DATE: November 7, 2026

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400051

NSE Symbol: PARTH

Dear Sir/Madam,

Subject: Transcript of the Conference call with Investors/Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Investor/Analyst call was held on Thursday, 5th November, 2026 at 09:00 AM (IST) to discuss Unaudited Standalone Financial Results of the Company for the half-year ended on 30th September, 2026.

The transcript of the said investor/Analyst call is enclosed herewith as an annexure.

Please take the same on your record.

Thanking you,
Yours faithfully,

For, **Parth Electricals & Engineering Limited**

PATEL VAISHALIBEN JAGDISHBHAI
Digitally signed by PATEL VAISHALIBEN JAGDISHBHAI
DN: cn=PATEL VAISHALIBEN JAGDISHBHAI, o=Personal, email=patelvaishu0310@gmail.com
Date: 2026.11.07 14:29:20 +05'30'

Vaishali Patel
Company Secretary

Enclosure as above

Parth Electricals & Engineering Limited
(Formerly known as Parth Electricals & Engineering Pvt. Ltd.)

"Parth Electricals & Engineering Limited H1 FY27 Earnings Conference Call"

November 05, 2026







MANAGEMENT: **MR. JIGNESH PATEL – MANAGING DIRECTOR – PARTH ELECTRICALS & ENGINEERING LIMITED**
MR. BHAVIN CHAVDA – CHIEF FINANCIAL OFFICER – PARTH ELECTRICALS & ENGINEERING LIMITED

MODERATOR: **MR. KARAN ANCHALIA – KARNAMETIC PARTNERS LLP**

Moderator: Good day, ladies and gentlemen, and welcome to the Parth Electricals & Engineering Limited H1 FY27 Earnings Conference Call hosted by Karnametic Partners LLP. 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.

If you require any assistance during the call, please signal the operator by pressing star followed by zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the proceedings over to Mr. Karan Anchalia from Karnametic Partners LLP. Thank you, and over to you, sir.

Karan Anchalia: Thank you. Thank you, moderator. Good morning, everyone. On behalf of Karnamatic Partners LLP, I would like to welcome you all to the H1 FY27 management earnings call of Parth Electricals & Engineering Limited. We are pleased to have the management team comprising Mr. Jignesh Patel, Managing Director; and Mr. Bhavin Chavda, CFO. Before we begin, I would like to remind you that our presentation includes the standard safe harbor statement regarding forward-looking statements and associated risks.

And we encourage you to refer to the disclaimer while reviewing the discussion. We will begin today's discussion with an overview from the management, followed by a Q&A session.

With that, I now invite the Managing Director of Parth Electricals, Mr. Jignesh Patel, to deliver his opening remarks. Over to you, sir.

Jignesh Patel: Thank you, Karan. Good morning, ladies and gentlemen. I warmly welcome all our valued investors to the H1 FY '26-'27 earnings conference call for Parth Electricals & Engineering Limited. Thank you for joining us today so early in the morning to review our performance for the first half of the financial year and to discuss our strategic growth roadmap.

I am delighted to report that Parth Electricals has delivered an exceptionally strong financial performance in the first half of the fiscal year. Our H1 FY '26-'27 closed with a robust total revenue of INR116 crores. This remarks a spectacular increase translating to a year-on-year revenue growth of 43%.

Correspondingly, our profitability has also scaled alongside top-line expansion. Our H1 profit after tax, PAT, reached INR9.1 crores, growing 49% year-on-year from last year's INR6.10 crores corresponding to H1. We have achieved a healthy PAT margin of nearly 8%, proving the efficiency of our operational process and strong cost discipline.

Looking ahead, our trajectory is solidly backed by a very healthy order book currently standing at INR470 crores. The entire order book is scheduled for execution over next 12 months to 15 months. Furthermore, with an active pipeline exceeding INR300 crores, we possess absolute clarity and strong visibility over our sales revenues for the upcoming financial year, giving us the confidence to scale newer heights.

To sustain this growth, our asset and capacity expansion is progressing rapidly. I am happy to share that majority of our planned capex deployment is now complete. Our state-of-the-art gas insulated switchgear manufacturing facility in Vadodara is almost ready. We are targeting its

inauguration in this month only, and the definitive date will be announced to the exchange very shortly.

You are all welcome to the -- to be part of this inaugural function. Simultaneously, we have made strong inroads into Eastern region. Our first rental unit in Odisha has officially commenced operations serving key clients in Odisha and neighboring states. We have already initiated the execution of initial orders from this plant while actively processing approvals from various state utilities.

In addition, our second rental unit in Odisha, which brings an extensive 60,000 square feet of shop floor space, is currently under active construction. We target the completion of this infrastructure by March 2027, with plans to make it fully operational by June 2027, which we have declared also in our RHP and DRHP.

From that point onwards, the full-scale manufacturing will commence at Odisha also, allowing us to seamlessly serve the expanding Eastern market. As we scale our physical infrastructure, investing in human capital remains vital. Our dedicated skill development center is now fully functional, ensuring a steady stream of highly skilled talent trained in-house.

Currently, our first batch of 25 engineers and technicians is undergoing intensive training, especially for the Odisha plant operations. We have also recently recruited a second batch of 30 engineers and technicians designated for our Vadodara GIS plant. This ensures we have day one ready skilled workforce to run both facilities optimally.

To match our rapid scaling, we intend to recruit additional 50 engineers and technicians over the next six months. Turning to international market, our prestigious export project in USA for an intelligent motor control center has been 100% executed. We have fully realized all financial payments for this project, and we are also waiting for some order amendment which we have done some extra work in that project.

This was not counted actually while considering the H1 result, so we might have the benefits actually seen in H2. This success has significantly raised our profile in the American market, unlocking a steady stream of high-value inquiries in our pipeline. As a testament to this, we have secured a new order valued at $0.45 million for underwriters laboratory certified medium voltage switchgear.

See, earlier it was low voltage switchgear, intelligent motor control centers, but now it is medium voltage switchgear, which is our very high strength. This order is under execution and stated for delivery by January or February 2027. This milestone will effectively open up a massive U.S. MV switchgear market for us, complementing our established capabilities in intelligent motor control centers and power control centers.

On the domestic front, we are making remarkable strides in high-growth technology sector. We are currently executing a prestigious data center order for Vertiv Energy on account of Reliance Jio AI factory project in Jamnagar. The delivery is tracking on time and is expected to be completed fully by December 2026.

The successful execution of this high-spec project will definitely position Parth Electricals as a primary trusted player for data center infrastructure across the country. In fact, we have started getting many inquiries from data centers now. I am thrilled to announce that the development work of our 33 kV gas insulated switchgear and Ring Main Unit at 33 kV is successfully completed.

These advanced products are currently undergoing final type testing. They will be rolled out from our new plant at Karachiya, Vadodara immediately following the facility's inauguration next month -- this month. We have already begun quoting to private industries and major renewable energy players for initial trial projects.

Over the coming weeks, we will start bidding aggressively for large-scale utilities and industrial tenders for these advanced solutions. In fact, we have received a first trial order for export to South Africa -- for South Korea, sorry, not Africa, South Korea -- for, green hydrogen facility, which is being executed by Kraft Power involving our 33 kV RMU, and the same is ready for inspection at our existing plant, will be delivered during November.

This will be the first order we'll be executing from our new product line. I would like to invite Mr. Bhavin Chavda, our CFO, to take you through the financial performance of the company, and after that maybe I'll take you through the long-term strategic outlook of the company. So over to you, Bhavin. Thank you.

Bhavin Chavda: Thank you, sir. Good morning, everyone, and thank you for joining the H1 FY27 earning call of Parth Electricals & Engineering Limited. I will briefly cover our financial performance, order book, investment, and our priority for the second half. Capex and growth, we invested INR19.77 crores in H1 taking cumulative capex for GIS Karachiya and Khordha, Odisha to INR28.43 crores.

The Karachiya facility is complete with inauguration planned for this month and final type testing of our 33 kV GIS in RMU is in progress. Now financial performance, we have delivered a strong first half and operating leverage is kicking in. Revenue from operations grew 42% to INR114.19 crores. Total income grew 43.5% to INR116.40 crores.

EBITDA was INR14.88 crores, up 42.4%, and profit after tax grew 49.2% to INR9.10 crores. Gross margin improved by 444 basis points to 33.25%, reflecting a better business mix and lower material cost as a share of income. Employee cost stayed broadly flat at INR6.97 crores, which also operating leverage in the business.

Other expense rose to INR16.84 crores from INR5.79 crores, mainly because of subcontracting, which was INR11.94 crores against INR2.61 crores last year. This follows the shift in our revenue mix. Service and EPC revenue grow higher, and those projects that use more subcontracting work. EBITDA margin was flat at 12.78%.

Now I'll take you through balance sheet and ratios. Our balance sheet is healthy. Let me take you through some key metrics of balance sheet. Current ratio is 1.89 times. We saw a comfortable liquidity position. Net equity is only 0.14 times and we have no long-term debt. This gives us flexibility to fund expansion without any pressure on our balance sheet.

Net worth increased to INR131.74 crores. ROE for the first half is 13.8% and ROC is 18%. As our new capacity contributes to revenue and profit, we expect better utilization of the capital base and we remain focused on improving returns. Now I'll take you through cash flow and working capital.

Our operating cash flow was negative, INR6.45 crores because INR16.67 crores went into working capital as we build ahead of project delivery. In September we build inventory for a large data center to support faster execution in October and November. To enable us to execute the project at scale, we have aligned our banking partner with additional fund-based limit totaling INR27 crores available to us since October 2026 to achieve desired revenue growth.

In closing, in summary, H1 FY27 reflects strong growth in revenue and profit, a sizable and diversified order book, a low debt balance sheet, and investment in future capacity. In coming quarter, we will focus on executing the order, ramping up new facilities, protecting margin and converting working capital into cash.

We are confident that this initiative will support sustainable growth and shareholder value. I would now like to request our MD, Managing Director, Mr. Jignesh Patel, to discuss on the milestone ahead of us as well as give investors an insight on our proposed acquisition. Thank you, sir. Thank you all of you.

Jignesh Patel: Thank you, Bhavin. Welcome back. If I give you long-term strategic outlook of the company, Parth Electrical is exceptionally well poised for its next massive growth cycle in the coming four to five years. This conviction stems from our healthy order book, the commissioning of Vadodara GIS unit by the end of November 2026, and the Odisha facility fully joining our operational grid towards the close of this financial year backed by these levers, we anticipate a minimum revenue CAGR of 30 plus percentage over the medium term.

Our forward-looking business strategies focuses heavily on high-margin segments. The expansion of our export footprint and the introduction of technologically driven premium products like gas insulated switchgear will significantly lift our bottom-line performance. Moving forward, we expect our PAT margins to improve by 100 basis points year-on-year, targeting a stable and sustainable 10% over the next two to three years.

Lastly, to accelerate our global reach, our growth strategy includes a keen focus on inorganic expansion. We are in the process of acquiring 100% stake of Takalkar Power Engineers & Consultants Private Limited, a specialized consulting firm offering top-tier engineering design and advisory services for complex transmission and power distribution networks from 11 kV system up to 765 kV voltage class in India.

765 kV is the highest voltage class available in India for power grid, and also all the power grids internationally. This acquisition can enrich our existing engineering and design capabilities and allow us to expand our footprints across new geographies, paving the way to push our existing product portfolio and specialized solutions into multiple international markets simultaneously.

This acquisition for utilities, industries, and transmission companies across the continent will receive a broader integrated suite of engineering services and value-added products, from initial

switchgear engineering, substation and transmission line design, to the supply of highly reliable products.

For our stakeholders, this acquisition is highly value-attractive, moving PARTH into high-margin technology-driven engineering design consultancy along with technologically advanced manufacturing segments. I want to express my deepest gratitude to our employees for their relentless drive and to you, our shareholders, for your unwavering support and trust. We are now, I think, open for question- and- answer session. Thank you very much, all of you.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question- and-answer session. The first question is from the line of Rohit Bahirwani from Vijit Growth Fund. Please go ahead.

Rohit Bahirwani: Yes, good morning, everyone, and thank you for giving me the opportunity. As you mentioned that our current order book is INR470 crores, so how much of that would be data center business? And what is the margin difference in data center projects versus the existing legacy business which we are doing? That would be my first question.

Jignesh Patel: Thank you very much. Good morning to you. Yes, the current order book includes the data center project also. We have only one order at the moment, which is from Reliance Jio data center, which is INR46 crores. We have got already INR2 crores -- INR1.6 crores amendment, so it is now INR47.6 crores. And I can see, this was a very aggressive task we have taken and we have booked that order, but still, I am hoping that we'll be closing it with at least 10% PAT in this project.

So going forward, data center is going to be highly technical-oriented you can say, execution. And we are one of the shortlisted parties by many data center projects operator, and we are hoping that this can be increased by real good engineering design. And that is where actually our engineering design capability of adding this from Takalkar Power will also come into picture. So going forward I think that will add a lot of bottom line into Parth's balance sheet.

Rohit Bahirwani: Okay, that answers my question. Thank you. And I had one more question regarding to the current capacity. As you mentioned that we are planning the inauguration of new Baroda facility in this month only, suppose that what would be our total consolidated capacity in terms of revenue?

Jignesh Patel: Yes, so as we have earlier also stated, the new facility can add another INR150 crores of sales revenue from the new factory. And I think with the right product mix, we can also increase. But sometimes the product mix is not in our hand entirely. So that is how we have to select the products what are available for us to immediately book the shop floor. So conservatively, you can say that INR150 crores sales revenue can be brought in going forward from the new factory.

Rohit Bahirwani: Okay. I will join back in the queue. Thank you so much.

Moderator: Thank you. The next question is from the line of Varun Agarwal from Niveshaay. Please go ahead.

Varun Agarwal: Hi sir, hi.

Jignesh Patel: Hello, good morning.

Varun Agarwal: Sir, my question is, sir, the EBITDA margin is going down, sir. Like the other expenses has shoot up to now 15%, sir, and material cost has been decreased, sir. So focus for the part in the future is in EPC sector or RMU sector is only the targeting which part is going.

Jignesh Patel: See, our focus is going to be majorly on manufacturing products and technology-driven products. Why we have gone for certain specific strategic EPC projects also, because it was having, you can say, supply of RMUs and compact substations as a part of these. And we wanted to also give the message to the -- you can say, world that we can participate as an EPC also and take actually our share of RMUs and compact substations.

Sometimes EPCs are very, very tight actually in terms of giving the right price for these RMUs. So we have taken a few orders because of that, and that has really increased our other cost, other expenses in terms of subcontracting cost. But going forward, we are going to be very, very cautious in taking majorly supply orders. And with this technologically new advanced product coming, I think we'll be fully occupied in acquiring and executing those kinds of products instead of going for EPCs.

Varun Agarwal: So sir, what is the target in the next half year or year? So how are you targeting that? How much time the EPC order will continue to work, and then after, the part is targeting the RMU sector mostly?

Jignesh Patel: I think, next year onwards, you will see that because the existing orders are going to be executed in next 12 months. So you can say H2 of 2027 will be more like our balance sheet will be heavily depending on products than EPCs. Of course, we'll be focusing on very, very value-added EPCs like GIS substation because we are going for GIS and sometime to push our products we have to take actually those projects. And GIS projects are not bad projects.

We have one project which is under execution for Kandla Port which is 66 kV/11 kV GIS substation project. The execution is just started. So I am going to tell you next when we meet after H2 what is going to be the EBITDA margin actually for that project. So I'll specifically mention actually about that project. So wherever we have value addition in terms of, technologically advanced product, those EPCs are also going to fetch more than 10% PAT. That is going to be my target.

Varun Agarwal: Okay, sir. Okay, thank you, sir.

Jignesh Patel: Yes.

Moderator: Thank you. The next question is from the line of Niteen S. Dharmawat from Aurum Edge LLP. Please go ahead.

Niteen S. Dharmawat: Yes, thank you for the opportunity. Am I audible?

Jignesh Patel: Yes.

Moderator: Yes, you are.

Niteen S. Dharmawat: Yes, yes. Okay, congratulations, sir, for a good set of numbers. I wanted to understand the total capex requirement for the year. How are we planning to raise the capital? Will it be through internal accruals or are we going to raise capital through debt or equity or some other mode? What is the plan? Can you please elaborate on that?

Jignesh Patel: Yes, thank you very much for asking this question. See, we are -- we have enough capital funds available actually to -- for the capex what we have planned for both the facility Khordha as well as GIS manufacturing facility in Baroda. So we are well funded for our immediate capex for next one year.

Maybe second half of the next year, if we are planning for expansion of the existing GIS factory to high voltage, then we will be going for additional fundraise. So at the moment, we are not planning for any additional fundraise. We have internal accruals, so whatever small, small capex are coming, we are going to utilize it from our internal accruals.

Niteen S. Dharmawat: Got it. And regarding this margins, so will there be any margin expansions considering the acquisition and entering into some other areas that you talked about? So will it continue to be in the same range or will there be some change in the margins going forward?

Jignesh Patel: See, as I've mentioned already in my presentation that we are looking for a like a minimum PAT of 10% going forward, and we will continue to maintain that. Of course, the opportunities will come with this acquisition of Takalkar Power Engineering Company, being in a very niche engineering design consultancy services, and also adding technologically advanced products and export market. We might, go beyond actually 10% PAT. But at the moment, conservatively, I can say that we'll be focusing on getting 10% PAT and to maintain that.

Niteen S. Dharmawat: Got it. Wish you the best.

Jignesh Patel: Thank you.

Moderator: Thank you. We'll take the next question from the line of Nabendu, an Individual Investor. Please go ahead.

Nabendu: Yep, thanks a lot for giving me the opportunity. So I had one question with regards to your data center order which you were talking about, whether these are your medium voltage panels or the LV switchgear panels. And just to follow up, I mean, in your IPO roadshow, you had also mentioned that there was a possibility of a TOT for LV switchgear with Schneider EcoXpert. So is it on the cards or how is it -- can you just throw some light on this point?

Jignesh Patel: Okay, so MV switchgear typically is a high-power, you can say medium voltage substation. It is a combined substation with 33 kV switchgear. See, in this project we had to go for 33 kV switchgear from other manufacturer, but going forward when we have our own product, we will be able to push our product actually in that.

So that is one of the very good avenues where we will be able to push our 33 kV switchgear when it is fully rolled out. Secondly is the transformer. Transformer is a bought-out item for us. And the third is the low voltage switchgear which we are developing, which we are manufacturing by ourselves. And for that, that value addition comes to us.

So overall you can see in MV block, when we will have 33 kV switchgear or 22 kV switchgear ready from our side. We will be able to push that, and LT is going to be from our side. So overall, in medium voltage block, more than 50%, or maybe around 50%, value addition is from our side, which will really drive the additional PAT margin growth going forward.

Nabendu: So for the data center part of the Reliance order which we got, which was mostly the MV block which you were working on?

Jignesh Patel: Yes. This is the first MV block. In fact, Reliance Jio AI factory, they have got -- they have gone ahead with two projects. One project was directly given actually to Schneider, Schneider France, because they are into complete data center. The second project was given to Vertiv. the one which was given to Schneider France was 4 months ahead of time. Then, they finalize with Vertiv.

Now, with this Vertiv project, with our support in medium voltage blocks, we are ahead of time actually. So Schneider is still behind us. So even after finalizing the order after 4 months, we have -- we are executing this project faster than actually Schneider executing that project. So overall, I think this is going to give a lot of edge over other MV block suppliers for data centers going forward.

Nabendu: Understood. Okay. I'll join back on the queue. Thank you, sir.

Jignesh Patel: Thank you.

Moderator: Thank you. We'll take the next question from the line of Jay Shah, a Retail Investor. Please go ahead.

Jay Shah: Thank you for acknowledging AK&J as related party. You earlier mentioned that US entity is used to push our product into US market. Logically, this should mean that we are selling our product to US related party. However, related party transaction of second of FY26 shows that we are purchasing from US entity. So my question is, could you clarify whether we are purchasing or selling to US-related party?

Jignesh Patel: Okay. So this AK&J was actually established 2 years before. Through AK&J's front-end sales marketing, we have got this first big project for Minnesota steel plant, and that project is completely executed. Now, it is UL listed, UL certified project. Now, for UL certification, we need lot of components actually which are UL listed from USA also.

And if we go directly in US market and get any material, it would have been costly affair for us. Instead, we used actually AK&J as a front-end company to negotiate those products, and we got really good pricing. Like Schweizer, we could negotiate very well because we were locally available.

And like that, there were some more components which we bought from USA for this UL-certified project of intelligent motor control center. And naturally, for that, we got benefited in terms of pricing, and that's how we bought the components via AK&J in this case. But going forward, AK&J is going to be the front-end, sales for pushing actually Parth UL products.

And the USD1.45 million project of what we have already on hand for medium voltage switchgear is acquired by AK&J and it is coming to us. So the original agenda of pushing Parth Electricals technologically advanced product to US market has already started operating, and we are discussing many more inquiries where customer is asking USA for USA.

In that case, Parth will not stand a chance. So AK&J is pushing that as a local company, and Parth is going to do the rest of the work. So overall, I think in this final H2 as well as going forward, coming years, it is going to be more of a supply to USA through AK&J, and you will see that in the balance sheet also.

Jay Shah: Could you please share margin details of US market?

Jignesh Patel: See, the first project was taken on a very, very aggressive pricing, still we could close that at 6% to 7% PAT but now we know the price levels in USA, so I can see we can fetch anywhere, you can say 12% to 15% PAT for US projects. Going forward we can increase also with technologically advanced products being pushed in USA.

Right now, we are talking only on intelligent motor controls and UL MV switchgear, AI switchgears. Going forward, if we go for GIS, I think we'll be able to fetch a really good margin out of it.

Jay Shah: Thank you.

Moderator: Thank you. The next question is from the line of Nabendu, an Individual Investor. Please go ahead.

Nabendu: Yes, sir. Thank you for again giving me the opportunity. My second question was with respect to the GIS, I mean GIS product lineup which you are in operating. This is I believe for the 33 kV and 66 kV classes, is that understanding right currently? Or are we doing higher kV classes as well in this in your new classes?

Jignesh Patel: This facility is operating at the moment is up to 33 kV GIS, which includes 11 kV GIS, 22 kV GIS and 33 kV GIS and also 33 kV RMU, which was not there as a part of our product range. So these four products are going to be initially manufactured in our factory. We'll be looking for high voltage segment also.

We start from 66 kV, 132 kV, and 220 kV going forward. We have the complete know-how of the product, but right now the facility what we are establishing is up to 33 kV only.

Nabendu: And just for this GIS, components which you are manufacturing, what would be the peak revenue potential currently based on this up to 33 kV? What do you expect? Because I think you

are also manufacturing RMUs in the same facility. So what could be the approximate ballpark figure for the peak revenue potential for the GIS product line?

Jignesh Patel: So the -- if we consider the new factory, then full -- when it -- at its full capacity and we have full order book, we can generate another INR150 crores revenue from the new facility. So overall, you can say the existing facility can generate INR150 crores, the new facility can generate INR150 crores, so anyway INR300 crores. And with Khordha also added in full-fledged, maybe we can add another INR100 crores.

So we can see peak revenue of products can be anywhere INR400 crores to INR450 crores, but we have expansion capacity available. So whenever the opportunity comes, we will immediately go for expansion to high voltage GIS, and that is going to bring us the next level of revenue. So in the immediate, mid and long, medium term, I think we can say that we can reach to INR400 crores product revenues from all three facilities together.

Nabendu: Sure. Thank you. I'll get in the queue.

Moderator: Thank you. We'll take the next question from the line of Surya from PhillipCapital PCG. Please go ahead.

Surya: Hi, sir. Good morning. First of all, congratulations for a very good set of numbers, sir.

Jignesh Patel: Thank you.

Surya: And sir, a couple of queries. First one is like, as you mentioned, we are already catering to data centers and all. And what I understand from other players who are into similar space is that they are garnering far more better margins than the normal industries involved in data center supply and all. So how are the margins for us in that compared to the normal other industries and all?

Jignesh Patel: It is definitely going to be better because data center, first thing is they do not compromise on quality aspect of it. They want to only onboard the suppliers who are quality conscious, who knows the product technically in and out, and who has the complete capability of giving after-sales services. Because here we are expecting the service level agreements also going forward. So all these things are going to fetch us also additional margins.

But overall, because the power reliability and continuity is at utmost, most important thing for data center, nobody is going to go to the second tier or third tier suppliers. And we place ourselves in the first tier suppliers along with Schneider or ABB or maybe big company like Sudhir Power, and Voltamp for that matter. So overall, I can see the margins are really going to be better than the other industries going forward.

Surya: Understood, sir. And sir one more thing I noticed that we are doing more and more B2B kind of projects more and reduce our share of PSU projects or government-related projects and all. So do you see any working capital benefit also with this change in the revenue mix and the client mix?

Jignesh Patel: Yes. We will be focusing on -- see, a little bit, stress on our working capital and our -- you can say, the creditors' point of view also. We want to focus more on B2B, or you can say direct industrial projects where the payments are very, very secured. Most of the payments we get actually within 30 days, including they give the advance.

But in case of utility PSUs, we have to actually invest a lot before we start getting the payments back, and it's giving a high security bank guarantee, which is also blocking our own money for giving the security bank guarantee, and then we have to invest, and then they give almost 70% or 80% against the supply within 30 days to 45 days.

And thereafter we have to do the installation, and thereafter we have to give the handing over. So overall credit cycle is increasing, and that is why we will be focusing more on direct business where the payments are secured and we are able to manage our cash flows.

Surya: Understood, sir. One last question, sir. What we -- and now that you mentioned that our PAT margin can be in the range of 10%, what kind of EBITDA and what kind of top line and bottom line growth we can estimate for the next 2 years to 3 years?

Jignesh Patel: Top line, I can see, we have indicated that it will be minimum 30% to 40% CAGR, and bottom line you can say will be improving 100 basis points every year till we are settled at 10% to 11 %. Going forward I think addition of this special consultancy services -- engineering consultancy services and focus on export services -- export of services are going to really help improving the bottom-line drastically. So it is possible that we might touch 12% PAT going forward with the right mix of products and the right mix of services.

Surya: Got it, sir. Thank you, sir. I'll join back the queue.

Jignesh Patel: Thank you.

Moderator: Thank you. Thank you, sir. The next question is from the line of Varun Agarwal from Niveshaay. Please go ahead.

Varun Agarwal: Hi, sir. Sir, my question is about do you have or are you working towards the type-tested part brand AIS panel that you can offer directly to the utilities and industrial customers? And if so, sir, you have mentioned also what is the exact certification and which utilities will you register?

Jignesh Patel: Yes. So for AIS -- you are asking AIS panel or GIS panel?

Varun Agarwal: AIS, sir.

Jignesh Patel: Yes. So AIS last year only we have discussed with Schneider, and I think I have mentioned in one of the meeting that Schneider has now allowed us to directly go in the market also, along with that, their white labeling work we are doing in our factory for AIS panel. So we have developed our own product with Schneider vacuum circuit breaker, and we have gone for type testing.

The type testing is underway. We have started also bidding those projects. Overall, I can see that with the type testing completed, we'll be able to also touch private utilities like Tata Power or

Torrent or Adani because they buy licensee model AIS switchgear panels in a huge way, including their solar projects. So overall, I think we'll be focusing on AIS panel execution also for those private utilities who are right now not thinking to go for GIS.

Varun Agarwal: So sir, there is second question. On the MV panel your presentation describes also that 11 kV, 33 kV panel business is a licensee and also seeing partner of Schneider Electric India. So, sir, the two things on that. So what's the first 100 plus MV panels under execution, roughly what share is the part branded versus Schneider branded, and how different is the margin between the two?

Jignesh Patel: Okay. So right now the 100 panels are directly from Schneider only. It is a white labeling work because the product is developed and under type testing, we are not pushing it very, very aggressively. Once the type testing is complete -- because it is must, so once the type testing is completed on our name, then only we will be able to push. So maybe H2, you will be able to see, some growth on our own products going in the market for AIS.

Varun Agarwal: And sir, on the finance side, will the operating cash flow will be positive in this year?

Jignesh Patel: We are definitely working towards that, and I can see it is coming in a positive -- cash flow positive before we end this year because we have, you can say, better margin and better customer execution going on where the -- you can say the collection of the funds are going to be very, very fast.

Varun Agarwal: Okay, sir. Thank you.

Jignesh Patel: Thank you very much.

Moderator: Thank you. Thank you, sir. We'll take the next question from the line of Arvind Arora from JK Capital. Please go ahead.

Arvind Arora: Hi. Thank you for the opportunity. Sir, my question is more on the team part, like what is our team in data center character -- data center projects? And what is our aspiration sir in this industry? And you mentioned that, like we want to grow at least 30%, 40% next 2 years. So how our working capital requirement will be fulfilled? Are you planning to raise any additional capital, or you feel internal accrual will be sufficient to fund this growth?

Jignesh Patel: Okay. You have, I think, asked three questions. First is regarding team, right?

Arvind Arora: Yes.

Jignesh Patel: Regarding the manpower or team or capabilities, right?

Arvind Arora: No. So I was asking, what is our total addressable market in that data center project?

Jignesh Patel: Okay. So I think we have already placed in the presentation, the market for data center is huge. Right now, see, there are only, you can say, very few projects going on. The expectation is almost 300, you can say -- just what I have the data, so expectation is to reach almost 6.5 gigawatt of data center, right now it is only 1.5 gigawatt.

Arvind Arora: Just to interrupt you, I'm asking the product we are supplying, what would be the value in the one, like in the one project, if you can tell that, like the order will be the one data center project?

Jignesh Patel: Okay. So I will tell you, what we are addressing right now, is MV block for 80 MW of data center for Reliance Jio data center, which is costing, or which is amounting about INR50 crores. Okay? So 80 megawatt INR50 crores is for MV block, but we have LV switchgears also and a lot of other products which we can push from our side. The primary part of GIS also we can push.

So overall you can say for 80 megawatt, it is going to be INR150 crores of addressable market. We can bid and we can try to get those projects. So 80 megawatt, INR150 crores, so you can say about, about 2 times, INR2 crores per megawatt. And we are talking about from 1.5 gigawatt to 6.5 gigawatt, so almost addition of 5 gigawatt, and it is amounting to 5,000 megawatt, and 5,000 megawatt into INR2 crores, so it is almost INR10,000 crores, which is addressable market for us.

Arvind Arora: Okay. Very good. Okay. And what is...

Jignesh Patel: And second question was -- can you repeat the question please?

Arvind Arora: Yes. So the -- what is our aspiration?

Jignesh Patel: Aspiration?

Arvind Arora: So, like, what we are looking at...

Jignesh Patel: We want to be, you can say, to be the company who is into engineering design and technologically advanced product manufacturing in top few numbers, where actually Siemens or Schneider or ABB or Hitachi, or you can say CG stands. Now we want to -- as far as product is concerned, we want to be above CG because CG, lot of people do not like actually their products in our product range.

So we want to be on top four as far as the solutions are concerned. Of course, their balance sheet is very, very big. But going forward, I think with high voltage GIS also coming, we will be competing with companies like Hyosung from Korea, Toshiba from Japan, or maybe some Chinese companies along with Siemens, Hitachi, GE, and BHEL.

Of course, the local player is there for high voltage gas insulated switchgear. So we want to be among those top people, and we are on to it because if you talk to our customer, they always rate us in line with those companies. And the third part was?

Arvind Arora: Was the like how we will grow, like the 30% to 40% growth, how will we fund it, like with internal accruals? Or do we need to raise a fund? Because we are in negative operating cash flow.

Jignesh Patel: For working capital, we'll be always involving banks for additional facility. See, till last year we were having the collateral of existing factory and we were fully utilized the collaterals of existing factory. Now, the new factory has come up, so we have onboarded actually ICICI Bank and

ICICI Bank has already sanctioned INR50 crores additional facility and out of that from October almost INR20 crores, INR30 crores is already available.

So it is not seen actually till in actual H1, but H2, it is going to be available and we are able to push lot of revenues because of this additional working capital available. In addition to this, Canara Bank is also expected to renew our limits and those limits are also going to be additional limits with no additional collateral.

So overall, I think next 1 year or 2 years, 30% to 40% growth, we will be able to fund from the facilities available from these two banks, and banks are ready to even fund more looking at our growth. So I will -- I don't see there will be a very much, a very huge pressure on cash flow going forward.

Yes, when we go for high voltage GIS, we will be going for additional capex, which will be mainly for capex, and of course at that time, if we need additional working capital, backup also, we may raise some funds for working capital also that time, and not before, I think, H2 '27 or maybe H1 '28.

Arvind Arora: Understood. And what is our peak revenue with the current capacity? And considering the GIS is coming in the H2, like, if you can tell me the peak revenue. And sir, if I look at your current EBITDA margin, which is at 11.08% if I exclude other income. So how we can grow this EBITDA margin percentage? And if you can tell us like tentative where we can reach in the EBITDA margin percentage?

Jignesh Patel: Yes. So with this technologically advanced products coming and with specialized services being added, I can see EBITDA increase from 12% to 15%. That is what is going to be our target going forward, where the PAT is also expected growth from 8% to 10% to 11%. So overall PAT margin also will improve. That is going to be our immediate target for next 3 years.

And the new, with the addition of new facility, I think our peak revenue for products can go from Baroda up to INR300 crores, INR350 crores, and with Odisha also coming, it can be INR400 crores, INR450 crores. But with the product mix and service mix, I think we are targeting sales revenue of almost INR500 crores in midterm, you can say, immediate midterm forecast.

Arvind Arora: Understood, sir. Okay, sir. Thank you more power to you, sir. Happy Diwali in advance. Thank you.

Jignesh Patel: Diwali to you, all of you. Thank you very much

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the -- to Mr. Karan Anchalia for closing comments. Thank you and over to you, sir.

Karan Anchalia: Thank you, moderator. We would like to thank the management of Parth Electricals & Engineering Limited for giving us an opportunity to host this call. We also thank all investors and analysts for taking out the time to join the call. Any closing remarks, Jignesh sir?

Jignesh Patel: So thank you very much, all our valued investors. Thank you for asking the right questions. We are really working hard to bring the desired top line and bottom line growth. Please visit our facilities anytime when you get a chance, and you will see a lot of things happening. And as soon as we are ready with the new factory, you will see the results also coming.

So thank you for trusting Parth and standing by with us. And going forward, I can assure you that we will be taking you to the journey where what we are expecting going forward. Thank you very much.

Moderator: Thank you members of the management. Ladies and gentlemen, on behalf of Parth Electricals & Engineering Limited and Karnamatic Partners LLP, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.