SHILCHAR TECHNOLOGIES LIMITED

Date: 24.10.2025

To,
Bse Limited
Listing Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001
Security Code: 531201

Sub: Transcript of the Conference Call/Invertor Meet held on October 18, 2025.

Dear Sir/Madam,

In terms of Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Transcript of the Conference Call with analysts and investors held on October 18, 2025, to discuss the Unaudited Standalone Results for the quarter and half year ended September 30, 2025.

Further, in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Transcript of the Conference Call is also uploaded on the website of the Company (https://shilchar.com/upload/power_investor_relations/sparkie-silchartech-oct18-2025-1.pdf)

Please take the same on your record.

Thanking you,
For Shilchar Technologies Limited

Vishnupriya Civichan
Digitally signed by Vishnupriya Civichan
Date: 2025.10.24 13:42:39 +05'30'

Vishnupriya Civichan
Company Secretary & Compliance Officer

Shilchar Technologies Limited

Q2 FY26 Earnings Conference Call

October 18, 2025

MANAGEMENT:	**MR. ALAY SHAH – MANAGING DIRECTOR, SHILCHAR TECHNOLOGIES LIMITED** **MR. AASHAY SHAH – EXECUTIVE DIRECTOR, SHILCHAR TECHNOLOGIES LIMITED** **MR. AATMAN SHAH – MANAGER OPERATIONS, SHILCHAR TECHNOLOGIES LIMITED** **MR. PRAJESH PUROHIT – CHIEF FINANCIAL OFFICER, SHILCHAR TECHNOLOGIES LIMITED**
MODERATOR:	**MR. RAVI SWAMINATHAN – AVENDUS SPARK**

Moderator: Ladies and gentlemen, good day, and welcome to the Shilchar Technologies Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ravi Swaminathan from Avendus Spark. Thank you, over to you, sir.

Ravi Swaminathan: A warm welcome to everybody to the Q2 FY '26 Earnings Call of Shilchar Technologies. To take us through the results today, we have with us from the management, Mr. Alay Shah, Managing Director; Mr. Aashay Shah, Executive Director; Mr. Aatman Shah, Manager Operations; and Mr. Prajesh Purohit, the CFO.

We will start with a brief opening remark on the business performance during the quarter from Mr. Aashay Shah and then open the floor for Q&A. Thank you, and over to you, sir.

Aashay Shah: Good afternoon, everyone. Thank you for taking the time to join us today. Before we open the floor for questions, I would like to provide a brief update. For Q2 FY '26, we delivered revenue from operations of INR171 crores, making a robust 31% growth year-on-year. Our profitability metrics continue to demonstrate the benefits of our operational efficiency and the healthy demand trends in our key markets.

EBITDA margins for Q2 stood impressively at 31%, remaining in line with levels achieved in Q2 FY '25. Furthermore, we posted a net profit of INR46 crores for the quarter which represents an exceptional 40% year-on-year growth. Overall financial performance for first half FY '26 has noted considerable growth across three key metrics on a sequential basis, including a 39% top line growth and 54% bottom line growth.

To the industry background, the domestic power and renewable energy sector continues to provide substantial tailwinds for our business. According to Ministry of New and Renewable Energy, India commissioned approximately 21.7 gigawatts of solar capacity in first half of FY '26. This strong sectorial momentum is translating directly into sustained order inflows and robust visibility across the domestic segments positioning us well for further growth.

Considering the first half sales, on hand orders of approximately INR300 crores plus and ongoing discussions with our customers for new orders, we are on track to achieve our target meeting sales of INR750 crores for year FY '25-26.

Turning to our export business. There have been some recent changes in policy landscape in the United States. The new tariff measures implemented from August 27 have introduced some uncertainties. Despite these developments, underlying demand and customer engagements in the United States remain strong. Notably, business momentum in the United States market remains healthy so far even post policy change.

We continue to watch the evolving situation closely and are actively working with customers to minimize any potential impact on our business. Additionally, our outlook for other international markets, such as Middle East, remains encouraging, providing a well-balanced foundation for our export business. A significant milestone for Shilchar Technologies this quarter was announcing our Gavasad expansion...

Moderator: Sorry to interrupt, sir. We missed the last few lines. Could you please repeat?

Aashay Shah: Yes. So a significant milestone for Shilchar this quarter was announcing our Gavasad expansion 3 project. This will be the largest capacity addition in our company's history, adding 6,500 MVA and bringing our total to 14,000 MVA by April 2027. This expansion is funded entirely through internal accruals with a capital outlay of approximately INR90 crores, underscores our commitment to India's rapidly evolving power sector and our confidence in long-term growth strategy.

With these highlights, I would now like to open the floor for questions.

Moderator: Thank you. The first question comes from the line of Sagar Dhawan with Value Quest. Please go ahead.

Sagar Dhawan: Thanks for the opportunity. Just a few questions on the new capacity addition that you announced of 6,500 MVA. So what is the targeted kV class of transformers that we will be looking to make here? Would it be the similar class that you're making today? Or are we looking to fit into the other kV classes?

Aashay Shah: So we are going [Inaudible 0:05:51]. We will be able to manufacture 100 MVA, 220 kV class transformers.

Sagar Dhawan: Sir, your voice is breaking. I'm not able to hear you clearly.

Aashay Shah: So we'll be able to manufacture up to 100 MVA, 220 kV class of transformers at this new manufacturing facility.

Sagar Dhawan: Understood. Okay. And this is entirely it will be used for 220 kV class? Is that the correct understanding?

Aashay Shah: Yes. So it can be used for 220 kV class, but we can manufacture smaller size transformers also over here. So we can have a mix of different products also.

Sagar Dhawan: Okay. Understood. And since this is a new range for us, can you give us an idea about the market size that you are seeing here, the demand visibility as well as how the approval time line would move along for this for you so that you can start this.

Aashay Shah: Yes. So we are planning to -- I mean, all the -- [Inaudible 0:07:01] in these solar parks, so we are targeting to offer these transformers as a package along with the inverter duty transformers. And then of course, once we have some references of these, we will move to the exports as well.

Sagar Dhawan: Understood. Okay. And sir, for the commissioning time line of the new facility, you mentioned April 2027, so just wanted to understand what are the long lead time items that lead to such a time line being there because this is a brownfield expansion for us, if I'm not mistaken.

Aashay Shah: So we have already started floating inquiries for machinery. We have already given the order for the civil contractor and the pre-engineered building as well. And before that is completed, all the machinery will be available with us. There are some long lead items like winding machines and [Inaudible 0:08:21] be with us before the -- before the [Inaudible 0:08:28].

Sagar Dhawan: Understood, okay, and last question from my side is on the components. So are you seeing any bottlenecks or scarcity of companies like bushing, insulation or other raw materials or currently the situation is stable?

Aashay Shah: No. Most of our raw material is sourced from India only. And most of the items there are multiple vendors. So there is no bottleneck in terms of sourcing any materials.

Sagar Dhawan: Okay. Thank you and all the best.

Moderator: Thank you. The next question comes from the line of Akash from Dalal and Broacha. Please go ahead.

Akash: Sir, my first question is what kind of current order book are you sitting on?

Aashay Shah: So we have an order book of INR300 crores. And we are currently under negotiation with a lot of our customers and we are very confident that we will be able to achieve our target of INR750 crores this financial year.

Akash: Understood. And sir, at the new facility, which comes live by April '27, so what kind of utilisation levels do we target to achieve in FY '28, that is the year when the capacity goes live?

Aashay Shah: Sorry, can you repeat, please?

Akash: What kind of targeted utilisation levels are we trying to achieve in FY '28 at this new capacity in the first year?

Aashay Shah: So we'll -- I mean as much as we can. And we'll be happy if we can, in the first year, achieve 60%, 70% capacity utilisation. Even in the new plant, we will be manufacturing inverter duty transformers, where our presence is already there. For 220 kV class, yes, of course, it will take some time to get the approvals, the typesets and build confidence on our customers.

Akash: Understood. Sir, just one clarification on this 220 kV class. I think we lost your voice when you were trying to explain why you all are making this shift to 220 kV and I think you all are trying to bundle this up with your existing inverter duty offering, right? So I mean, how does this help us penetrate further in the market? That's what I wanted to understand.

Aashay Shah: So it's mainly volume and most of our customers who are buying for us, they really look at quality and they don't mind…

Moderator: Sir, could you please repeat? We couldn't hear you.

Aashay Shah: So most of our customers, existing customers, they really value the quality, and we -- and they give us -- they don't mind paying a premium to us for the transformers they buy from us. So we are expecting them to have the same kind of approach for these power transformers. It will increase our top line and the bottom line as well.

Akash: Understood. So this will be better on realisation front as well as margin front, right?

Aashay Shah: Correct, correct.

Akash: And just one last question before I come back in the queue. Considering the current tariff scenario, sir, I mean I was asking -- I was concerned about our margins that we do this year. Do you feel that this will affect our margins in the current year or on a year-on-year basis, we'll be able to maintain or even go further than what we achieved last year?

Aashay Shah: So I mean, we don't see any issue. We'll be able to maintain the margins which we have and we've been doing so over the last two years, and all our customers, I mean, they have not placed any orders on hold or they have not cancelled any orders. They are continuing with the deliveries. They have not even pushed back the deliveries. So we are not expecting these margins to go down, and we expect them to be the same for the next year or so.

Akash: That's great sir. Alright, I will come back in the queue.

Moderator: Thank you. The next question is from the line of Jiten Parmar with Aurum Capital. Please go ahead.

Jiten Parmar: Good afternoon, Alay ji, Prajesh and the whole Shilchar team. I want to congratulate you on excellent last few years and the way we have gone about taking advantage of the cycle. So that is commendable. I must congratulate you on that.

Coming to the question. Can you please throw some more light on basically the U.S. tariff situation? Like what is the current tariff which is applied to our products. I mean we are hearing 50%, but if you can just give a color on that.

Aashay Shah: It is 50%.

Jiten Parmar: Okay. So how is this being mitigated? Are the customers ready to pay for it? Or do we have to take any hit or if you can throw some more light.

Aashay Shah: The customers are ready to pay for it as of now because our competitors for these markets, they are in different countries, which also have tariffs.

Jiten Parmar: Okay, great. And what is our export revenue from U.S., percentage-wise?

Aashay Shah: Export is about 12%, 12% to 15%.

Jiten Parmar: 12% to 15% to U.S., right?

Aashay Shah: Yes.

Jiten Parmar: Okay. Great. And it's good to know. And what was our capacity -- I guess for FY '25 our capacity utilisation of 77%. What about for Q2 and -- and also further to this, post this expansion to 14,000 MVA, what is the revenue potential which the company would have?

Aashay Shah: So with the new expansion, we will be able to -- at full capacity, we'll be able to do a turnover of anywhere between INR1,400 crores to INR1,500 crores.

Jiten Parmar: Okay. And what was the capacity utilisation for Q2? And what are we expecting it to be for the FY '26?

Aashay Shah: So FY '26, we are expecting about 90% to 95% capacity utilization. And for Q2, it was about, again, 90% to 95%.

Jiten Parmar: Okay. Great. That’s all from my end. Thank you so much and congratulations and wish you all the best.

Moderator: Thank you. The next question comes from the line of Jai Chauhan with Trinetra Asset Managers. Please go ahead.

Jai Chauhan: Thank you for the opportunity. So sir, you mentioned about the order book you have INR300 crores. Can I know the split of exports and domestic out of that?

Aashay Shah: Domestic is about INR175 crores, export is INR125 crores.

Jai Chauhan: Domestic is INR175 crores and export is INR125 crores you mentioned?

Aashay Shah: Yes.

Jai Chauhan: So I guess the share of the domestic is okay, similar. So -- how can we look at margins going forward, like will there be pressure due to export share are going down? Or will it get better?

Aashay Shah: I mean we are still expecting a lot more export orders for Q4 and it -- I mean, at the end, we'll be at 50% export and 50% domestic only. So we don't see any issue with the margins. We'll be able to maintain our margins.

Jai Chauhan: Sure sir. That's it from my side. Thank you.

Moderator: Thank you. The next question comes from the line of Garvit with Nvest Analytics. Please go ahead.

Garvit: Am I audible?

Aashay Shah: Yes, yes. I'm able to hear you.

Garvit: Congrats for a good set of numbers. My question is on the outlook only. Reading the Q2 PPT, one thing we observed is like your tone is looking very cautious this time. And our guidance, which earlier used to be INR750 crores to INR800 crores, now we are like on the lower side.

So can you put some color like because the real test will be now, as July and August might have been good for us, but what about September and the upcoming months, sir? How do you -- how are you seeing the revenue booking from U.S. right now, sir?

Aashay Shah: So revenue booking is okay. I mean, like I said, we don't have any pushbacks or we don't have any cancellations so far. So we don't see any issue regarding the orders. Like I said, most of our competitors who supply to the U.S. are in countries where the tariffs have been implemented as well. So the difference is not very high. It is manageable and our customers are preferring to buy from us only.

Garvit: Understood. And sir, on the margin front, like you said we will be able to maintain our margins, not only for this year and also over the next couple of years. So the thing is with the huge capacities coming in, we are seeing like everyone is announcing the capex in the transformer side plus this U.S. tariff hang on.

How do you see like -- how you are confident like we will be able to maintain the margin? Because there will be a situation when the overcapacity will be there in the transformer industry, right? We are already seeing it.

Aashay Shah: Yes, but we don't see that happening for next at least three, four years. I mean next three, four years, it should be good. And like I said, most of our domestic customers, they prefer buying from us and they don't mind paying a premium to us as well.

Garvit: Okay. And one last question on our product mix. Like today, we are focusing on the transformer side, but it is putting us into a risk of the single product exposure, right? So do we have any plan or we are into the R&D of any product that can further diversify our portfolio going ahead?

Aashay Shah: No, not as of now. We are focusing on making this expansion, where we'll be manufacturing 220 kV class. So it is a, I mean, different type of manufacturing altogether. So we'll be focusing on that only. We are not looking at any other product. We know the market. So we want to focus on transformer only. And it is a growing market, and it should be growing like this for the next 5, 10 years. So we want to focus on transformers only.

Garvit: Understood. And sir, this INR750 crores number is the -- like we are very much cautious or there is still a chance to achieve INR800 crores kind of number that we earlier stated.

Aashay Shah: No, INR750 crores, we are a bit cautious with this number. So we'll be able to achieve it. We are very confident.

Garvit: Got it. Okay sir. Thank you very much and all the best for the future.

Moderator: Thank you. The next question comes from the line of Shrenik Mehta with Indo Aalps Wealth. Please go ahead.

Shrenik Mehta: Thank you for the opportunity and congratulations to the entire team for great results. I just wanted to understand a little bit about FY '27, given that you're talking about capacity utilisation of 90%, do you think -- is this really confirming that the sales in FY '27 will be fairly flat or muted?

Aashay Shah: No, there will be some growth. So generally, what happens is in Q1 and Q2, there is always a slow movement. So for FY '27, we will try to increase that capacity. So we'll be growing by about 10% -- 20% or so for FY '27.

Shrenik Mehta: Okay. And given this demand scenario that you have, would it not have been better for you to have the new capacity at least one year in advance? Are we a little bit late in adding this capacity? It's a question of just in hindsight, but of course, you can't do anything about it, but just a reflection.

Aashay Shah: No, I think we are moving at the right time, and there is still huge demand. A lot of requirement is there. And I don't think we are late for this.

Shrenik Mehta: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Salil Desai with Marcellus. Please go ahead.

Salil Desai: Sir, my question was on, again, the U.S. customers. So when you're saying they are still buying from you, are they taking the full brunt of the additional duty or you give them some relief and then they take some part of it?

Aashay Shah: No, they are only taking the full brunt of the duty.

Salil Desai: So the pre tariff regime from now, so effectively, there's a, let's say, 50% price hike. The demand is so much that they are -- they are so desperate that let's buy this no matter what, right?

Aashay Shah: Correct.

Salil Desai: Is that how bad the demand situation is or how bad the supply situation is?

Aashay Shah: Correct, correct. I mean they don't have much choice because our competitors are in various countries where they have kept tariff also. So they don't have much of a choice. In order to fulfil their projects, they will have to bear this cost.

Salil Desai: Understood, right. And in any of your interaction or visits to the U.S., have you seen that some local supplies coming up or people are planning? Or do you yourself think that it might make sense to...

Aashay Shah: No, it doesn't make sense in the U.S. because this is a very labour-intensive manufacturing product. So it becomes very expensive to manufacture there.

Salil Desai: Alright. Great. Thank you. That's all.

Moderator: Thank you. The next question comes from the line of Abhi Jain with AJ Capital. Please go ahead.

Abhi Jain: Am I audible?

Aashay Shah: Yes. I can hear you.

Abhi Jain: First of all congratulations, sir. The good part about you and your management is that you've always been truthful about the growth trajectory and you always stick to your numbers and achieve them. So that's a great thing. Often, we find difficult in Indian management. They overestimate and under deliver, but it's not the case with you. So, congratulations.

I just want to understand the very basic qualitative question. See, transformers and power industry have always been cyclical up till now and the cycle used to last five, six years, maximum seven years, but you are already in the fourth year of this uptick cycle and given your commentary and your positive commentary that you see the cycle extending to another five, seven years, which is a great news.

But I just wanted to understand what in your -- in your experience has changed that suddenly the cyclical industry is not cyclical anymore? And probably, this will see growth for another five, seven years, which really takes care of a lot of headaches that a lot of players in this market have because after five years, you put up capacity, you go for capacity expansion.

And obviously, you have great return on capital, so you realise your money and profit within a year or two. But after that, the industry goes to a downturn, like capacity is lying idle, and then you have to wait for another five, seven years to again recover the profitability. Now all of that is changing as per your comments. So what is happening? Is it the AI demand? Is it because of data centers. I mean what is happening? We are not able to understand that.

Aashay Shah: So it's just that government is pushing really hard for 100% electrification in India. And they are, I mean, focusing a lot on renewable energy also. So we already have a lot of capacity to expand in the renewable energy space. And with the increase in capacity with thermal power plants and everything, again, renewable energy share will go up. So because of that, we are seeing that in order to fulfil what the government is targeting, it will take at least five to 6 years.

Abhi Jain: Domestically. And export-wise, I mean, why the...

Aashay Shah: Export-wise, In the U.S., the data centers because of artificial intelligence, because of that the demand has really shot up.

Abhi Jain: Okay. And all the other questions have been answered. I just wanted to understand that obviously, your capacity ramp-up is coming in April '27. But what part of that capacity do you think can go live within FY '27 itself? Or do you think that before April '27, there will not be any capacity expansion in between? Do you think that...

Aashay Shah: So the new facility, we will start manufacturing in April '27 only. So we'll have to start putting efforts to get orders before that itself, so that we can start utilising the capacity immediately. Yes.

Abhi Jain: Okay. Thank you. And all the best, sir. And I love your honesty and transparency, sir.

Moderator: Thank you. The next question comes from the line of Samarth Nagpal with Suranu Family Office. Please go ahead.

Samarth Nagpal: Congratulations on a great set. I think most of the questions have been answered and the question was on the capacity expansion only, whether it would be incremental or not? Sir, one more question. What is our exports mix for H1? Can you give some color on that because I've not been able to get that.

Aashay Shah: Sorry, sorry, for H1, what is the export percentage.

Samarth Nagpal: Yes, sir.

Aashay Shah: It's 50% only.

Samarth Nagpal: It's 50% only. The same thing which we maintain every year.

Aashay Shah: Yes, yes.

Samarth Nagpal: On the capacity part, I think the earlier participant, the participant just before me asked also. So there is no scope for incremental capacity a part of it coming before April '27, right? Is that fair to assume?

Aashay Shah: Yes, yes. No. So I mean, this year, we are looking at INR750 crores. Next year, see, like I said, generally first two quarters are slow in the domestic market. So we will try to utilise that even more, and we will try to -- I mean, we'll target to reach INR850 crores next year, FY '27.

Samarth Nagpal: No, it's fair to assume. I think I have been invested in the company for last two and a half, three years and I feel whatever you have promised you have delivered on that. So I think it has been a fantastic journey for me also as a shareholder being invested with the company. I think these are the only two questions I had, and I wish you a very happy Diwali sir.

Aashay Shah: Happy Diwali. Thank you.

Samarth Nagpal: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Ravi Swaminathan with Avendus Spark. Please go ahead.

Ravi Swaminathan: I have one question with respect to the domestic revenue. I mean the question is that transformers get used, both at generation side, transmission side and distribution side and also at the industrial level. What is our composition among all these four factors? And where -- in which of these phases are we seeing maximum growth? And in which of these categories we are having maximum presence?

Aashay Shah: So we are mainly manufacturing special purpose transformers for solar and wind energy sector and we are growing in that segment itself. So now with the 220 kV class transformers, those will be used in the transmission side. And also, we have very strong customer hold for the distribution transformers as well. A lot of private utility companies, they are buying from us.

So all these sectors, not the generation side, but the transmission side we are adding and we are already in the distribution side as well.

Ravi Swaminathan: Okay. And is it fair to say that a very high share would be on generation side as of now, but incrementally, it will move towards a lot more transmission in terms of turnover?

Aashay Shah: So yes, we'll be moving to transmission. Right now, generation of solar and wind is a major chunk.

Ravi Swaminathan: Major chunk. It will be more than 80% of domestic revenue? Is that a number?

Aashay Shah: Yes. It will be about 80% of domestic revenue.

Ravi Swaminathan: Understood. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Prasad, an individual investor. Please go ahead.

Prasad: Congrats on a great set of numbers, sir. I had a couple of questions. I think on a few quarters con call, we have just spoken on NSE listing, sir. Is there any tentative time line been freezed?

Aashay Shah: So we'll be able to -- I mean, time line we have fixed it before the new year, we'll be listing in NSE. We are already working on it.

Prasad: Right. On this capacity expansion, sir, a lot of questions have been asked. I just have one question, sir, not sure this has been answered earlier. We will be taking to 14,000 MVA, right sir? So what will be the expected revenue on 100% appreciation?

Aashay Shah: So approximate revenue with full capacity would be INR1,500 crores.

Prasad: And we have an order book of INR300 crores, right, sir, what is the executed time line?

Aashay Shah: So these are all to be executed before this financial year.

Prasad: Okay. So with this order book, we are confident on achieving INR750 crores to INR800 crores as committed, sir?

Aashay Shah: Correct.

Prasad: Great, sir. And final question, sir, is there any plans on any acquisition, sir, in future?

Aashay Shah: No, not as of now.

Prasad: Thanks sir. All the best for your future.

Moderator: The next question comes from the line of Hiren Kumar Desai, an Individual Investor. Please go ahead.

Hiren Kumar Desai: Thank you for the opportunity. I hope you can hear me.

Aashay Shah: Yes, we can hear you.

Hiren Kumar Desai: Yes. So you mentioned that we'll be -- we are kind of operating at 95% kind of capacity in this quarter and maybe for the rest of the year. So for next year, do we have some outsourcing arrangement or something else? Like -- our growth will be constrained or our growth will be constrained because of capacity.

Aashay Shah: No. So like I said, this year, if we do somewhere between INR700 crores and INR800 crores, next year, we'll be targeting somewhere between INR800 crores and INR850 crores.

Hiren Kumar Desai: Okay. Okay. We don't have any outsourcing, etcetera.

Aashay Shah: No, we don't plan to do that as well because we want to have control on our quality. And because of that only we have built a good reputation in the market. And because of that, we are enjoying the premiums which our customers are paying us.

Hiren Kumar Desai: And one more data keeping question. So you mentioned that approximately 50% is exports. And you mentioned that around 12% is U.S. So rest of it is a broad geography, if you can talk about it.

Aashay Shah: So rest of it is mainly Middle East, some in Africa. And we have started recently exporting to Europe also and we do export some very less quantity to Far East as well.

Hiren Kumar Desai: Okay. Thanks. That answers my question.

Moderator: The next question comes from the line of Ashish Soni, an individual Investor. Please go ahead.

Ashish Soni: For this 220 kV transformers, you said you are in certification process. How easy is it to displace the incumbent in this area also, right? Because there are...

Aashay Shah: I'm sorry, can you repeat? Your voice is breaking.

Ashish Soni: Yes. So what I'm saying is 220 kV transformer, you're entering in there, there are incumbents and you are still undergoing certification and testing process. How confident are you to like pull it off because again there are incumbents there. I just want to understand that strategy.

Aashay Shah: No, we are very confident. We have already built a team who can design and who can manufacture these transformers. And like we have done, we started very slow from 11 kV we moved to 33, from 33 we moved to 66, from 66 to 132 we have moved, and we've been successful in every stage. We are very confident that we'll be able to manufacture these 220 kV class transformers.

Ashish Soni: And if you can just throw some qualitative light on the quality of the transformer compared to competition and you enjoy the premium. Can you give like what is different because, again, we are not able to clearly understand where exactly our differential comes in the quality aspect and the value chain also.

Aashay Shah: So our product gives very little problem at site. In case there is any issue, our service team responds to them very quickly, so customer really appreciates that. And most of our customers, if you have seen, I mean, they are all repeat customers. They have been working with us over the last 10, 15 years.

Ashish Soni: Regarding FY '27 revenue, you said almost 15%, 20% growth, how will that come because the capacity utilisation is at 95%...

Aashay Shah: I would like to say, 100% capacity is not utilized in Q1 and Q2. Generally, the market is very slow. So we'll have to be very aggressive and get more orders at that time. And we have already started putting efforts for that as well. And that is where we'll be able to increase the capacity -- increase the turnover.

Ashish Soni: Okay. Thanks and all the best. Happy Diwali.

Moderator: The next question comes from the line of Prathmesh Salunkhe with PL Capital. Please go ahead.

Prathmesh Salunkhe: Thank you for the opportunity. Congratulations for a good set of numbers. My question is on the order book and order intake. So in your PPT, you have mentioned that there is an order pipeline of about INR750 crores to INR800 crores for the full year of FY '26. So my question is how much of this pipeline has been converted till date?

And how many -- like how many orders we can see in H2 FY '26? And then at the end of FY '26 at what kind of order book we can sit on?

Aashay Shah: So in the first half, we have already done INR330 crores. We already have orders of INR300 crores on hand, and we are under negotiations for a lot of projects with our customers. We are very confident that we reach INR750 crores.

Prathmesh Salunkhe: Okay. So INR750 crores of revenue and INR750 crores of order book, is that right?

Aashay Shah: No. So we currently have order book of INR300 crores.

Prathmesh Salunkhe: Yes.

Aashay Shah: Pending, pending what we have starting 1st of October.

Prathmesh Salunkhe: Yes. No, no. What I was saying, overall guidance would be we are reaching about INR750 crores of revenue in FY '26 and then INR750 crores of order book in FY '26. Is that right understanding?

Aashay Shah: No, I don't understand what you are trying to ask.

Prathmesh Salunkhe: Okay. I'll rephrase. So basically, previously, we have been saying that we will be able to achieve sales of INR750 crores in FY '26, right? And then my question was with incremental orders that we can book in H2 of FY '26 at what kind of closing order book we can sit on at the end of FY '26?

Aashay Shah: Okay. Okay. Yes. So that also we are targeting. See, first two quarters next year, we'll be targeting about INR400 crores.

Prathmesh Salunkhe: Okay. Okay. Got it. Got it. And the new incremental capacity, sir, that is the 220 kV transformer, which is a new area we are entering. So -- and that will come online in April of 2027. So my question was from when will you be making the efforts to book orders for 220 kV transformers?

And the second part of that question will be, what kind of execution period we might look at for these 220 kV transformers and how different of the execution cycle is compared to 220 versus 130, 135 kV transformers?

Aashay Shah: So we'll be starting -- we'll start to take orders for 220 kV class transformers in January '27. So we can start manufacturing in April '27. And I mean, the lead time, of course, increases for these transformers. I think from order to dispatch, it would be about 22 weeks.

Prathmesh Salunkhe: 22 weeks. Okay, got it. Thank you for answering my questions.

Moderator: Ladies and gentlemen, we will take our last question. It's from the line of Suman Kumar, an individual investor. Please go ahead.

Suman Kumar: Am I audible?

Aashay Shah: Yes.

Suman Kumar: Considering the plan that you have of capacity expansion, sir, and as you told that it is coming in April '27. If we go back to the last few con calls, the original plan of expansion you had given an indication some time last year this time. Now it is coming up to about a delay of one year. Do you think it was a missed opportunity.

I mean, if we look back to the time because overall, we know that this industry is looking quite bullish and people are talking about order book, etcetera. So going back, do you think that you have lost one year and hence maybe we are looking at a scenario wherein we would have very modest accruals because we didn't plan for capacity expansion in time?

Aashay Shah: No, I don't think so because, see, I mean, we -- this 100% capacity utilisation also came very fast. And we don't want to like -- we want sustainable growth. We don't want -- I mean, we have accrued a lot of surplus also. So we'll be using that. Maybe one year ago, we would have had to use -- I mean, had to take a loan or something as well.

So we want to go slowly. We don't want to be super aggressive or anything. Demand is still there. So it's not like we have missed the bus entirely.

Suman Kumar: No problem. Thank you so much. Appreciate your response. Wish you a very happy Diwali.

Moderator: Thank you. Ladies and gentlemen, this was the last question for today's conference call. I now hand the conference over to the management for their closing comments.

Aashay Shah: Yes. Thank you all for joining, and I mean, we hope to grow as per what we are promising.

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