and over to you, Mr. Surya.

Sri Surya K: Thank you. Good morning, everyone. We are pleased to have with us today the management of Vilas Transcore Limited, Mr. Nilesh Patel, 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. Over to you, Mr. Nilesh ji.

Nilesh Patel: Good morning, everyone, and a very warm welcome to all of you joining us today. Thank you for taking the time to be a part of our conference call and for your continued trust and support towards Vilas Transcore. I would also like to thank PhillipCapital PCG and Sri Surya for hosting this call.

Today we will discuss our operational and financial performance for H2 and full year financial year 2026. Before moving to the numbers, I would like to briefly talk about our journey, our business, and the opportunities we see ahead. Vilas Transcore started its journey in 1996 with a simple vision to deliver high-quality transformer components with consistency, precision, and long-term reliability. What began as a modest setup has today evolved into a trusted and publicly listed company with three advanced manufacturing facilities in Vadodara, Gujarat, spread across more than 5 lakh square feet.

For nearly three decades, we have remained closely connected to India's power infrastructure growth story. As the country expanded its transmission and distribution network, renewable energy capacity, railway electrification, industrial infrastructure, and grid modernization, we continuously strengthened our manufacturing capabilities to support this growing demand. Today, Vilas Transcore has built up a strong presence across CRGO lamination, nanocrystalline cores, transformer radiators, and now copper conductors as well. Step by step, we are evolving from a component supplier into a more integrated transformer value chain partner.

One thing we have always believed is that in this industry, trust is built over years through quality, consistency, and execution. Our focus has never been only on short-term growth; instead, we have focused on building strong manufacturing systems, long-standing customer relationships, and scalable operational capabilities.

I am proud to share that today we are a trusted supplier to several leading transformer and electrical equipment companies across India and overseas. Our marquee customer base includes

companies such as Voltamp, Atlanta Electricals, Electrotherm, ECE Industries, Kirloskar, Shilchar Technologies, and many other reputed players in the power equipment industry.

One of the biggest milestones for us during financial year 2026 was the successful ramp-up of our new Unit 3 facility. With this expansion, our CRGO lamination capacity increased from 12,000 metric tons per annum to 36,000 metric tons per annum, representing a 3x capacity expansion and significantly strengthening our ability to cater to rising industry demand. Along with this, we also added new value-added product categories including nanocrystalline cores with an installed capacity of 240 metric tons per annum and transformer radiators with a capacity of 7,200 metric tons per annum, where commercial sales have also recently commenced.

Further to capitalize on growing opportunities in the power and energy sector, we are expanding into copper conductors with an installed Phase 1 capacity of around 1,500 to 1,800 metric tons per annum and an estimated project cost of approximately INR25 to INR30 crores. The product portfolio under this segment will initially include copper paper insulated conductors, CTC conductors, and paper insulated aluminum conductors, which are widely used in transformers and other critical power equipment applications, with plans to later add copper busbars and strips as well.

Specialized and customized machinery for the new facility has arrived already, while installation and erection activities are currently underway. Trial production is expected by the end of September 2026, with revenue contribution likely from H2 financial year 2027 onwards. This expansion further strengthens our strategy of increasing value addition and becoming a more integrated solutions provider within the transformer and power equipment ecosystem.

In line with our strategy to expand across high-value and technology-driven transformer equipment segments, Vilas Transcore along with its promoter have announced that we will incorporate a new entity for manufacturing high-voltage bushings ranging from 12 KV to 400 KV. Vilas Transcore will initially hold a 25% equity stake in the venture, marking our entry into a high entry barrier and specialized segment with a strong long-term potential.

The initial phase will focus on R&D and product development followed by phased commercialization over the next year. Overall, these expansions mark an important step in our journey towards becoming a more integrated transformer component and value chain partner for the power equipment industry.

Now, before I discuss what lies ahead and how we plan to take the business forward, let me quick walk you through our performance during financial year 2026. Please note that pursuant to adoption of Ind AS from financial year 2026, the comparative financial numbers for previous periods have been appropriately restated. Financial year 2026 was an important year for Vilas Transcore as we successfully executed a major expansion phase while continuing to deliver healthy business growth.

During the year, we achieved around 64% year-on-year volume growth, which was precisely in line with our target. The performance was driven by strong demand from the transformer and

power equipment industries, better capacity utilization, and contribution from the newly added capacity across our CRGO and nanocrystalline core business.

At the same time, the revenue grew by around 30%. The difference between volume growth and revenue growth was primarily due to sharp correction in CRGO steel prices during the year. While volumes increased significantly, lower CRGO prices impacted the realization across the industry. On the profitability front, margins during financial year 2026 were temporarily impacted due to the ramp-up of our new Unit 3 facility.

As a part of this expansion, we incurred initial operating and establishment costs related to manpower, utilities, maintenance, and overall operational readiness, while utilization levels are still gradually scaling up. At the same time, the sharp decline in CRGO steel prices also created temporary pricing pressure across the industry.

However, despite these challenges, we were able to maintain operational stability through disciplined execution, efficient inventory management, and strong operational control, which helped us limit the overall impact on profitability. The overall EBITDA margin remained at 11.17% versus 12.68% last year, indicating a drop of just 1.5%, and PAT margin remained at 8.6% versus 9.8% last year, indicating a drop of just 1%.

We continue to witness noticeable volatility in CRGO prices, which is largely influenced by movement in global steel markets and fluctuation in logistics cost. During the recent geopolitical and war-related disruptions, the industry also experienced a temporary shortage of transformer oil, which impacted production schedules for several transformer manufacturers. However, this situation has now largely normalized and we are seeing healthier demand and order environment gradually returning.

At the same time, the entry of Chinese mills into the Indian market has brought a structural shift into the CRGO supply landscape. On one hand, this has improved product availability and reduced dependency on imports from other regions. On the other hand, it has also increased price competition in the market, creating some pressure on industry margins. Over the past few months, CRGO prices have corrected by nearly 15% to 20% from their earlier peak levels due to the increased supply and broader market adjustment.

Despite this volatile environment, we have remained focused on disciplined inventory management, operational efficiency, and maintaining strong customer relationships, which helps us manage the impact in a relatively stable manner. Importantly, even while undertaking significant expansion and capacity additions, we continue to maintain a healthy and conservative balance sheet position and the company remains net debt-free.

Now, before we move to a question-and-answer session, let me briefly lay out the next phase of growth and the key priorities ahead for Vilas Transcore. Our future growth strategy is built around three key pillars. First is capacity utilization. Over the last one year, we have significantly expanded our manufacturing base from 12,000 metric tons per annum to 36,000 metric tons per annum through our Unit 3 facility.

This expansion removes earlier capacity constraints and positioning us strongly to cater to rising demand coming from the transformer and power equipment sector. Going forward, we are targeting around 45% to 50% growth in CRGO lamination volume as utilization levels improve further across the expanded capacity. The revenue will also increase by around 30% to 40% based on CRGO price. EBITDA and PAT margins are expected to remain at present levels with the improve rather than downfall.

Second is expanding our product portfolio and increasing value addition. Along with CRGO products, we have added nanocrystalline cores with a capacity of 240 metric tons per annum and transformer radiators with a capacity of 7,200 metric tons per annum, where commercial sales have recently commenced. We are targeting higher utilization levels during the current year as customer acceptance and order flow continue to improve.

Further, we are also entering into the copper conductor segment with a Phase 1 capacity around 1,500 to 1,800 metric tons per annum. Our objective is to gradually evolve from component supplier to a more integrated transformer value chain partner and increase wallet share with the existing customer.

Third, expanding our customer base and market reach. While we continue to deepen relationships with existing marquee customers, we are also actively pursuing new transformer OEMs, EPC contractors, and export opportunities across Gulf countries, Europe, and Canada. As the industry continues to expand globally, we believe our wider product portfolio and enhanced manufacturing capability will help us strengthen our positioning further.

Overall, with expanding capacities, increased value addition, and strong product portfolio and growing customer opportunities, we believe Vilas Transcore is well-positioned for the next phase of sustainable and profitable growth. With that, I conclude my opening remarks. Thank you once again for your continued support and confidence in Vilas Transcore.

I would now like to hand over the call to the moderator to open the floor for the question-and-answer session, where nanocrystalline core and radiator our other Director, Miss Natasha Patel, will address the questions and for lamination and other products, I will address the questions. Thank you.

- Moderator:** The first question is from the line of Hardik Gandhi from HPMG Shares and Securities.
- Hardik Gandhi:** One of the key surprises for the investor community was the bottom line. If you can explain on at least the gross margin, why were they impacted? I can understand the fixed cost from new plant were not absorbed, but the gross margin level we had a correction?
- Nilesh Patel:** Sir, so as per our policy, whatever the stocks we are keeping from the sharp declining in the price of the CRGO did not impact us like exactly because strategical purchase and everything was there. But few of the materials which we have to -- bought from the India and that was the obligation because in India the two mills which are NLMK and TKES , they were having a very less capacity and they did not reduce their prices in current scenario.

Whatever the import we got, we had adjusted all our prices as per the market in India, but the local vendors they did not reduce their prices up to the extent of the market finished product in India. We -- and these two mills we have to keep continue relationship with them and we have to buy limited quantity from them.

So this quantity has affected and like we always say that we have few customers having a what you say, quarterly contract where we are getting an advantage when the price has gone down because our prices is fixed as in advance. But around 30%-40% we get material orders on day-to-day basis, in which we have to pass on bit of the market situation to them and we have to reduce the price. So in this second half, we have faced such kind of few problems which has impacted on our gross margin around 1.8% to 2%. Whereas market has dropped to 20%.

Hardik Gandhi:

Correct, correct. So if you can share how much are we buying from these Indian mills. And second if you can explain on the earlier point which you mentioned that Chinese mills have entered Indian markets from like local have they put up local plants and do you see further pressure on CRGO prices as well as earlier point which we raised on the anti-dumping duty on CRGO prices? If you can explain on these points, that would be nice?

Nilesh Patel:

So none of the Chinese mill have their local presence. We have to import from the China only. There are only two mills has got the BIS approval. Their BIS approval was open for one year in last June. So this June one mill's BIS has been is going to be finished. And July there is one more mill whose BIS is going to be finished. It may be renewed, but we don't know exactly at present will it be renewed or not.

So if it won't be renewed, the price will shoot up again and if it will be renewed, the price will remain same. About anti-dumping duty, we have got the news that now government wants to reduce the dependency on import and they are working on this safeguard duty or anti-dumping duty. So that we will come to know when the exact news will come. But whatever internal talk and the mills from the details we are getting from the mill, it seems that it will come.

Hardik Gandhi:

Right. Sir, and just how much did we buy from the local mills versus Chinese mills and what was the price differential?

Nilesh Patel:

Sir, we usually buy 25% from the local mills.

Hardik Gandhi:

Okay. And what's the price differential between local and Chinese mill post import any duty charges or anything?

Nilesh Patel:

Always it is somewhere around 5%.

Moderator:

The next question is from the line of Aman V from WealthTrust Capital.

Aman V:

So I've got two questions and the one major thing that I can see is on your working capital side. So that number has been going up year-over-year and so have our receivables also increased. So I understand there is a bit of uncertainty in the market, but where do you see this number settling for you?

- Nilesh Patel:** So receivables will increase as we increase our turnover. Receivables will definitely increase because our cycle is a 60 days credit. If we sell INR30 crores a month, our outstanding remains around INR60 crores. In this financial year, we have increased our sales to INR130 crores. So definitely around the INR15 crores to INR20 crores receivable will increase.
- Aman V:** So overall on a working capital day cycle will be close to 95-100 days end-to-end then?
- Nilesh Patel:** Yes. Yes.
- Aman V:** Okay. And my next question is around your copper conductor business that you're spending some money on. So what is the revenue potential from that plant at full utilization?
- Nilesh Patel:** Sir, we installed capacity is around 300 metric tons per month, so say 3,600 metric tons per annum and average if we count INR1,000 a cost value, it will be INR360 crores installed capacity. First year we are targeting we are thinking -- our plan is that we will be starting our trial production in September and commercial sales from October and if we can do around 1,000 metric tons in that this month this particular year, we will get INR100 crores out of it.
- That what is our target. With present price, it becomes somewhere around INR135 crores to 140 crores, but see copper is volatile, so we never know. So we assume that we will get INR110 crores or 120 crores revenue from this financial year.
- Aman V:** Okay. And are we a niche player in this segment by any chance because from what I understand CRGO we are definitely a niche player. But considering you're also going into this adjacent business segments, so I wanted to know your thoughts as to -- do we have any competitive advantage over here over our peers?
- Nilesh Patel:** Sir, this is a beginning of our new product. So competitive advantage will come as and when we grow into that particular product. At initial stage, we don't see any competitive advantage. The only advantage we will get is that the customers what we are catering to the CRGO and radiator, the same customer will buy this particular product from us.
- As far as competitive advantage is there, once we reach to a certain volume, definitely we will have an competitive advantage because the premium on the copper gets reduced as the quantity increases. So profitability is always increasing when the quantum of consumption in copper increases.
- Aman V:** Okay. Okay. Noted, noted. Thank you. I'll get back in the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Krupa Desai from Electrum Capital. Please go ahead.
- Krupa Desai:** Hello. Am I audible?
- Nilesh Patel:** Yes, ma'am. Please go ahead.
- Krupa Desai:** Yes. So sir, my first question was how much revenue this year came from the radiator business?

- Nilesh Patel:** Ma'am, radiator business commercial production has been started in April. So the revenue will start from this year. Last year we had submitted the sample to lots of customers. They have evaluated it and our sales has been started from the April 2026.
- Krupa Desai:** Okay. And sir, this year, do you think we'll fully utilize the 7,200 metric ton capacity of radiator?
- Nilesh Patel:** No, ma'am. Radiator is not something that we will be able to utilize the 100% capacity because it has -- it's a lot of laborious work and labor has to settle slowly, slowly. So we are targeting somewhere around 20% to 25% utilization in this year.
- Krupa Desai:** Okay. And how much revenue will come from that?
- Nilesh Patel:** Somewhere around INR25 crores.
- Krupa Desai:** Okay. And I believe the margins there are like 18% to 20%, right?
- Nilesh Patel:** Yes.
- Krupa Desai:** Okay. And sir, this CRGO pricing will continue to be lumpy. So is there any way that we can hedge ourselves against that?
- Nilesh Patel:** No, ma'am. CRGO price cannot be hedged. It's not listed anywhere or it can be hedged by procurement or like that only.
- Krupa Desai:** And see in the presentation, like you said in the initial commentary also that you'll be able to maintain the EBITDA and PAT margin. So is the guidance between like EBITDA margin between 10% to 11% or anything like that?
- Nilesh Patel:** Yes.
- Krupa Desai:** Okay. So for the next year, you believe you'll maintain 10%-11% EBITDA margin?
- Nilesh Patel:** Yes, that will be minimum which we can improve this in the next financial year because now CRGO price is getting improved slowly, slowly.
- Krupa Desai:** Okay. And sir, how much capex did we have done in this year and how much we are planning to do in FY27?
- Nilesh Patel:** In the -- in current year, we have done INR60 crores and in next coming financial year, somewhere around INR30 crores to 40 crores.
- Krupa Desai:** Okay. Okay, sir.
- Moderator:** Thank you. The next question is from the line of Kushal Shah from Nexus Equity. Please go ahead.
- Kushal Shah:** Hello.
- Nilesh Patel:** Hello.

- Kushal Shah:** Yes, sir. Good morning. So sir, excellent business performance during this uncertain time. So sir, my question is on again on the bottom line, the profitability side. So sir, during H1 result and also during your recent update in February, on your recent press release, you have mentioned that the margin were maintained at around 11% to 14%. So just want to understand that in Q4, which is from January to March, has the margin, I mean the margins have witnessed significant deterioration or how is it?
- Nilesh Patel:** Sir, because margin, as the price Fall sharp drop in somewhere around quarter 4.
- Kushal Shah:** Okay. Okay. So the margins were deteriorating in quarter 4 only. So it went to something around 6% to 7%, right? Because if I remember till 9 months, I think the margin were somewhere around 11% to 12% as per your press release. So in Q4 only, I think the deterioration must have come and that must be around 6% to 7%, right?
- Nilesh Patel:** So in Q4 11% to 12% was the EBITDA, right?
- Kushal Shah:** Q4 11% to 12%?
- Nilesh Patel:** Yes. No, no. When you say quarter -- one minute. So like in Q3, whatever the update we have given, which said stable margins together. So see in volatile situation where your entire raw material prices has dropped to 20%-25%.
- Kushal Shah:** Right.
- Nilesh Patel:** And you hit with a 1% or 2% EBITDA. You cannot 100% manage the price drop. 1% or 2% here and there that is what has been happened in Q4 before, but Q3 was there, but it was manageable.
- Kushal Shah:** Okay. Okay. Perfect, sir. And sir, also, I mean, my second question is on the capacity side. So what will be the capacity utilization from the new plant? So put together old and new, so what is current monthly run rate and what was the run rate in FY26?
- Nilesh Patel:** We are planning to cater around 30,000 metric tons in this coming -- this running year. So that 18,000 metric tons has to come from the Plant 2. What happens sometime few customers has approved Plant 1, so they gives us the order, we have to take on the Plant 1, we have to process from Plant 2 and need to bill from the Plant 1 because they open up LC and everything for the Plant 1.
- So there are lots of customers with whom our approach is going on to incorporate Plant 2 as an in their customer database, supplier approval process and everything is going on, but if they give us the order on the Plant 1, we take the order, we process from Plant 2 and invoice from the Plant 1.
- Kushal Shah:** Okay. So 30,000 we are targeting for FY27. But in FY26, we were around 20,000? I mean that was the target, 19,000?
- Nilesh Patel:** 19,500 metric ton was there.

Kushal Shah: Okay. And sir, just one connected question. So during H1, I think, I mean we commissioned our plant in somewhere around July. So you just mentioned that due to fixed cost and other overheads, pre-operative overhead, the margins were impacted in H2. But in H1 also, I think the operations were commenced and the ramp-up has happened from H1 to H2. So how, I mean, the cost has affected the margin? I'm not able to understand that point.

Nilesh Patel: Sir, the power, full power came in H2. So our -- whatever the power we have taken is for radiator and for the copper. So minimum our power minimum charges is around INR12 lakhs, which has incurred in last few months. Second, entire copper team, around 13 people, all managerial level has been appointed since December because -- and the radiator entire unit was appointed since December and November.

So all these copper and radiator sales did not started and their majority team is there in place. Because we started making radiators from the December onwards, making the radiator, giving the sample, getting the type tests and all this process was going on. So like if you start factory today, you cannot just look manpower from today. You have to have the higher manpower and all those security charges, even right now we are spending around INR5 lakhs to INR6 lakhs security charges from our Unit 3. So all these charges, it will be compensated when entire setup will be started more than 50%-60%.

Kushal Shah: Okay. Perfect, sir. Perfect. Thank you, sir. I will join back in the queue.

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

Prolin Nandu: Hi. Good morning, Nilesh bhai. Just this question again on margins, right? See, in the past, right, since you have been listed and we are tracking you, you have managed the CRGO volatility very well, right? Much better than some of our peers. Has something changed in Q4 for the margins to drop as much as they have?

And then in the same light, sir, the 14% margins that we used to earn, let's say, in FY25, right, and maybe even for quarter 1 or some part of FY26 as well, are those margins now things of the past and we should probably look at a more normalized 10%-11% margin? So, has anything changed where in the past what we have realized is that the volatility in CRGO prices did not affect us as much as it has in Q4?

So is my understanding correct and what one should think about the normalized margin, right? That 14% was too high and exemption and those are more like in 3-year cycle you might earn those kind of margin in 1-year out of 3 years? Just some comment on CRGO volatility and margins.

Nilesh Patel: Sir, if you recall my all the comments, lots of people ask me this question that like 14% margin EBITDA is feasible or not. I always say that this kind of situation comes once in 4 years or once in 3 years. But what is normal margin 10-11%

Moderator: I'm sorry to interrupt, sir, your voice is breaking up in between.

Nilesh Patel: Yes. So if you recall my all the calls during the 2 years, lots of people ask me that this 14% margin is constant, it remains same or it will be volatile, then I say this kind of margins are always there when there is a shortage of CRGO or when there is a very, very high demand and shortage is not there, prices shoot up and we get such kind of benefit.

But in normal criteria, I always said if you recall my all the comments that the minimum to minimum margins PAT we have given 7% in last 25 to 30 years and we have never gone below 7%. So when there is a average running or when there is a decline in CRGO prices and all those things, our EBITDA runs somewhere around 11%-12% and net margin runs around 7% to 8% PAT margin.

So this year it was in declining. Now it's -- even if it is stable, we could have been improved it better, but it declined and in second half it declined bit higher. And first half we were having a good stocks, we manage everything. Second half we were buying from the local vendor, they and the second part is that the local mills did not reduce their prices and we are in compulsion to buy from them because we wanted to continue because in, say, if in next 2 months if China gets closed, the price will again shoot up and we need to go to the local mills to buy the material.

So such kind of strategical calls we have to take, otherwise we could have been not bought 25% material from the local mill and we have bought -- we must have been bought from the 100% material from China, this could have not happened. But strategical call has to be taken and we have taken that strategical call, which has impacted not this 100%, but 50% of that as due to that.

Prolin Nandu: No, thank you so much, Nilesh bhai.

Nilesh Patel: This coming year we are definitely seeing that the margins will improve because now there is no scope that the CRGO price will decline.

Prolin Nandu: Okay. But the rise has not yet started, right, which you would have, I mean maybe I think in February you had...

Nilesh Patel: Bit of 5% -- 5% market has improved and it has improved since the war has begun. April month the 5% market has been improved. The only thing is that the demand in April month was very slow because lots of transformer manufacturers stopped their manufacturing because of the crude price, oil price has been sharp sharpened to double. So lots of people postponed their few orders and everything, but the price has improved, that is for sure.

Prolin Nandu: Understood. And my second question is on your press release, right, where you have started a new company for bushings, right? Now again in the past, you have said that you want to enter only niche categories, it's not very crowded. Maybe even I remember myself asking you about bushings, but again I'm not sure what was your answer then. But has anything in the market changed and why just 25%, right?

I mean are you expecting some global collaboration which you have already mentioned in the press release there? So two questions: bushings, has the market changed which has made you

interested in this sub-segment? And secondly, why the listed entity only has 25% stake? So those are my two questions on the bushing part.

Nilesh Patel:

So sir, bushing strategically is like a R&D project. We are setting up the R&D center and product development center first. Like if I'll do that in Vilas Transcore, lots of new products will enter into the Vilas Transcore, which will impact on the balance sheet for the 1 or 2-year. First thing. Second thing, it's a development process and it will take time to launch the product, say 1-year, 1.5- year.

Third thing is why it is a separate entity because it's a highly technical item. We will in future right now we are discussing with two or three companies for the joint venture or technology transfer.

So if such kind of things takes place, it's very difficult that the one portion of the company -- one product of the company will have a joint venture with another company or like that. So we are starting up the new venture having 25% of the Vilas Transcore. We are not keeping separate Vilas Transcore as total separate and we are exploring opportunities for the technical collaboration which can help us to cater into the Indian market as well as go to the global market. And that's why we are doing it separately.

Prolin Nandu:

Okay. Thank you so much, Nilesh. All the very best.

Moderator:

Thank you. The next question is from the line of Mehul Panjwani from 40 Cents. Please go ahead.

Mehul Panjwani:

Hello, sir. Thank you so much for the opportunity. Sir, the challenges we have faced in the last quarter and the expansion we have done, will our revenue double in FY '27 as compared to FY '26?

Nilesh Patel:

Sir, we are see capacity we have doubled, but the manpower, customer, product setting up all those things slowly, slowly takes place. So we are not targeting double up from here, we are targeting around 45% to 50% growth from here.

Mehul Panjwani:

Okay. Sir, and what about what about the margins? I mean are we expecting if the situation in the West Asia settles down, then we will get back to normal margins or even without the without the crisis settled?

Nilesh Patel:

Sir, definitely if the market remains stable, margins will be we will reach reinstate the margin what we were having earlier in first half.

Mehul Panjwani:

Sir, just when you say market means are you talking about the transformer market or can you can you please elaborate a little bit?

Nilesh Patel:

When I say market means CRGO prices. Transformer market good demand is there. The question is the CRGO margin CRGO prices .

Mehul Panjwani:

So sir, what are the variables will drive the CRGO prices?

- Nilesh Patel:** Too many inflow when Chinese mill gets open, too much of material inflow takes place and that's why the prices slowly, slowly gets corrected and sometimes it sharp deepen like INR5, INR10. So that kind of things can impact to the market.
- Mehul Panjwani:** Okay. And sir, with the anti-dumping duty if it if it gets passed what you had just mentioned and then are we expecting CRGO prices to remain stable?
- Nilesh Patel:** If anti-dumping duty will be there, then CRGO price will increase, not be remain stable. It will be increased by INR25, INR30.
- Mehul Panjwani:** Okay. That's great. And so it so you're not expecting CRGO prices to be as bad as Q4 at all?
- Nilesh Patel:** No, no, no.
- Mehul Panjwani:** Okay. Okay, sir. Thank you so much and wish you the very best.
- Moderator:** Thank you. The next question is from the line of Ritesh Bhagwati from Alpha Plus Capital. Please go ahead.
- Ritesh Bhagwati:** Thanks for taking my question. So my question pertains to, again our new entity that we just talked about. So first of all, I want to understand what sort of total capex, you know, is planned for this venture and what sort of bushings are we focusing on? Is it OIPs, RIPs, or both?
- Nilesh Patel:** So first phase we are developing OIP bushing and for that we are doing a capex of INR10 crores. We are allocating one readymade building having with our transformer company, which was ideal, so we are renting it out and we are putting up the R&D center with the test labs and everything and we are developing OIP bushing up to 145 kV in this financial year.
- Parallely, RIS bushing trial we will take and RIP bushing we are discussing for the technology and everything to some of the big companies. Once that will takes place, we will come up with the bigger expansion in future, say maybe next financial year. So at that time we will think how to scale up this company if we will get an what you say technical collaboration or a joint venture from another bushing company across the world anywhere in which we are discussing.
- So according to that we will planned future expansion and everything in next financial year. In this financial year, we are targeting OIP bushing up to 145 kV to start production and sales, but first will be the R&D type tests and everything. For that we have fixed up the machines, we have fixed up the test lab, which we will get in next 4 to 5 months.
- Ritesh Bhagwati:** That's correct. And again, I just missed out in the opening remarks in regards to our 25% holding. So like are we already partnered with someone already or what is it like?
- Nilesh Patel:** No, sir. We are in talk with few companies for this kind of ventures and technology transfer, joint venture and all those things.
- Ritesh Bhagwati:** Okay. And lastly, like how do we will be like, benchmarking ourselves against the incumbents like Hitachi Energy and even like Yash Highvoltage?

Nilesh Patel: Sir, at present we are a baby in it, so we cannot benchmark anywhere. Our focus is to develop the product and as there is a shortage of OIP bushing, we should enter into that market, that's the first goal.

Second goal for RIP bushing, there is a heavy investment, so if we have a proven technology with the very good name into the world market, if we get some such kind of collaboration, we can put up the plant with the big investment.

This is a small investment we are doing and RIP bushing we are doing with the indigenous capability, for that Mr. Ramachandran who has found the Yash Highvoltage, that founder promoter is joining with us, we have made an agreement with them and he is on Board and developing all this product.

Ritesh Bhagwati: Okay. Thanks a lot and all the best for this new venture.

Moderator: Thank you. The next question is from the line of Akash Jhaveri from Kuber India Opportunities. Please go ahead.

Akash Jhaveri: So just, on the new products plans that we have, I understand we're doing you talked in detail on the bushings plan that we have. But sir, this from a so radiators is going to be as you said 20%-25% utilization next year, copper is something where we can do a very large turnover also. So, why are we focusing on sort of new products in such as OIP bushing and RIP bushing later on when we have these businesses which are still needing to get ramped up?

Nilesh Patel: Sir, we are focusing means we are developing it. For that we have appointed Mr. Ramachandran as an CEO and it is his duty to develop and product development, marketing and everything. Being an entrepreneur, he has set up the two plants, one is for the earlier he was in Crompton, then he has set up the Yash Highvoltage and now we have joined hands with him to set up the new plant.

And that's why we did not keep it into the Vilas Transcore, because we need to give answer every now and then. So when we get the work from the professional, their speed might be plus or minus, slow or fast. So we keep it a separate entity, he develops and it will be developed, it will be a very good for us for Vilas, as well as overall group.

It's not and we want to be a cater all the niche component of the transformer industry and that is one step towards it. It has nothing core relationship that if you do you are doing radiator, you cannot do bushing.

Akash Jhaveri: Got it. So just on this, is there any plan to sort of bring this company, merged with Vilas over time?

Nilesh Patel: Sir, that's why we have keep it separate because we are not knowing what is what will be the future of this radiator plant. I didn't wanted to risk any money of the Vilas Transcore, so I we put up our own fund. Once it will be developed at certain level, we will definitely take a call whether it has to be merged in Vilas Transcore or not. There may be a chance we could get it

merged because ultimately we want Vilas Transcore as an flagship company which caters to the all components of transformer industries.

Akash Jhaveri: Perfect. Very clear. Very clear. My second question was on the guidance for FY '27. We've given the 40%-50% revenue growth number. Is that on an overall basis or is that only for the CRGO basis? Because I think in one of our previous con calls we talked about potentially targeting INR1,000 crores revenue for '27. So just this 40%-50% number, is it for overall?

Nilesh Patel: Sir, we were definitely talking about INR1,000 crores revenue when we were targeting that the 30,000 metric ton CRGO we will do and with the price of say INR270-INR280, we will reach to INR1,000 crores, that was the guidance when we got the public issue and we are targeting this 30,000 metric ton with the price of INR270-INR280. At that time, prevailing rate was INR280-INR290.

But in this coming financial year, it has been reduced sharply. If 30,000 metric ton is our goal and definitely we will do it. The only question is what will be the price? We are taking an average price of I'd say INR200 or INR210. With that we are saying 45% to 50% growth in revenue. Other products like 25% of the radiator, nanocrystalline core and CTC conductor, these all together we are targeting anywhere between INR750 crores to INR800 crores with the price CRGO INR210.

If CRGO price goes up like say anti-dumping duty or something come up and CRGO price goes to INR240 or INR250, even if this Chinese BIS mills get renewed after two or three months' delay, the price will shoot up and that will help us in improving our margin as well as what you say top line. But at present, we are considering the present condition and we are targeting somewhere around INR750 crores.

Akash Jhaveri: Understood. Wish you the best of luck, Nilesh-ji. Thank you.

Moderator: Thank you. The next question is from the line of Sidhaant Lodaya from Sanshi Fund. Please go ahead.

Sidhaant Lodaya: Just wanted to understand if there was any impact, any element of export in this year's revenue?

Nilesh Patel: So we have around 1% to 2% of the revenue from the export. We had a lot of order from the Gulf which right now is on hold because shipment cost from here to Gulf has increased.

Sidhaant Lodaya: Sure. Understand. How much would that order be?

Nilesh Patel: The same 1% or 2%. But I'm telling you the export margin is not good as on date because everywhere you are facing Chinese competition with the export. We are getting lots of opportunities. Recently, we got order from Malaysia, we got the LOI in the Chinese price, which is very difficult for us to supply from here. Few of our friends are doing from India, but it's very difficult to do exports with such kind of low margins.

- Sidhaant Lodaya:** Sure. And in the copper conductors business, I think the deck mentions 1,500 to 1,800 metric ton per annum. But we -- on the call, I think I heard something around 36,000. So was that 36,000 for the CRGO or for the copper conductors?
- Nilesh Patel:** 36,000 is CRGO, not the copper.
- Sidhaant Lodaya:** So what is the copper conductor potential revenue that we are envisaging for FY27?
- Nilesh Patel:** Our capacity is 3,600 metric ton, not 36,000. Copper is 3,600 metric ton with PICC and CTC conductor, both the product.
- Sidhaant Lodaya:** Okay. So FY27 revenue would be INR100 crores to 120 crores, is that correct?
- Nilesh Patel:** Yes. Yes.
- Sidhaant Lodaya:** All right. That's helpful. Thank you.
- Moderator:** Thank you. The next question is from the line of Daksh Malhotra from Aadriv Global. Please go ahead.
- Daksh Malhotra:** Yes. Good afternoon, and thank you for the opportunity. And also thank you for clarifying so many doubts that we've had on the call. Most of my questions have been clarified, but just sir, when we look at the math at about INR210 per kg with 30,000 metric ton, we are talking about INR600 crores coming from CRGO, around INR100 crores-INR120 crores coming from our copper conductor starting H2 FY26, and then around INR25 crores coming from radiator plus ballpark around INR10 crores-INR15 crores coming from nanocrystalline core, right? So it amounts to about INR750 crores to 780 crores, which is what you are also guiding for, isn't it?
- Nilesh Patel:** Right. Right.
- Daksh Malhotra:** Okay. Perfect. So sir, just if in this we'll see you have written that margin will be in sync with last year. Last year means Q4 exit margins which have come decreased or of the whole year probably we have done around 8.5% PAT 11.2% EBITDA?
- Nilesh Patel:** Sir, decrease have come only for one quarter, they won't come ahead, and those that have come for the full year, they have come best better, don't worry.
- Daksh Malhotra:** So, sir, in this we see this same working around 8.5% PAT margin. You have guided for 7% though, given in copper conductor the margin is lower. So when that starts, it will bring an overall impact. But at the same time if CRGO increases so we might be able to balance out. So EBITDA margin between 11%-12% and PAT margin between 7% to 8% will remain in this ballpark for the FY27?
- Nilesh Patel:** Yes.
- Daksh Malhotra:** And if CRGO rates increase, sir, then can we expect even that INR1,000 crores top line possibility?

- Nilesh Patel:** We will sell 30,000 tons, that is for sure. If the rate increases, according to that margins will also increase and turnover will also increase.
- Daksh Malhotra:** Okay. Okay. Fair enough. Thank you, sir. The rest of the questions are answered. Thank you.
- Moderator:** Thank you. The next question is from the line of Deepankar Bisht from CCVIM. Please go ahead.
- Deepankar Bisht:** Yes. Am I audible?
- Moderator:** Yes, sir. Please go ahead.
- Deepankar Bisht:** Yes. Thanks for the opportunity, sir. Sir, out of 45% growth in revenue for FY27 that you have guided, what is the expected revenue contribution from the newly added capacity of core CRGO?
- Nilesh Patel:** Sir, this balance 18,000 metric ton will come from the new facility only. Because our old facility is fully exhausted from the very first day since so many years.
- Deepankar Bisht:** Okay. Sir, can you provide some color on quarterly phasing for FY27 revenue?
- Nilesh Patel:** Can you repeat your question?
- Deepankar Bisht:** Can you provide some color on quarterly phasing for FY27 revenue? Like would the H1 be stronger or H2 be stronger for the company?
- Nilesh Patel:** Sir, what I see at present, H1 will be bit lower than the H2 in this coming financial year. Because at present, oil price has jumped from INR70 to INR150, transformer oil. Lots of customers are having their orders as a firm price order. So few of the customers are waiting that this conflict gets finished and the oil price comes down, then they will start the new order.
- Few customers who are getting price rise from their ultimate customers are starting up their production. So this April and May is going to be a little bit on lower side looking to the sales. So H2 will be better than H1 because even in transformer industry's figure, H1 will not be good because of this oil...
- Deepankar Bisht:** So can we expect 40% in H1 and the rest 60% in H2, or 30/70?
- Nilesh Patel:** It won't be 30/70, it will be 40/60.
- Deepankar Bisht:** Okay, sir. Thank you, sir. That's all from my side.
- Moderator:** Thank you. The next question is from the line of [Yash Rathi from Veer Growth AIF]. Please go ahead.
- Yash Rathi:** Hello. Good morning and congratulations on a good set of numbers. I just had a query on how our business model is. So it's a cost-plus model. And if it's a cost-plus model, so should we focus on EBITDA per ton in the CRGO business and also in the copper business? And if not, so

what's the value addition and what drives our margins? So moving forward that we have a better clarity on the same.

Nilesh Patel: It's about -- it goes in percentage. Our few of the cost is fixed per kg. So if the price goes up, we get bit higher percentage. If price goes down, we get EBITDA little bit on lower side in CRGO. In copper, the same like if copper price goes up, whatever the value of paper we are using, we get more value for that paper. Paper price remains same, copper price goes up. 3% to 4% paper is used into the copper product.

So whatever the paper we use, we get multiplication of that benefit. So if copper price goes up, we get the valuation of the paper higher, so the margin is high. If copper price goes down, the valuation of that paper comes as a lower value, so margins comes down. So any product in which the price goes up, we get the better EBITDA margin and the margin, copper as well as CRGO.

Yash Rathi: So copper won't be a EBITDA cost-plus model where our there would be a certain kind of EBITDA per ton that we would be looking at?

Nilesh Patel: We say average EBITDA is around 4% to 5%, but if copper price goes up, you get more realization of the paper.

Management: Because you would be having a better inventory early on at a lower price, that's why our margin would improve on that front. Other than that, it would be a certain fixed EBITDA per ton.

Nilesh Patel: Yes, but the point is you don't understand. Copper we don't -- copper is an extraordinary volatile product, so you cannot keep on copper open. It's always hedged. It's about the paper what you are using in copper and the process cost. Like paper cost is around INR200 a kg. When you sell copper at INR1,400 a kg, you get the valuation of the paper from INR200 to INR1,400. If copper price comes down to INR1,000, you get the valuation from INR200 to INR1,000.

Yash Rathi: Understood. But I want a better clarity, sir, if you can give on CRGO business. The same thing applies over there as well?

Nilesh Patel: Sir, CRGO business typically there are no such kind of calculation. It's like price is going up, then why it's going up because there is a shortage. When there is a shortage, you always can get the more price and more profit. That's how it works.

Yash Rathi: Understood, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Vihaan Bagri from Umayo Advisors. Please go ahead.

Vihaan Bagri: Yes. So my first question is that despite us having a decent cash balance, why have we chosen to go for short-term debt?

Nilesh Patel: Sir, we are having a cash balance but the if you see our forecasted turnover, we will definitely require more and more working capitals. And to keep short fund because in CRGO we need to keep lots of stocks and like right now if Chinese mills BIS will close down and 2 months, 3 months if government delayed it to open it, we need to keep few stock building up to get the

cater to our customer and everything and for such kind of strategic purchase, we need to have some this kind of cash flow on our hand. As well as if we have to reach to turnover of say INR750 crores, we are utilizing the same cash flow.

Vihaan Bagri: Okay. And my second question is I wanted to know your thoughts on going to main board from SME?

Nilesh Patel: So as and when these 3 years will be completed, we will definitely switch over to main board and for that whatever the process has to be started, that we will start in this financial year around December because we will be eligible for June 2027. All other criteria -- but the minimum timeline is 3 years, which we are completing on June 27.

Vihaan Bagri: All right. If I can just squeeze in one short question.

Moderator: I'm sorry, sir. Could you please return to the question queue?

Vihaan Bagri: Okay.

Moderator: Thank you. The next question is from the line of Siddharth Shah from SRS Capital. Please go ahead. Please go ahead. There appears to be no response from the participant. We'll move on to the next question, which is from the line of Miten Shah, an Individual Investor. Please go ahead.

Miten Shah: Yes. Am I audible?

Nilesh Patel: Yes, sir. Please go ahead.

Miten Shah: Yes. Thank you so much for allowing me. So my first question would be Nilesh bhai, if you see we we've essentially a CRGO manufacture lamination manufacturer, then we venture into the radiators, then the copper conductors and now we're planning to go then the nanocrystalline cores and now into the HV bushings. So these are all connected to transformers in a way. So my core question is that is there a plan there we could probably also think to become a transformer OEM, which would really help us in improve the efficiency and margins since everything will be backward integrated?

Nilesh Patel: Sir, if we will enter into the transformer field, definitely these customers what we are having right now, we have to compete with them. And do you feel that the any customer to whom if I will compete, they will provide me the technical details and everything? Technically, if I start my transformer business, definitely I'll lose lots of customers.

Miten Shah: Okay. So for what probably we're thinking is we might face pressure of conflict of interest or whatever, so hence we might lose business and hence probably that may not be the case going forward. Am I right?

Nilesh Patel: That's what we don't want to happen and that is why we are never planning we are not going to plan transformer factory or transformer manufacturing in Vilas Transcore. We are making CCA core coil assembly and everything and that if some customers will come, definitely we will think on that, but full transformer we will not go in Vilas Transcore because that will spoil our existing business.

- Miten Shah:** Got it. And the second question will be like so actually fail to understand regarding the volatility of the CRGO prices because I had asked question in the earlier concall also, like if the CRGO prices increases and what is the effect of it. So what I understand as of now in this concall is if the CRGO prices increases, so that probably increases our margin. So what I don't understand is that if the if the raw material price increase, how does it affect how does it increase our margin because that's the main raw material, you know, to make the lamination?
- Nilesh Patel:** So sir, raw material price only increase if there is a shortage, unavailability, not routine availability of the material in the market. So when there is a shortage, you can definitely get better price from your customer, one thing. Second thing, at that time if you are having a good contract of the raw material supply, that can help you. Like if price increase, you are having your inventory, you are having your backward booking and all those things, you can definitely get benefit out of it.
- Miten Shah:** Okay. So that is directly proportional the margins are directly proportional with the increase in the price of the CRGO input prices?
- Nilesh Patel:** Yes.
- Miten Shah:** Got it. Thanks a lot for answering both the questions and really appreciate and wish you all the best.
- Nilesh Patel:** Thank you.
- Moderator:** Thank you. The next question is from the line of Deepanshu from Hem Securities. Please go ahead.
- Deepanshu:** Good afternoon, sir. First of all, congratulations for great set of numbers. Sir, is there any way to track CRGO prices like any website or we can track indirectly by tracking some other steel product prices?
- Nilesh Patel:** There is no such kind of mechanism with the CRGO prices.
- Deepanshu:** Okay. Thank you so much, sir. Like rest all my questions are already answered. Thank you. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Chethan Dhruva, an Individual Investor. Please go ahead.
- Chethan Dhruva:** Thanks, ma'am. My questions have been answered. I wanted to know about the INR1,000 crores revenue thing, I think the management already clarified. So thank you.
- Moderator:** Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities. Please go ahead.
- Hardik Gandhi:** Hi, sir. Thanks for the follow-up opportunity. Just wanted to know two short things. First, what is the current profitability from nanocrystalline and how do we expect to ramp it up post this expansion?

Management: Can you repeat your question because background there is a noise and we are not able to listen it properly.

Hardik Gandhi: Is it better?

Management: Yes.

Hardik Gandhi: Just wanted to know what is the current PAT we are realizing from nanocrystalline sales, how are we expecting to ramp up for this year and are there any further capex plans in nanocrystalline?

Natasha Patel: Yes. So the current PAT we are realizing is about 25% and we are under the process of research and development of developing new products in the same nanocrystalline course. So our current proposed capacity is 240 metric ton and we are proposed to utilize around 180 metric ton with these new added products in nanocore.

Hardik Gandhi: Right. But earlier we guided for a 50% PAT, is it that something which we will realize by end of this year or is it – was it a hypothetical number and real PAT?

Nilesh Patel: Like we said that we will do around 240 metric ton and in value-wise if you count it, it will be around INR25 crores to INR27 crores full capacity. But at present it's a from very first commentary I said it's a highly technical product and we have to develop it segment by segment.

So, whatever the segments we have developed, right now we are catering around 10 to 12 tons per month, which one more machine is coming from China in next 15-20 days. Once that machine will come, that will add somewhere around 4 to 5 metric tons per month in this present capacity. So, this year's conservative we have kept 180 metric ton, which will fetch somewhere around INR18 crores to INR20 crores as a turnover with around 20%-25% PAT margin.

Hardik Gandhi: Right. And just second question on Voltamp and Shilchar provided bad results for Q2, their margins were under pressure. So, is it that we are seeing overcapacity starting to show up in the numbers and is there a pressure from transformer companies to provide at a cheaper cost? How what is the competitive landscape if you can?

Nilesh Patel: Sir, it's not it's not about the pressure, it's not about the something like if you are having an order for the fixed price for six months and if your raw material prices is going up, your margin will shrink. The same thing is happening with the transformer company because earlier the copper has gone up like anything, then the oil has gone up like anything, and recently if you see all the component including nut-bolt and Fevicol also has gone around 25% to 30% on higher side.

If you are having a firm price order and if your customer is giving you firm price order for 10 years, you cannot go back to the customer and say that my price has gone up and I will not cater you because in 10 years of time, your customer must have been waiting given continued the order when the prices has gone down. So, in such kind of era, a prominent transformer company will definitely stood up with their commitment and once they fulfill their commitment, the short-time balance sheet for the quarter or two quarter may hamper.

But in a longer vision maintaining the customer in such kind of era always helps in a long-term relationship. And that what is the business. So, this is not something that overcapacity or something, they are fully loaded with the order, that few orders are on the firm price and when you have a order of the firm price in downward trend you get the benefit and in upward trend you get hit with some kind of this short-term loss or short-term drop in a profit or something.

Hardik Gandhi: So, there is no pressure on you to reduce your margins for the short term as well? So, they don't expect that from you or?

Nilesh Patel: No, no, no, no. In CRGO they cannot pressure us on reduce the margin. That doesn't happen. Nobody sells in CRGO below the price.

Hardik Gandhi: Right. That's it from mine. Thank you. All the best.

Moderator: Thank you. The next question is from the line of Khushi from Radean Capital. Please go ahead.

Khushi: Hello, sir.

Nilesh Patel: Hello.

Khushi: Yes, sir. I wanted to know your vision after FY '28 or beyond FY '27 as you will get a 30,000 metric ton capacity in FY '27. After that, how will you, you know, scale up your businesses?

Nilesh Patel: Ma'am, in next financial year we will definitely plan to reach to 36,000 metric ton and once we will be confident enough that we will be able to reach 36,000 metric ton in this year, we will expand our capacity sector-wise, territory-wise and we will put up the plant somewhere else in India or somewhere else out of India.

Khushi: Could you quantify that growth?

Nilesh Patel: That we will plan in somewhere around '27 March or something, we will take a call on that.

Khushi: Okay, sir. Okay. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Aman V from Wealth Trust Capital. Please go ahead.

Aman V: Yes. Just one question from my end is on the price rise clause. So, in the contracts that you do with your clients, how often are these contracts repriced just with regards to the volatility in the CRGO prices?

Nilesh Patel: With our customer?

Aman V: Yes.

Nilesh Patel: With our customer, we never reprice any contract.

Aman V: Okay. So, I mean what is the contract tenure usually like?

Nilesh Patel: Quarterly. And that is only two or three clients , not more than that.

Aman V: Okay. And these are fixed margin contracts or fixed price?

Nilesh Patel: It's a fixed price contract.

Aman V: Okay. Noted. That's it from my end. Thank you.

Moderator: Thank you. Next question is from the line of Kushal Shah from Nexus Equity. Please go ahead.

Kushal Shah: Yes. Thank you. Sir, my question is on the other income side. So, the other income is roughly around 15% - 20% of your total profitability. So just wanted to understand as you just mentioned that going forward with increase in turnover, working capital requirement will be there? So, can we expect some moderation in other income or you intend to maintain this kind of other income? So, I believe the other income would be the treasury income only.

Nilesh Patel: Yes. So, these are all the margin FDs against the LC what we to import the material. So that is a fixed LC that we are not disturbing. So, the other income other than that money invested from this IPO the FD which we did from the IPO, the interest income of that will be zero, but the other income which was there before IPO on our balance sheet, that will remain the same because that FD is there and we are utilizing LC limits on that FD.

Kushal Shah: Okay. Because sir, I think I think your IPO proceeds have been fully utilized as per your statement which I saw?

Nilesh Patel: Yes.

Kushal Shah: Around 95% you have utilized the amount. So, we can expect some moderation, but you just mentioned that there will be some sort of other income which were which was present before IPO?

Nilesh Patel: Right.

Kushal Shah: Sir, my second question was on the CRGO prices only. So, I mean just going back to one, one and a half year, your prices were around roughly around INR270 to INR290 per kg. Am I right, sir?

Nilesh Patel: Yes.

Kushal Shah: And now it has come down to roughly around INR180 - INR185 per kg, so roughly 50% - 60% moderation in the prices?

Nilesh Patel: Yes, it is INR195 right now, but yes.

Kushal Shah: Despite that, I think, yes, and despite 50% - 60% correction, you have done wonderfully well. So, congratulations on that part. But sir, just want to understand that, you know, I mean if I want to look at long-term average, so the long-term average would be roughly around INR200 - INR220 or higher than that?

- Nilesh Patel:** We are looking at somewhere around INR200, INR210, INR220 long-term average because this INR195 is not the realistic price, all the mills were crying when that price has gone down to that level.
- Kushal Shah:** Okay, sir. And sir, you just mentioned that, you know, that transformer OEMs are facing pressure because all the components raw material prices have gone up including transformer oil, metal components, copper, etc.?
- So just coming to our manufacturing setup, so our main raw material is CRGO steel, right? Apart from that I mean due to this West Asia war impact, do we see any other challenge I mean do that war has direct impact on our business?
- Nilesh Patel:** No, so at price wise, yes, few plastic and all those things which we are using in packing has rise by 30%. But that is not a big consumption in our particular product item.
- Kushal Shah:** Yes, I think I think around 50% - 60% will be CRGO steel only in I mean the raw material cost?
- Nilesh Patel:** We have a CRGO steel, then the labor and then the wooden packing and plastic.
- Kushal Shah:** Okay. And sir, the INR1,000 crores turnover target, so when can we expect that now?
- Nilesh Patel:** Sir, with this CTC plant fully operational, one thing is CTC plant fully operational in next financial year. Second thing, if in this financial year CRGO price goes to INR250 or INR280, in this year we can achieve, otherwise next financial year with fully operational CTC conductor plant, we will be able to achieve that INR1,000 crores.
- Kushal Shah:** Okay. Thank you, sir. Thank you. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Vihaan Bagri from Umayo Advisors. Please go ahead.
- Vihaan Bagri:** Yes. Actually, I just had one question regarding the order that was dropped from April due to the war. Have they started the production for that orders? Have they started to dispatch the orders?
- Nilesh Patel:** Yes, sir. In this last month, the order position was not good, but this month the order position is good. So slowly, slowly they have started because last month they entire lots of transformer manufacturers were in conversations with their ultimate customers and all people, the big MNCs, they do not take decision immediately. But from this financial year this month, it has been started in line.
- Vihaan Bagri:** Okay. All right. Thank you. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Nileshji Patel for closing comments.
- Nilesh Patel:** So, thank you, everyone, for being part of today's conference call and for your active participation and continued interest in Vilas Transcore. We sincerely appreciate the trust and

confidence that all our stakeholder, investor, customers, and partners continue to place with place in us.

We hope we have been able to address most of queries and provide a clear perspective on our business performance, growth plans, and long-term strategy. As we move forward, we remain confident about the opportunities ahead and committed our building a stronger, more integrated, and future-ready transformer component business backed by disciplined execution, operational excellence, and continued value creation.

In case of any further queries and clarification, please feel free to reach out to our Investor Relationship Advisor, Stellar Investor Relations. I would like to leave you with that note and once again thank you all for your continued support and encouragement. Have a great day. Thank you.

Moderator:

Thank you very much, sir. On behalf of Vilas Transcore and PhillipCapital, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.