

YASH HIGHVOLTAGE LIMITED

Half Yearly & Yearly Financials of FY 31st MARCH 2025 Earnings Call

Wednesday, On 28th May 2025 at 12. Noon.

Duration of Call : 1 hour & 05 minutes

Management Team Represented by

Shri Keyur Shah, Managing Director

Shri Nirav Patel, Executive Director

Shri Darshan Thakkar, Executive Director

Shri Sumit P. Poddar, CFO

Shri Mitanshu Shah, Head- IR

YASH HIGHVOLTAGE LTD.®

[Formerly Yash Highvoltage Insulators Pvt. Ltd.]

An ISO 9001:2015 Certified Company

Manufacturer of
Transformer Bushings

Corporate Office: 601 – 603 Ozone Complex, Sarabhai Compound, Dr. Vikram Sarabhai Marg, Subhanpura, Vadodara – 390023, Gujarat, India.

Regd. Office & Manufacturing Plant: 84/1B, P.O. Khakhariya, Halol-Savli Road, Vadodara – 391510, Gujarat, India.

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Keyur Shah , Managing Director:

Good morning dear Investors and friends.

I Keyur Shah, MD of company - welcome you to con call of Yash Highvoltage Limited post FY25 result.

Your company scaled newer heights by posting 38% increase in sales to Rs. 152 crs from Rs. 108 crs in FY24. Company also witnessed marginal improvement in material sales ratio from 54% in PY to 53.8% in CY on its total income. Impressively, EPS increased from 5.57 per share to 8.92 per share.

In tandem, PAT increased from Rs. 12.32 crs to Rs. 21.40 crs in CY denoting 14.26% of sales, significantly, higher than 11.36% in PY. ROCE was robust at 20.23%. Working capital continues to be our focus and we are well below industry average Inventory Holding Period at 62 days while receivables stand at 49 days. We continue to remain net debt positive with cash and bank balance of Rs. 50 crores as on 31st March 2025.

We have a clear strategy for the next 5 years. The demand for our product is growing locally as well as globally. Power Sector is one of the thrust areas for Government spending as well. We will continue to focus on high value and high margin products like RIP and HC bushings with increased price realization per unit and ensuring checks and balances on cost efficiencies.

While we had very impressive growth over last 5 years, we shall continue to grow at 30% +/- over next half decade. We shall strive to maintain EBDITA at current levels and also improve it as we get into our new plant. The new greenfield plant has a land area of 1.6 lacs sq. ft with built up area of 1.2 lac sq. ft in Vadodara and would be ready by H2 of next year with total outlay of Rs. 90 crores.

Export specifically in markets like US, EU and Middle East will be focus area considering it helps expand margins going ahead. In FY 25, we have seen a growth of almost 2x in exports. We have already incorporated a company in US i.e. Yash High Voltage US Inc which is a 100% subsidiary of YHVL. This is in line with our strategy of "Local in Global".

Our nimbleness helps to be agile and be world class when it comes to lead time, cost efficiencies and quality. This helps us compete large corporations and make inroads into their market share.

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That there is an investment lined up in majority of the countries including India and the demand of our product specifically is growing locally as well as global and power sector. As you all know is one of the thrust areas for the government spending India also.

We will be focusing on our focus on niche products. We as a company are being focusing on majority products in our segment in the machines. And where either they are import, substitute or where there is a huge global acceptance and there is a demand where there are few players.

Why did we have impressive growth over the last five years. We should also try and continue and improve the growth rate in the coming years. We are expecting that the EBITA levels will also improve substantially once we are ready with the new Greenfield project which is expected to be up and running by this time next year, before that, we should be completing all of our trials and project is going on schedule and we are expecting everything to be ready by this financial year end and by the middle of next year we should be up and running with the commercial production. The new greenfield factory is around 20 kilometers from the existing factory and is built on 4 acres of land with construction of 1.2 lacs square feet. Exports are reasonably increasing, and we are increasing our footprints in majority of the developed countries. Also, we have a huge focus on the retrofit segments where we can focus on the replacement market. Probably there are very few companies offering such solutions in our industry. We have incorporated a new company in USA. The idea is to start with the sales office, followed by putting up our service personnel and then further we may also start localizing the assembly / production.

We have clear strategy of making our sales local in a global location and we will also like to going forward, add certain more products to the product line for which we have also created 100% subsidiary in the name of YASH HV POWER COMPONENTS PVT LTD , where we are looking for and we are already in process of developing and partnering with certain manufacturers for a tie-up.

So just to increase our offerings to the customers in the sector, we are reasonably clear, we would like to continue our focus on the transformer sector, and we would keep our efforts in the same direction. We are also increasing the presence of our team globally as well as in India. The objective is to be as close to the customer as possible. With local presence.

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I have reasonable support assured from all our global customers. We see positive energy and positive response for the company at all the global levels at Outlook forms and from the power utilities.

With this, I would like to reiterate that the company is on a high and sustained growth path and will now request your questions. Thank you so much for listening patiently. The floor is now open for questions from all of you.

Que: Lakshminarayanan K G : (TUNGA INVESTMENTS)

So, if I just, you know, look at your margins, I just want to understand we are extremely profitable, and our margins are at good levels. Now, what is your outlook on margins over a slightly a longer period of time, maybe three to five years? Because I understand that there is always competition that comes in when margins and growth rates are high in any industry, So, I just want to like to hear your thoughts on this.

Keyur Shah, Managing Director:

Thanks for your question. I would like to inform that the new factory what we are creating will be localizing manufacture of RIP cores which we today are importing from Switzerland or China. The main advantage of localizing the manufacturing of this product is that we will be having a significant cost advantage overseas. Also of course the savings on transportation (freight) plus the import duty will help us reduce our input cost.

We also see that once we start making it here, we will have a huge Global platform available for us which is not the case in the present arrangement. Currently, we are selling the RIP Bushing only in India so now we will have a huge global opening for us.

We see a good possibility of increasing the margins as well as optimizing the cost of production.

So, to answer your question, margins should see reasonable betterment from the present figures. .

Lakshminarayanan K G

That's interesting here. So, if I just look at your RIP and OIP I look at the high voltage Transformers because that's wherever mainstay is? How you are looking at growth for the next three years or so. You know how easily achievable. You know how? How do you look at your business?

Do you look at your business as Based on the number of Transformers that are made, I just want to understand how you do business planning for the next three years.

Keyur Shah, Managing Director:

Just give you some rough idea. Worldwide demand has increased substantially. There are investments coming in different sectors, including renewables and data center and infrastructure.

So, the investments in the transformer sector is increasing drastically and the lead times of the Transformers are increasing, not only in India, but almost all the locations including Europe, US everywhere.

Now if you see the number of Bushing manufacturers versus the Transformers manufacturers Bushing manufacturers are handful versus the number of transformer manufacturers. So, today, the situation is that, at least for next two or three years, there is a market for whatever the company can produce.

There is always a pull versus a push. There is today such a big demand that people are not able to deliver on time even today as we as customers we are starting to get material from our suppliers because they are also super loaded. So supply chain is a constraint. Getting a customer is not a constraint today. Everybody today is focusing on strengthening their supply chain. So, wherever we are a supplier, our customer is more and more inclined and coming and discussing their next three years plans and they're ready to book today for their next three years requirement with us.

Similarly, that is what we are also doing with our supplier. The major reason why this should continue and should not be a worry is that we able to filter out the right customers, who are important for us from a product mix or client mix perspective.

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Lakshminarayanan K G

Got it, got it. This is very helpful, Sir, and I'll get back in queue. Sorry, my video is not working. I'm dialing from a very low bandwidth, so sorry. Apologies for that and I'll get back in queue, Sir.

Keyur Shah, Managing Director:

Yeah, sure. No problem.

Yes, Mr. Advait.

Que. : Advait Arora (Wealth Enrich) :

Thanks, Mr Keyur and Team Yash, an excellent set of numbers.

A couple of quick queries from my side.

Firstly, looking at your operating profit margins and the sales and the profits that you've delivered going forward for the next couple of years with your expansion, I believe incoming financial year, it should go on stream.

What projections Can we look at for the next two financial years?

Keyur Shah, Managing Director:

I will not like to speak about the next two years projections because I next one and half or two years, will still go in the CapEx and also the new plant getting fully operational and post that the plant approval, tests etc So, I would suggest that we talk of at least four or five years. Of course, the next two years the Company has already got enough order book today and we have our supply chain in place for the next 1 1/2 or two years, so next one and half or two years we can easily maintain the growth rates what we have been growing historically going at from 2008 onwards. We see a possibility of much more expanded top and bottom line, with the market getting wider open for us with the Localized RIP bushings and also as I spoke earlier, the profit margins, We see increment with the localized products getting exported where the costs are getting optimized with local production versus import components and also the Product is getting exported to the global locations which again are in a much demand and are ready to pay a better price.

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Advait Arora (Wealth Enrich):

Right. Thanks

Keyur Shah, Managing Director:

So. We can, you know, as I reasonably reach a top line of may be at least 3-4 four fold between now and at the end of the 5th year from today.

Que: Advait Arora (Wealth Enrich):

OK, great. And another question, Keyurbhai in the bushings domain, are you looking at new technologies coming up, any sort of a replacement / enhanced technology which you're looking at or any R&D on much superior type of bushing products, you are already doing one of the you know one of its kind of top premium quality but anything else that comes to your mind?

Keyur Shah, Managing Director:

So, this is a very interesting situation and that first of all the technology what we are bringing in the new factory is already the latest one. Beyond that, there is no latest innovation in bushing technology what we see today or going forward in at least the next 10 to 15 years. There is no other technology which is under development which can come.

So, whatever is the latest that we are doing. And the second question was on the Innovation what we are doing as a company, probably we are amongst one or two or three almost not more than three companies who has been developing products for global standards.

So, we are developing products not only for the IEC products, we are also doing it for the IEEE design, which is more for the American and the South American countries. We are also doing something very special for the European market. We are also doing something very special for the Russian. Market. So, we are not only developing technology, we are also adapting to global standards.

Technology is one part. Another part is a standard because every country has their own specific standard which they would like the supplier to adopt. So, we are doing both the things while we are adapting to new technology, we are also adopting the new standards and that is where we see our acceptability increases more and more.

Advait Arora (Wealth Enrich) :

Excellent. Thanks, Keyurbhai for the clarity. I'll get back in the queue for any more questions. Thanks.

Keyur Shah, Managing Director:

Mr. Somil, please go ahead.

Somil Jain :

This is the first time we have interacted. I have a few questions around. You know the new plant that is coming up. So when do you see that happening and what is the potential in that? First on that and then I'll come up with other questions.

Keyur Shah, Managing Director:

Sorry, I could not understand your question about the utilization of one.

Mitanshu Shah:

Somil, can you take little near because you know your voice is cracking? We're not able to listen the full question.

Que.: Soumil Jain:

Yeah. So, I was asking, what is the utilization levels of our plant right now?

Keyur Shah, Managing Director:

Ah, the existing factory.

Nirav Patel – Executive Director:

Can I come here?

Keyur Shah - MANAGING DIRECTOR:

Yeah.

Nirav Patel – Executive Director:

So my name is Nirav Patel. I'm the executive director for global business. Good afternoon to all of you. Did you mean the capacity utilization, Mr. Soumil?

Soumil Jain :

Correct, yes.

Nirav Patel – Executive Director:

Yeah. So the capacity utilization of the factory today is between 50 to 60% after addition of the new manufacturing capacity for OIP products last year, which was commissioned in the last financial and with the addition of the new factory of RIP Bushings machines, the total capacity of both the factories combined will be close to 15000 or 16,000 annually. And today the capacity is close to 9000 or 10,000 Bushings with the existing setup. Out of which we are at 50% utilization.

Soumil Jain:

OK.

So the RIP plant will come online in what timelines, sir?

Keyur Shah - MANAGING DIRECTOR:

By Next year this time, it will be fully operational.

Soumil Jain :

OK, from the current 9000- 10000 bushings, we go to 15000- 16000 bushings in a year from now.

Keyur Shah - MANAGING DIRECTOR:

Exactly. Exactly.

Nirav Patel – Executive Director:

That will be the capacity, and it will take gradual time to reach that capacity because when we talk of a new unit, yeah, new unit then there will be several different product ratings which will be developed, type tested and rolled out based on policy. So it will take a gradual period of a year or two to reach that capacity.

Soumil Jain :

And. Sure, sure, sure.

OK. So if I try to extrapolate capacity and volume and volume into volume had to come at revenues, would it be? Can you just help understand the value differential between RIP and OIP bushings?

Keyur Shah - MANAGING DIRECTOR:

So there is a difference between what we see in India versus abroad, OKAY.

Typically, in India the price realization or if you see the rate difference between a similar rating of RIP versus OIP, the difference is close to 4 and 1/2 times of what it is in the global market and one and half or two times in the local market

So a ₹100 OIP in India of the same rating RIP will be around 400 to 500. In the global markets, \$100 OIP product might be close to plus +-200 for a RIP product. that's the difference.

Soumil Jain:

OK. Sorry, how much is the global RIP? 400 to 500 if hundred for OIP.

Keyur Shah - MANAGING DIRECTOR:

No, in India the same product will be four or five times when it is in RIP versus OIP and in the global location it is close to double plus -10 to 15%.

Soumil Jain:

OK, And what is the differential between India and global for OIP itself?

Keyur Shah - MANAGING DIRECTOR:

Sorry, it is almost 2 and 1/2 times if I have a product in India at ₹100, If the same product goes in export, then that would be close to 220 or 240.

Soumil Jain:

OK. And so currently what is India and outside foreign mix right now import.
Sorry, domestic and export mix right now.

Keyur Shah - MANAGING DIRECTOR:

So far, the oil impregnated products which we have been developing and which is not under any collaboration where we are only dependence in our manufacturing and our selling OK.
So there the quantity wise contribution is close to 35% to 40% is what is getting exported.

Soumil Jain : OK.

Keyur Shah - MANAGING DIRECTOR:

And value wise also similar between say 35 to 40% is the export in the overall balance sheet
It is not so much visible because over 80% plus business is from RIP, which is only dedicated to India.

So, once we are ready with the new plant and when we start exporting from the new plant, probably we see a significant increase in the overall export business which will be, you know, substantial looking at the reach, what we have already created for Yash and the global locations.

Soumil Jain:

OK, and so from the current capacity of nine to 10,000, what is the OIP capacity and RIP capacity?

Keyur Shah - MANAGING DIRECTOR:

So today we have increased the capacity to 9 or 9 1/2 or 10,000, out of which OIP, between 6000 to 8000 Bushings and balance in RIP. We are only in today's present arrangement we are assembling and testing, right?

So the manufacturing infrastructure is more dedicated towards the OIP because that we see also huge potential in the export. So it is once we say it is 15,000 Bushings, then almost 50-60, percent would be shared between OIP and RIP but almost close to 50%.

Soumil Jain:

OK. So just to sum it up and after this I'll get back in the queue. Currently after the out of the 9000 to 10,000 bushings capacity 6-7000 is OIP.

The rest is RIP bushings and the incremental capacity that you're putting up about 5000 bushings. That is all rip and that is that'll be largely manufacturing from the new factory.

Keyur Shah - MANAGING DIRECTOR:

Right. Exactly, You're right, Sir.

Soumil Jain:

OK, OK.

Now I'll get back into it. Thank you.

Que : Ayush Agarwal:

Hello.

Great Sir. First of all, congratulations on a superb set of results.

I'm also very new to the company, so I just want to understand this backward integration thing which you mentioned.

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Keyur Shah - MANAGING DIRECTOR:

Yeah.

Ayush Agarwal:

No, I was reading up on it and it seems that the active parts of these bushings which we import from, like you know, Switzerland, these are extremely highly technical products with you know very few companies globally actually doing it.

Especially for the RIP bushings.

Keyur Shah - MANAGING DIRECTOR:

Yes, Sir. Yes, Sir.

Que: Ayush Agarwal:

Sir, what kind of you know, R&D or tech collaboration we have done to be able to in house manufacture you know these active parts because as I understand like the insulation part of it, it's extremely difficult and like I said, only few companies possess the technology to do it so if you can throw some light. Then it will be really helpful because this is a very big step for the company.

Keyur Shah - MANAGING DIRECTOR:

Sure, sure, sure.

Which company are you from sir. Have we met earlier?

Ayush Agarwal:

No, Sir, we have not met earlier.

I would love to meet you in person someday. I am from Mittal Analytics.

We are on a platform called Screener and have a PMS and manage our family money.

Keyur Shah - MANAGING DIRECTOR:

So I would inform you that yes, we agree that this product is made by a handful of companies and when we go for the localization of RIP core we have taken adequate care to hire the best engineering group who have been successful in this. And the team working on that side and on our side on the R&D are both having hands on experience, and we have done enough efforts from our side to select the team from our side also and the team from the engineering consultant. They also having experience of developing this product from concept to commissioning. So we are in safe hands.

Ayush Agarwal:

OK. And if I understand correctly then these active parts would be 35- 40% of our total raw material cost.

Keyur Shah - MANAGING DIRECTOR:

Maybe a bit more than that.

Ayush Agarwal:

OK. And what kind of value addition can happen like? Is it a learning process where we start doing few things in house and then you know how to indigenize completely, or you think that right from the beginning that can happen and start something on the quality as well?

Keyur Shah - MANAGING DIRECTOR:

So we have to make it fully only because if you want to, there is no way by which we can do a small batch production and then do a trial and then go for a larger investment. Because even if I have to produce 1 sample, I still need the machine. I still need the mixer. I still need the machine on which I wind the paper and do the mixing and the dosing of the products. So first of all, it has to be full capacity only which I have to install. I have no way by which I can do a small batch and what I am and hence the equipment's what we order have to be for the capacity for which the factories are planning to put up the investment so that we have done and we have made sure that the ordering and the stage

inspections with the suppliers will I go through in line of the agreement what we have with the consultant.

Also, plus one more important thing is that we already are pushing the manufacturer. So, the concepts are clear with us since last 20 plus years because we have been making bushings. So, we understand the concept.

Everything changes between oil and resin, we have been doing with oil and this is with resin, but since again we have been selling the products for the last 10 years, we have gone through all the challenges.

What the RIP bushing manufacturers go, you know what, 10 years of our journey with RIP. So we are reasonably aware of what goes inside.

Ayush Agarwal:

Understood. Yeah.

Thanks for answering my question. I will connect with you separately. Thank you.

Keyur Shah - MANAGING DIRECTOR:

Mr. Tahir or Mr. Raman is coming, Sir.

Que : Taher Hydrabadwala:

Thanks Sir.

Sir, I wanted to ask about your order book, Sir. Like, can you tell what the current order book?

Keyur Shah - MANAGING DIRECTOR:

Yeah. So we have almost an order book, which can take care of our next year invoicing if we have to target 25- 30% growth. So, we have reasonable order book which can take care of the ongoing year now i.e. 2025- 26.

Taher Hydrabadwala:

OK, Sir.
Thank you.

Keyur Shah - MANAGING DIRECTOR:

Yeah, Mr. Adhviti, you want to ask something?

Advait Arora (WealthEnrich):

Yeah, Keyurbhai. Thanks again for your opportunity.

Just a couple of things. With the international sort of geopolitical issues happening, I understand you're also exporting to over a couple of dozen countries overseas. In your opinion, there should be any initiative that you're taking or any sort of a Plan B that you're keeping in mind with looking at especially in the US and developed markets about the geopolitical issues.

Keyur Shah - MANAGING DIRECTOR:

So, we don't see any issues coming in our way because bushings as such are in demand everywhere and there is a shortage of bushing suppliers. So companies across the world need to import be it Europe, or USA or Middle East or Australia or Israel. Everywhere there is a need of more and more transformers than the booking suppliers are very less so there is no sort of any restriction or any sanctions which are coming on, which can you know, bring along any, any fall or any slower growth or acceptability of an Indian market in any global location?

Plus, we see, from the geopolitical standpoint, also, India has been reasonably able to manage a good diplomatic relationship everywhere. So that means we don't see any much problem.

Advait Arora (WealthEnrich):

Great. Thanks, Appreciate it.

Keyur Shah - MANAGING DIRECTOR:

Yes, Mr. Lakshmi.

Lakshminarayanan K G :

Yeah, few more questions Sir.

So I just want to understand your partnership, right?

I think you have a partnership with a Swiss company right now.

How much of your products are based on that technology and how much it is on other technology from a revenue point of view right now. That'll be my first question.

Keyur Shah - MANAGING DIRECTOR:

So first of all, there were two types of arrangements with the Swiss company or rather three types of arrangement. Earlier we were their agent in the very initial time 12-13 years back where we used to just simply bring their products and we used to sell here.

Later, we had partnered with them for localizing the RIP bushing here, where we used to import the Cores from them and we used to assemble the bushings in India and then third in 2018, they became an equity partner in the company which in 2024 we bought back the equity. So from partnership perspective, there is no equity participation currently. From the selling agreement, we have an agreement in place where they supply RIP Cores to us as a supplier. It is under an agreement where they have to supply for a couple of more years that is in place and that is a very open and transparent discussion with them.

There is no restriction that we cannot buy from somewhere else, so that is very much informed to them. We are buying from other suppliers also because the demand has increased drastically and they are also not able to meet our requirements. So we are also presently buying from other suppliers and there is no restriction on the manufacturing that it should happen only with their order, not with somebody else. There are no Limitations on the contractual part. So as a supplier today they are suppliers, and they will continue to supply us and we will continue to buy till price wise is affordable.

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Lakshminarayanan K G :

And what is a mix, Sir?

Because you said you buy from them and then second you also buy from others.

Keyur Shah - MANAGING DIRECTOR:

Presently from other suppliers, it is 25 to 30% progressively.

Lakshminarayanan K G :

They were equity partner and now they are not equity partners anymore. Now they also would see that, you know, we are extremely profitable, and we are actually growing faster.

So is there a possibility for them to either increase their pricing to us or ask for some royalty?

I mean, how is it?

How is it going to be for the next 2-3 years?

So we have actually have an agreement where they cannot increase the prices or mean how does it work, Sir? Because they are not equity partners anymore.

Keyur Shah - MANAGING DIRECTOR:

There is no doubt. Yeah. So, there is no restrictive agreement that they cannot increase the price. And again, wherever there is any need, they would come back to us and they would ask for a price rise and which we keep on checking with the other global suppliers also. So if the price is increasing, it will increase everywhere.

They have not been unreasonable with us earlier, also when they were partners and today also when they are not an equity partner. The relationship has been the same. There has been no change. Or any, we don't mess in the relationship or any such thing which, you know, may cause anyway by which you know, they would not be supporting us. That has not happened, and we have got a very good cordial relation, professional relationship and also personal relationship. Both are strong and healthy.

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Lakshminarayanan K G :

And for them in India. How much is that? We have exclusivity for them or is it like they supply to others also?

Keyur Shah - MANAGING DIRECTOR:

That it is an exclusivity that they can exclusively supply to us only but there is no exclusivity at our end that we must buy from them only.

Lakshminarayanan K G:

And this exclusivity is for how many years?

Keyur Shah - MANAGING DIRECTOR:

At least three more years.

Lakshminarayanan K G:

Got it. And just from an, I mean how large is this company from a turnover point of view? So their business of bushing? I mean how large is their sales globally?

Keyur Shah - MANAGING DIRECTOR:

So bushing wise they might be two and half times bigger than us.

Lakshminarayanan K G :

OK.

KEYUR SHAH- MANAGING DIRECTOR:

They are a part of Pfiffner group, so Pfiffner is manufacturing other products also like instrument Transformers and Disconnectors and Breakers. They also have test equipment companies as part of Pfiffner group. So, Moser Glaser, our technology partner earlier or the

core supplier or our earlier equity partners a part of Pfiffner Switzerland, In the bushing industry, they might be two and half times of us

Lakshminarayanan K G:

Got it, got it. In terms of number of bushings or in terms of sales because.

Keyur Shah - MANAGING DIRECTOR:

In terms of sales in number of bushings we may be at par with them.

Lakshminarayanan K G:

Got it, got it. So, one more question. So, see what I understand is this is a very long cycle testing product because it goes through multiple tests, a supercritical in a part.

So when you go to these international companies and internationally, you're getting the orders. How is your sales cycle? How elongated it is and what gives you comfort that you can. Because what I understand is like a three- or five-year cycle to empanel. So can this.

Keyur Shah - MANAGING DIRECTOR:

Rightly Put.

See, bushings are a very critical component of a transformer. It generally takes a time while for people to accept a new make. The first issue is with the make general apprehension when there is an end user like the industry or a utility, maybe a thermal station or a hydro station or renewable side, or maybe a general transmission station, generally the end user. Then the consultants are a bit apprehensive about a new bushing supplier.

And it takes a while to win their trust. Once the make gets registered in their mind, or once they have used the make for certain time, maybe two years, three years, one year. Then they're a bit more comfortable with the maker and the manufacturer because during that time they also come. This is the facility.

They also interact with the team, so once they are comfortable then more and more products, what you launch from their factory then gets a good welcome and especially they are in demand of that product. Then generally the whole process goes very fast.

Initially, I agree it takes 2- 3-4 years for people to accept a new make, and especially when we come from this part of the world where you know we have our own challenges in getting acceptance in the European or in the American Customers. So we were fortunate that we worked hard for last 10-15 years in creating a good image for the company not as only a bushing supplier, but also as a solution provider because a number of occasions we have been able to give so many solutions either in terms of adapting their design or in terms of adapting their specification or also sometimes delivering much faster as what they could have got from their present supplier. So all the customers whom we have catered, they carry very good image about YASH.

We get some quicker delivery schedules at times, but they are also assured of our performance delivery schedule, price and everything.

Lakshminarayanan K G:

Got it, got it.

So one last question.

So things are going good for us in terms of our tie ups in terms of our international foray capacity building and you know exceptional team, if you can just call out one thing which you always constantly worry and you actually always try to act upon it proactively in the for the next 3-4 years, what it would be so.

Keyur Shah - MANAGING DIRECTOR:

That is only one thing which we always keep. Vigilance is on the quality of the product.

We have to be very careful that our product should not cause any problem to any customer because it in such a product where the application is too critical.

It is very important that we maintain the quality and we should not be a cause of concern for any end user or the OEM.

So if you're able to maintain a good quality, if you're able to give on time, if you're able to give a good rate, we see that not only for three or five, many, many more years that keep coming and keep on increasing So if you are able to maintain the quality then we don't see any risk.

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Lakshminarayanan K G :

Oh God. Got it. Thank you so much and looking forward to meeting you in person.
OK, bye.

Keyur Shah - MANAGING DIRECTOR:

Mr. Raman.

Mr. Raman or Mr. Ayush Agarwal or Abhijit Mitra?

Abhijit Mitra:

Yeah. Hi, this is Abhijit. I'm from Ironia Salva investment management. It's a cat 3 firm. I don't think we have interacted before.

So I have few questions. First of all, on the CapEx side, what kind of CapEx are you planning to do for you know next three years?

I mean, if you can sort of layout broad outlines and you know that would be great.

Keyur Shah - MANAGING DIRECTOR OR:

So presently we have a greenfield expansion project going on for RIP bushings and the factory should be ready in about 12 months and after that we don't see any further CapEx for two or three years. This capacity what we will build should take care of our plans till 2030. After 2030 that we don't see any major addition which we need to do as CapEx. It might be only some minor equipment which we might need to do for material handling or for storage or for the Internal mobility etc but majority CapEx, we have taken care in this investment. So with this 15- 16 thousand bushings, what we create a capacity we should be good to go for next four or five years, at least three to 5 yrs.

Abhijit Mitra:

And what would be the annual CapEx numbers for 26 or 27? I mean what's that number that you're targeting?

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Keyur Shah - MANAGING DIRECTOR:

You're talking of revenue?

Abhijit Mitra:

No annual cap ex capital expenditure for 26 or 27.

Keyur Shah - MANAGING DIRECTOR:

So in 2025-2026, in this ongoing year, we plan to complete the major investments of upto 85-90 crs plus I don't know the exact figure, whatever it is. I am not having the exact number handy, but all the investments should get completed before March 26.

Abhijit Mitra:

Understood.

Sumit P. Poddar, CFO

This is summit, the CapEx plan already given in the DRHP. You can follow it from there.

Abhijit Mitra:

Yeah. Yeah, got it.

And in terms of margin expansion or gross margin expansions, currently you executed FY25 at 47 1/2 percent. If you can sort of highlight what kind of expansion you're aiming, once inhouse RIP bushings are in place Can it expand by 200 basis 300 basis? I mean directionally, I mean what?

Keyur Shah - MANAGING DIRECTOR:

So, I would like to, you know, reserve that answer because it will not be right on my part to throw any numbers.

I can only say broadly that as I said earlier in the initial part of the call, since we are going to optimize the cost by replacing an imported product versus a domestic product made in house

and the market is getting expanded much more globally, Do I see the same margins? Probably you are all much more experienced than me in finance.

So, you can put the numbers. You know then what sort of increase we can expect in profitability?

Abhijit Mitra:

And lastly, what kind of Expansion in the industry are you witnessing in the Indian market? I'm sure given the kind of stretched supply scenario; other players also would be looking at expanding, So any any sort of you know thoughts or observations on that?

Keyur Shah - MANAGING DIRECTOR:

As per our understanding today, there are at least 15 plus transformer companies in India who are investing between say Rs. 300 to 500 crores in their facility. OK, you might have your own resources also or your investments in the transformer sector.

So almost there are 14- 15 companies who are investing in Capex and expanding their facility. So that that sort of investments, if people are making you, must you, you will agree that you know there is a potential, which is happening not only at India level but at global level because the Indian companies are getting reasonable acceptance on the global markets also. Of course, there are investments happening in other parts of the world also in transformer. But at least in India I can say that all the major transformer manufactures (top 20) all of them are investing even the smaller ones are now coming into power or those who are into the medium power now they are coming into large. Or those who are into distribution. Now they're coming into power generation. So investments are happening across the transformer industry, and we are bushing suppliers. We are happy that you know some or the other one will still be able to supply.

Abhijit Mitra:

No, no. I was asking about the investment or the expansion in capacity in bushings, transformer bushings, particularly within India. Apart from you, what would be your?

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Keyur Shah - MANAGING DIRECTOR:

Okay. There are two or three players who are already investing or who are already invested, so we see that maybe instead of the present situation, the competition might have one or two more suppliers so that we are aware.

Abhijit Mitra:

Right. But in terms of talent, would your expansion be clearly at the top of the industry as in the expansions other?

Keyur Shah - MANAGING DIRECTOR:

No, no, I would not say that everybody is making their own investments. Ours will not be more than the others.

Abhijit Mitra:

Got it, got it. Great. Thanks.
Wish you all the best.

Keyur Shah - MANAGING DIRECTOR:

Thank you, Sir.
Mr. Mohit Bharani please.

Mohit Bharani:

Yeah. Hi. Congratulations on good set of numbers. I am Mohit from Vijay Growth Funds. So I have some couple of questions. As you mentioned in RHP that we are targeting 5% of service addressable market that comes to around 1300 crore top line FY 29. So are we targeting that number?

Keyur Shah - MANAGING DIRECTOR:

There is some I didn't get you.
What was the question?

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Mohit Bharani:

Yeah. As we mentioned in RHP that we are targeting 5% of serviceable additions in our industry that come to around 1300 CR top line in FY-29.

Keyur Shah - MANAGING DIRECTOR:

So when we mention about 5%, that is about the range what we manufacture, right?

Mohit Bharani:

Yeah.

Keyur Shah - MANAGING DIRECTOR:

So we are not manufacturing the complete range. So we do not manufacture say 400 kva or 765 KV or a 1200 KV. So we have to see the market from the product range that we cater to.

Secondly, few things can be an aspiration, right?

And few things are what we achieve. Of course we have an aspiration to be among the top bushing players globally and to address that market.

Why not?

Mohit Bharani:

OK.

Got it, got it.

So how much top line we can achieve post commencement of new plant and in which year maximum top line?

Keyur Shah - MANAGING DIRECTOR:

We have to cross the bridge we reach there, right? So at the moment we can grow revenues three to four-fold minimum in by 2030. Beyond that, it will not be right to, you know, speak today.

Mohit Bharani:

OK, OK.

Got it, got it.

So my last question is what are the challenges we are facing in our business in 2-3 years?

What might be challenges we are observing?

Keyur Shah - MANAGING DIRECTOR:

Supply chain and talent management.

Getting the right people along with you, retaining them is always a challenge, right? It's not only for me, your sector also you might be facing the same.

Mohit Bharani:

Right. OK.

Thank you. Thank you.

Keyur Shah - MANAGING DIRECTOR:

Yeah, Mr. Aman Soni.

Aman Soni:

Yes, Sir, I was checking. Actually, I joined a bit late.

I was checking your CWIP there is a big amount there, right?

So I want to understand what kind of CapEx are we undertaking right now and with the help of this CapEx, how do you see FY 26 two shape up?

KEYUR SHAH- MANAGING DIRECTOR:

So the present Capex should get completed by March 2026..

That is point #1, but we don't see significant revenues coming from the new plant in 2027, OK, that will be something we will be coming up from the new plant, but we also see that first couple of months will also go into the plant approval and also getting the facilities in accepted.

So for once bushing will be produced, we will go for type test and also the plant inspection. Everything will happen. There might be certain revenues coming from this factory, but as a

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company for 26-27, we have got a reasonable order book today and which we are increasing every day. So from the present facility where we are operating from today, we should take care of 2025-26 and 2026-27.

Aman Soni:

So what kind of what kind of growth are we targeting from our existing facilities?

Keyur Shah - MANAGING DIRECTOR:

So as I mentioned, we have been doing historically between 25 to 35%. We should maintain that.

Aman Soni:

OK. And secondly on the order book side, you are saying we are getting decent inquiries and stuff. So can you put some color on who are these end customers? Who are these end industries? Where are you seeing the traction in terms of demand?

Keyur Shah - MANAGING DIRECTOR:

So, we have got clientele from almost all types of end users. We have the power stations, many of the renewable sites, steel industries, cement industry is expanding, railways are expanding, so in a nutshell, end users are almost all the data centers, renewable sites are also there with the generating and Transmission sites are also there. And also, the industry at large.

Aman Soni:

So particularly on the data center, what kind of product are we supplying? What is its use case? What kind of problems are we solving and how? How big it can be because looking at the hyperscale's they are looking to expand more and more towards the data center, particularly in India. So how do you see this as an opportunity for us?

Keyur Shah - MANAGING DIRECTOR:

Yeah. So we are developing certain special range of bushings for data centers and that we are already is we are already started executing the orders there is specializing which goes for data centers and we are already supplying that.

Aman Soni:

OK, understood. That's it from my side, Sir.
All the best for the future. Thank you.

Keyur Shah - MANAGING DIRECTOR:

Anybody else?

OK so.

Can I go to the closing comments?

Anybody else?

So, thank you everyone for participating in this call listening to the updates from our side. I hope we have been able to address most of your queries. If there is anything which is missed out, anyone can reach out to our company secretary by e-mail and we will be also able to address it from our finance side also and if any anything else from our end, please feel free to write us or inform us. And if anybody is traveling on this side, please send your message. So we'll also be able to show you around our facility.

Thank you all.

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