SHILCHAR TECHNOLOGIES LIMITED

03rd November, 2026

To,
BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Scrip Code: 531201

To,
National Stock Exchange of India Limited,
Listing Department "Exchange Plaza,"
C-1, Block G,Bandra –Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Scrip Code: SHILCTECH

Sub: Transcript of the Conference Call/Invertor Meet held on 29th October, 2026.

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 29th October, 2026, to discuss the Unaudited Financial Results for the quarter and half year ended on 30th September, 2026.

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-shilchartech-oct29-2026.pdf)

Please take the same on your record.

Thanking you,
For Shilchar Technologies Limited
Vishnupriya Civichan
Digitally signed by Vishnupriya Civichan
Date: 2026.11.03 12:05:44 +05'30'
Vishnupriya Civichan
Company Secretary & Compliance Officer

“Shilchar Technologies Limited
Q2 & H1 FY27 Earnings Conference Call”
October 29, 2026

MANAGEMENT: **MR. ALAY SHAH – CHAIRMAN AND MANAGING DIRECTOR – SHILCHAR TECHNOLOGIES LIMITED**
MR. AASHAY SHAH – EXECUTIVE DIRECTOR – SHILCHAR TECHNOLOGIES LIMITED
MR. AATMAN SHAH – EXECUTIVE DIRECTOR – SHILCHAR TECHNOLOGIES LIMITED
MR. PRAJESH PUROHIT – CHIEF FINANCIAL OFFICER – SHILCHAR TECHNOLOGIES LIMITED
MR. NILESH PANDYA – GENERAL MANAGER FINANCE AND ACCOUNTS – SHILCHAR TECHNOLOGIES LIMITED

MODERATOR: **MR. RAVI SWAMINATHAN – AVENDUS SPARK**

Moderator: Ladies and gentlemen, good day, and welcome to the Shilchar Technologies Q2 and H1 FY27 Earnings Conference Call hosted by Avendus Spark. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

Ravi Swaminathan: A warm welcome to everybody to the Q2 FY27 earnings call of Shilchar Technologies. To take us through the results today, we have with us from the management, Mr. Alay Shah, Chairman and Managing Director; Mr. Aashay Shah, Executive Director; Mr. Aatman Shah, Executive Director; Mr. Prajesh Purohit, Chief Financial Officer; and Mr. Nilesh Pandya, GM Finance and Accounts.

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

Alay Shah: Good morning, everyone. Thank you for joining us today. Before we open the floor for questions, I would like to walk you through the performance for the second quarter of FY27 and share some updates on our operation and ongoing capex.

For Q2 FY27, Shilchar Technologies reported revenue from operation of INR192.61 crores, up 43% over Q1 FY27 and up 12% over Q2 FY26. EBITDA, excluding other income, stood at INR40.06 crores with an EBITDA margin of 20.8%. Profit after tax for the quarter stood at INR32.98 crores with a PAT margin of 16.5%. As you can see from the top line growth, business momentum picked up notably in Q2 after a slow start to the financial year in the Q1.

As we discussed on our last call, Q1 performance was a result of continuing effect of the crisis in West Asia, which weighted on our exports. On the export front, conditions in the Middle East improved during the quarter, but they are yet to fully normalize. The higher shipping and logistic costs we highlighted in previous quarter have not eased much.

At the same time, exports to North America have gained momentum following the resolution of the tariff-related challenges of earlier quarters. The pickup in North America export has helped offset part of the shortfall in dispatches to the Middle East.

On the domestic front, demand has remained very strong throughout. On profitability, our EBITDA margin improved to 20.8% in Q2 from 16.4% in Q1. We expect conditions for export to improve further in the near future. This should translate directly into higher export share in our revenue mix and in turn, a further improvement in margin over the coming quarters.

On the project front, expansion Phase 3, which will add 6,500 MVA of capacity is progressing as per plan, with commissioning expected in April '27. Civil foundation work, PEB erection and utility infrastructure work are in progress and all major production equipment has been ordered. This will take our total capacity to 14,000 MVA and drive the next leg of growth from FY28 onwards.

As for the current year, we remain on track with our revenue target of FY27 of INR750 crores with a healthy orders in hand and delivery scheduled for the second half of the year. We continue to see robust order inquiries from both domestic and export clients.

With that, I thank you all, and we can now open the floor for questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Aadesh Gosalia from Spark Capital.

Aadesh Gosalia: I had a couple of questions. The first on the working capital pricing and the margin outlook that we have. So during H1, the net working capital has increased to around INR200 crores, including the rise in the financial assets to around INR29 crores and higher receivables. So if you can share some light on -- some color on how this has fared and what is -- how sustainable this is? And whether for the second half, we may see some improvement or whether this is going to continue?

And on the raw material prices also that how they have fared? And in the Q1, we had said that the new orders are as per the market prices, but how much of that has been like the pass-through has been happening well and how do we see the gross margins faring from here on? The margins came in at 29%, gross margins came in at 29% for Q2. But do we see it going higher from here on? Or what's the outlook that we have? That's the first question.

Alay Shah: So we don't face any problem or we don't see any alarming situation for working capital utilization. I mean we have said this in past that since we have a surplus fund, and we don't use any bank facility for working capital, we earn interest out of the customer, which established LC on us for the supply of transformers. So that is why it looks that on the paper that we are utilizing more working capital, but actually, we are earning interest on that.

The RM prices have stabilized. Again, it is not as what it used to be. And I don't think that it will completely stabilize till all the Middle East crisis and other things gets concluded. But all the orders what we are getting now is as per the market price, as per the current raw material price. And going forward, like I said in my opening speech, that the margins will improve with the higher sales of domestic as well as export market.

Aadesh Gosalia: Okay. And sir, you didn't -- what about the financial assets going up to INR29 crores and the receivables have been higher. So any outlook on that? What are the financial assets that have increased and as well as the receivables going up in the first half?

Alay Shah: So higher asset is basically because of the investment what we are doing for the new project. And like I said, once again, the receivable is not actually a receivable. So just to give you an example, we provide a 60 days credit through LC to one of our customers, but we established LC for 180 days with interest borne by them.

So, we just get the money only after 180 days, but with interest. I mean we can always encash the LC after 60 days, and that would reduce our receivables on paper. But after getting 180 days, it shows that receivables is pending, but it's then a secure receivable, which we are earning interest on.

Aadesh Gosalia: Okay. Okay. And sir, the second question on the revenue. The Q2 revenue has been one of the best that we have witnessed over the past many quarters. And -- but is this because in Q1, you had mentioned that around INR30 crores, INR35 crores revenue was deferred. So has that revenue come into Q2 and because of that, the number is -- has almost reached INR190-odd crores. Is that the reason?

Alay Shah: Part of it is that and part of it, new orders. Market situation has improved. And going forward, like I said that we are on the road to achieve our original target of INR750 crores sales for the entire year, meaning that we will be able to -- we will be doing more than INR225 crores, INR230 crores every quarter going forward.

Moderator: Aadesh, you may please rejoin the queue for more questions. We will take the next question from the line of Jiten Parmar from Aurum Edge.

Jiten Parmar: Alayji, my question is basically on the EBITDA margin from last year. Though sequentially, it is up from last year, it is down significantly by 10%. Now I understand that there could be cost pressures and due to higher freight or something. So if you can quantify how much is the higher freight affected us in a percentage terms of EBITDA, that would be great. And do you see that being passed on in the future? Or we will have -- can we get back to like the 30% margins if you can just?

Alay Shah: So I think I have earlier also mentioned that once we grow, once we have the new capacity add on, the margin to maintain this percentage cannot be ensured. But what we are doing is we are -- in net terms, we will be doing more profit. So with 30% EBITDA, if we have done INR200 crores, maybe the EBITDA margin will come down, but our EBITDA in value terms will be maybe INR225 crores, INR250 crores. So that is what we are targeting going forward.

Jiten Parmar: Yes. So the question regarding the impact of freight as a percentage of EBITDA, if you have any color on that?

Alay Shah: I mean, of course, we would like to maintain the same higher EBITDA, but the market situation, the world political situation, a lot of things are dependent. If you look at our present margin, that is also comparatively quite higher than our peer group companies. And we will be maintaining -- we will be one of the higher EBITDA margin company.

Jiten Parmar: Okay. Sir, my second question is, basically, with so much of capacity coming in, okay, across the board, all players are increasing capacity significantly. Even consumers like, for example, Waaree have also come out with their own transformer company and all that. And so do you see competitive pressure in the future, which can affect the margins? How such large capacity will be absorbed? Is the demand still intact? And how long of a runway you see for the demand?

Alay Shah: Yes, you are right that everybody is increasing the capacity. But at the same time, the demand. [inaudible 0:13:06] And if you see certain government data, our power consumption will be doubled in next 3 to 4 years. The AI investment and the data center will require a lot of power. The renewable also, government is targeting more and more gigawatts every year. So this all will create a demand for not only transformer, but all the power equipment. And with increase in capacity also, my personal feeling is that everybody will have enough orders to cater.

Jiten Parmar: Okay. That's all. Just if you can answer on like do you face any challenges on the margins because of this?

Alay Shah: Sorry, can you repeat the question, please?

Jiten Parmar: Do you anticipate any margin pressure because of this expanded capacities?

Alay Shah: Not for at least another couple of years. I don't think because there is enough demand. After 2 or 3 years, I'm not sure. But like I said, the power consumption is very high. The power demand is going to grow, and I think that will drive the demand of all the electrical products.

Moderator: Next question is from the line of Prathamesh Sawant from Abakkus Investment Managers.

Prathamesh Sawant: Sir, just two questions from my end. Sir, first, can we have any data on the total MVA sold by us across the 2 core transformer categories that we have?

Alay Shah: Sorry, can you repeat the question, please?

Prathamesh Sawant: Just wanted to understand what is our -- based on our total existing capacity, what is the total MVA sold or the units of transformers sold across the 2 major categories of the transformer that we have?

Alay Shah: So, I mean, I can tell you that we are right now utilizing almost 80% to 90% of our capacity, installed capacity. And total MVA in our case, it is very difficult because -- I mean, we can give you that data later on. But it varies from the product mix to product mix. So if we are making more higher MVA transformer, the MVA will be on a higher side.

If we are making more smaller transformer, the MVA will be lower. But the total sales will remain same. So you can -- I mean, I can tell you very confidently that right now, last quarter, we have utilized almost 80% of our installed capacity. And going forward in Q3, Q4, I think it will be almost 100%.

Prathamesh Sawant: Okay. Okay. So is it the case for us like the other transformer players, the higher MVA that they sold, typically the margin for them increase. So is that the case similar for us? Because we tend to have the highest margins across the other transformer players. But the average product MVA like we are doing 132 kV for 50 or 100 MVA. So that is relatively a smaller MVA product, but still we are doing highest margin. I understand exports may be one of the reasons. But no, what are other factors that are giving us such superior margin compared to the peers?

Alay Shah: There are a lot of factors. One is that it's not -- I mean, for transformer industry, it is not correct to compare MVA with the profitability, because there are a lot of different products, a lot of different sizes, a lot of different kV class and everything has their own working. But we have higher EBITDA margin because for a few reasons. One is that we are into export business. Secondly, that we run our company very efficiently and productivity is at the highest level in our company. So all these factors are involved in having the higher margin.

Prathamesh Sawant: Okay. But typically, with the higher kV class, you don't...

Moderator: Prathamesh, you may please rejoin the queue for follow-up. Next question is from the line of Ravi Swaminathan from Avendus Spark.

Ravi Swaminathan: My question is with respect to the U.S. market. Can you talk about how the demand scenario is there from the U.S.? What is the kind of lead times -- lead times that is there for transformer delivery? How is the supply locally? How is the overall demand scenario panning out across all kV classes?

Alay Shah: Yes. So I mean, demand from U.S.A. is quite good right now. In between our supply to U.S.A. went down mainly because of the 50% tariff imposed on Indian product, but that has been withdrawn in February. So after that, we have started getting orders steadily, and that orders have now increased. The demand over there is also very good. Our customers are projecting more and more demand for coming year also.

And we will be part of that because we have a good product, good relationship with our customers and good quality of our product. We are into very specific kV class. So I cannot share or I cannot give you information on higher kV class. But as per my knowledge, I think higher kV class has a lead time of almost like 1 year, 1.5 years.

Ravi Swaminathan: Okay. Understood. And this demand is coming from -- so data centers, renewable or which category from which the demand is coming from in terms of...

Alay Shah: It's not any specific demand, but it's a mix of everything. I mean we cater to -- I mean we cater the customers' demand of transformer. It can be data center, it can be distribution network, it can be substation. It all depends.

Moderator: Next question is from the line of Het Shah from Quantum AMC.

Het Shah: Just two questions from my side. What's the export domestic mix for the quarter and half year and order book as on date?

Alay Shah: So we have an order book of more than INR550 crores going forward. So like I said earlier in my opening remarks that we are on track to achieve more than INR750 crores of sales, which was projected in the beginning of the year. And the export domestic will be in ratio of around 60% to 40%, 60% domestic, 40% export, which is likely to improve in the upcoming quarters.

Het Shah: Okay. And of the INR500 crores order book, what is the export domestic mix?

Alay Shah: Again, it is the same ratio, about 60-40.

Moderator: Next question is from the line of Samar from Spark Capital PWM.

Samar: So, most of the questions were already answered. So my question is on the order book. So -- sorry, on the utilization. The utilization, as I heard correctly, it's going to reach 100% in the next 2 quarters. So what's the -- yes, so is it correct that the production will reach 100% in the next 2 quarters?

Alay Shah: Yes, that's right.

Samar: Okay, sir. And do we have the order book executable over the next 6 months?

Alay Shah: Yes, yes. Very much. Like I said, we have orders in hand of almost INR550 crores, and we are getting new orders also. And this first half, I think we have done about INR330 crores in sales. So even if we do additional say, INR500 crores, we'll reach to almost more than INR800 crores. I mean we have started getting orders for even the Q1 of next year.

Samar: Right sir. And sir, how is our export looking in terms of region wise? So has there any volume picked up in Europe specifically?

Alay Shah: Sorry, can you repeat the question, please?

Samar: How is the volume in export market? Is it picking up in Europe region and any other region?

Alay Shah: We are exporting in Europe, but not much. We have started putting efforts in last 1 year by participating in exhibition. So the results will come maybe in next year or next to next year. And besides that, we have strong presence in Middle East and North America.

Samar: Right. And sir, last question. So in the last quarter transcript, or last quarter con call, you mentioned that for FY27, you're aspiring for INR800 crores revenue. Is that still intact?

Alay Shah: Yes, it will be more than that.

Moderator: Next question is from the line of Rakesh from iValueWork.

Rakesh: So one question I wanted to ask on the pricing power. Since we are seeing the raw material costs are going up, right? Is it something we can pass it on to the customers? And how is the response you're seeing?

Alay Shah: Can you repeat the question? I'm not able to hear you properly.

Rakesh: The question is on the pricing power. I think we -- there is a fluctuation in the raw material cost, right? We saw that it has increased. Is it something when there is an increase in the raw material cost? Is it something we can pass it on to the customer? How is the pricing power?

Alay Shah: Yes. So I mean, based on the current market price of raw materials, we decide our cost of transformers and go to the customer. So all these new orders, what we are getting is based on the present raw material price, in the prevailing market.

Rakesh: So once we pass on this to the customer, I think we can reach our earlier EBITDA margin of something close to 30%, because we are passing on this one, right, raw material costs. That is what it was affecting our margin, right? That is one of the reason. Is it something that we can pass it on to the customer so we can make a good margin, right?

Alay Shah: No, so I think we had discussed this in the past that in the month of March, there was a sudden increase of all the raw material cost because of the Middle East conflict. That was a very unusual situation, and that does not happen on a regular business. So during that period, whatever orders we had, we had to go back to our customer and ask for the price revision. But now things have

stabilized and whatever present material cost is there based on that, we do the costing and quote to our customers.

Moderator: Next question is from the line of Pankaj from Avis Capital.

Pankaj: I think you may have answered this question, but my apologies, my line got disconnected in between. So my rest all other questions were answered. The only question I have is, what is the number guidance you have for FY27 in terms of operating margins? I know Q2, we did 20-odd percent. So I also understand that you have said that it will improve, thanks to increasing exports. But what is the number you have in mind?

Alay Shah: So like I said earlier, the first -- quarter 2 has much better margin than quarter 1. And going forward with 100% capacity utilization and inflow of export orders, the margins will improve in Q3 and Q4. But I cannot tell you any numbers. I mean, it's difficult for me to even guess.

Moderator: Next question is from the line of Maitri from Sapphire Capital.

Maitri: Just one question. Once we're entering the higher class transformer of 220 kV, have you received any approvals for the same? Do we have in some order book or some soft commitments on orders once we start a new line, we can start the production? Just some clarity on that.

Alay Shah: Yes. So we don't have any approval. Once this plant will function, only then we can apply for the approvals of 220 kV class transformers. But I have said earlier that in the same plant, we start manufacturing the lower kV class transformer till we get the approval for higher kV class, and we start getting orders. But a lot of our customers to whom we supply the transformers right now, they also require 220 kV class transformers. And we have a commitment, verbal commitment from them that once the plant is ready, they will definitely support us with the orders.

Maitri: Got it. And how long will it take us to get those approvals, 12 to 18 months or maybe faster?

Alay Shah: It will be anywhere between 3 to 6 months.

Maitri: Okay. That's great. And these are from the existing clients, the approvals will be in the 3 to 6 months?

Alay Shah: Correct. Yes.

Maitri: Okay. And the margins on these higher class transformers, what sort of differential do we earn from the current transformers that we are selling?

Alay Shah: I don't see any change in the margin. I think it will be probably the same as...

Maitri: Yes. Sorry, I couldn't hear you.

Alay Shah: Margins, as far as for this kV class will remain same.

Maitri: Will remain same. Okay. And you mentioned that our export contribution for the second quarter was close to 40%. What contribution did U.S. have in that?

Alay Shah: It will be anywhere. So it's very difficult to say this number, but it will be anywhere between probably 40% to 60%.

Maitri: 40% to 60% from the export sales. And once the Middle East kind of starts contributing, maybe from FY28 perspective, what sort of contribution are you expecting from the export sales? And how do you see that jump kind of helping our margins and sort of a steady-state margin once the plant is also operational and once we have a higher export sale, what sort of EBITDA margin do you kind of want to target?

Alay Shah: So for FY27, '28, we are targeting almost INR1,000 crores in sales. For domestic [inaudible 0:30:12]

Moderator: I'm so sorry to interrupt, sir. We are not able to hear you.

Alay Shah: Hello?

Moderator: Sir, you may please proceed, this is better. We can hear you.

Alay Shah: Yes. So like I said, for FY27, '28, our sales target will be INR1,000 crores. And the export mix, I cannot say anything right now because that depends on the situation, but our focus is on export as well as domestic.

Maitri: Okay. And the EBITDA margin that will be once everything kind of starts getting to a more stable...

Alay Shah: See, it's very difficult to predict, but we would like to maintain probably same or higher EBITDA margin.

Moderator: Next question is from the line of Aadesh Gosalia from Spark Capital.

Aadesh Gosalia: Just continuing on the margin front itself. So historically, we have been like if you see from '24 to '26, we have been a 28%, 29% kind of EBITDA margin company. I understand the geopolitical situation and everything. The way it is panning out is for you, it is difficult to. But if you can just give a qualitative idea on how we are looking at it internally that whether those kinds of margins are achievable in going ahead or right now 21% to 25% would be a reasonable -- like the current margin of Q2 would be a reasonable number or something higher to 24%, 25%. Just some idea on some picture on what you are internally looking at? If you can't just give a proper number, but some color would be really helpful.

Alay Shah: So I have already answered this earlier to someone that we are not looking at the percentage. We are looking at the absolute number. So last year, we had an EBITDA of more than INR200 crores. The percentage may be, for example, 30%. But coming year, we are targeting more than INR200 crores of EBITDA. It can be INR225 crores, INR250 crores. So percentage may be lower, but the value terms, it will be higher, and that's what we are targeting.

Aadesh Gosalia: So on a INR750 crores revenue target, we are looking at around INR200 crores to INR220 crores of EBITDA.

Alay Shah: We are going to try to achieve that, yes.

Aadesh Gosalia: Okay. Okay. Yes. That's really helpful. And secondly, on the export side. So have we changed any -- like the way we have been booking orders and interacting with our customers. But since the situation has changed, so have we changed the like approach the entire export market in any different manner, even with our existing customers like in Q1, we faced a deferment of orders? So have we changed our approach in any manner? Or we are continuing in the same manner, like in terms of the booking...

Alay Shah: We are continuing in the same manner.

Moderator: Next question is from the line of Het Shah from Quantum AMC.

Het Shah: In Q4 FY26, export domestic mix was 30-70, and our gross margins were 31%. In this quarter, with the export share being higher, gross margins have dipped. So I mean, if you could explain whether we are still maintaining those high margins in exports or even there, we have to take a bit of a dip on the margins? Yes, that's it.

Alay Shah: No. I think export margins are pretty much same what we did in previous years.

Moderator: Next question is from the line of Ravi Swaminathan from Avendus Spark.

Ravi Swaminathan: This question is with respect to the domestic demand. Among the 3 broad categories in terms of demand from generation side, which is solar, thermal, et cetera, and then transmission side and distribution side, how would our business mix be? And in terms of solar, so past 3, 4 years, the growth in solar capacity addition has been quite good.

And last year, 45, 50 gigawatt would have been added. And a similar run rate is enough to achieve the government's 300 gigawatt of target. So where from do we expect the incremental growth addition from the solar generation side? Or is there any other further drivers which are there like nuclear, etcetera, which can drive growth in terms of demand?

Alay Shah: No. So I think all the sectors are growing. Solar is growing, wind is also growing in a big way. The new BESS, battery energy storage system is having a huge requirement, and it is going to be huge going forward. The transmission and all this when you generate, you need to expand the transmission line also, you need to expand the distribution line also. So it's a multiple effect. I mean everything will be having a larger demand.

Moderator: Next question is from the line of Rahul Majethia, an Individual Investor.

Rahul Majethia: So we are bringing this massive capacity online in this year and next year. But our H1 top line is quite flat year-on-year, and our profitability is also dropping, of course, due to our product mix change and the export problem going on. But is this fine to -- like is it a risk that we are expanding capacity right now as this -- the capex cycle in all of these data centers may cool off

or even in renewables? And what's the specific utilization rate that we require on this new capacity to break even? That's my question.

Alay Shah: I mean, see, we are in business, we need to expand, right? We need to grow. We cannot be stagnant. So if we don't grow, people will say that why you are not growing, market is so good. And if we grow, then people say why you need to grow and bring down the profitability. So it's like a very tricky situation. But of course, growth is good. When you grow, sometimes initially, you might have to compromise on your margin.

But once brand name is established, once the customer has confidence, the margin will improve. So -- and demand is there. I mean, everybody knows that the power demand is increasing, and it is going to be increased in coming 10, 15 years. So the capacity, what we are installing is hardly anything. Probably we might have to further announce further expansion also. Answering your last question. Only, I think 35%, 40% utilization of the capacity will be a breakeven for us and that is...

Rahul Majethia: And just a small side question. What is our approximate baseline in EBITDA margin between a domestic solar or wind transformer and an exported one?

Alay Shah: Yes, export EBITDA margin is on a higher side. [inaudible 0:38:43]…

Moderator: I'm sorry, sir, we are unable to hear you?

Alay Shah: Can you hear me?

Rahul Majethia: Yes, yes. Audible, yes.

Alay Shah: Yes. So I cannot share the exact figure of the export EBITDA and domestic EBITDA but export margins are much more than the domestic margins, and we are trying to keep a balance in executing our orders.

Moderator: Next question is from the line of Mohammed Nameer from Eiko Quantum Solutions.

Mohammed Nameer: Historically, lead times for your transformers average about 12 to 18 months. What are the delivery lead times today? And are clients placing advanced bookings specifically to secure manufacturing slots?

Alay Shah: So, like I said earlier, the delivery period varies for different kV class. Our higher kV class, it is like more than 1 year, but for lower kV class, it's anywhere between 3 months to 6 months. And of course, customers are interested in booking the slots if you have a spare capacity because the demand is very high.

Mohammed Nameer: Okay. Understood. And what would be the share of 220 kV class transformers in your overall, once you receive the approval? And will you be able to utilize the entire expanded capacity by FY29?

Alay Shah: Yes, that's the plan. We should -- based on the outlook, we should be able to utilize 100% in FY29. And we are adding 220 kV plus capacity by almost 6,500 MVA. So that much will be the contribution out of total 14,000 capacity what we have right now.

Mohammed Nameer: Just last clarification from your end. You said you will be doing INR200 crores EBITDA at a revenue of INR750 crores this year. That implies a 26% EBITDA margin for the whole year. So I expect -- are you expecting 30% EBITDA margin in H2 in order to achieve this INR200 crores EBITDA during the year?

Alay Shah: These figures are our assumption, and we are expecting more export orders. And based on that, we are targeting this.

Moderator: Next question is from the line of Basant Bansal from NBG Investments.

Basant Bansal: In your product profile, how much is distribution transformer?

Alay Shah: Distribution transformer, we hardly make. We make in very less quantity. So major is all renewable transformers.

Basant Bansal: Okay. And then you said that your next 2 quarters run rate will be around INR225 crores. So your execution plan are in place to achieve those numbers?

Alay Shah: Yes, of course.

Basant Bansal: And last thing from my side, the raw material costs used to be around 60% of your sales value. Now it has increased to around 71%, 72%, and that seems to be the main reason for bringing down the margin. So I believe that this raw material increase is transitory in nature, can it come down again?

Alay Shah: Frankly speaking, I don't think that the raw material price will come down. But you never know. I mean nobody can give that very accurately. But like I said earlier, that with these higher raw material costs, our sales price has also gone up now.

Basant Bansal: So your sales price has also gone up?

Alay Shah: Of course.

Basant Bansal: And has it set off the increase in raw material costs?

Alay Shah: Yes, to some extent.

Basant Bansal: To some extent. So going forward, we should say, consider margin of around 23%, 24%.

Alay Shah: We'll be trying for that, yes.

Moderator: Ladies and gentlemen, we will take the last question from the line of Nirav, an Individual Investor.

Nirav: You are targeting INR1,000 crores revenues by March '28. And although the new capacity would come down by April. So don't we foresee that number is conservative? And what would be the numbers for FY29?

Alay Shah: I don't think it's conservative. But like I said, FY28, we are targeting about INR1,000 crores and FY29, we will be targeting anywhere between INR1,250 crores to INR1,500 crores.

Nirav: But with the new capacity coming in, that leads to what revenues if you're working at 100% capacity?

Alay Shah: Yes. With 100% capacity, we can do maximum INR1,500 crores.

Nirav: Okay. And with the scenario, there is a shortage of the transformers globally and more demand. Can't we foresee that the next year itself, we can utilize the majority of the capacity as the plant goes live?

Alay Shah: No, it's not possible because it's not that we turn on the machine and the transformers are being produced. I mean there is a lot of things which are involved. First is the approval, the trained manpower, the quality system, all those things. So it takes time.

Nirav: And with the cash flows being generated, any plan for diversification or acquiring into the related field, some businesses? Are you exploring something on those lines?

Alay Shah: Yes, we are exploring.

Nirav: Okay. And which set of companies or sectors would that be?

Alay Shah: I cannot tell you that because of the NDA, what we have signed. But once things progress, we will definitely make it public.

Moderator: Ladies and gentlemen, that concludes our question-and-answer session. I now hand the conference back to management for closing comments.

Alay Shah: Thank you, everybody. And like I said, we are on track to do a better quarter 3 and quarter 4. And things will improve in terms of sales and profitability for sure. Thank you, everyone, for participating.

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