



DATE: 18th November, 2025

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

Scrip Symbol: PARTH

Dear Sir / Madam,

Sub.: 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 conducted on Wednesday, 12th November, 2025 at 04:00 PM (IST) to discuss Unaudited Standalone Financial Results of the Company for the half year ended on 30th September, 2025.

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

BHAVIN KISHORBHAI CHAVDA
CHIEF FINANCIAL OFFICER

Encl: Transcript



Parth Electricals & Engineering Limited

H1FY'26 Earnings Conference Call

November 12, 2025

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



MODERATOR: **MR. KARAN ANCHALIA – KARNAMETIC PARTNERS LLP (INVESTOR RELATIONS)**



Moderator: Ladies and gentlemen, good day and welcome to Parth Electricals & Engineering Limited H1 FY '26 Earnings Conference Call, hosted by Kamametic Partners, LLP. As a reminder, all participant lines should be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Anchalia from Kamametic Partners, LLP. Thank you and over to you, Mr. Anchalia.

Karan Anchalia: Thank you, moderator. Good evening, everyone. On behalf of Kamametic Partners, LLP, I would like to welcome you all to the H1 FY '26 Earnings Call of Parth Electricals & Engineering Limited.

We are pleased to have with us today the company's management team, comprising Mr. Jignesh Patel, Managing Director, Mr. Darshan Shukla, Technical Director and Mr. Bhavin Chavda, CFO. We will begin today's discussion with an overview from the management, followed by a Q&A session.

With that, I now invite Mr. Jignesh Patel to deliver his opening remarks. Over to you, sir.

Jignesh Patel: Thank you, Karan and good evening to everyone. I want to extend my sincere appreciation to our valued investors for joining us today. This marks our first earnings call after our IPO in August 2025.

Your confidence and trust in us deeply moved us and continue to strengthen our commitment to delivering on your expectations. Although major global economies are showing early signs of economic slowdown, India remains the world's fastest growing major economy. Despite external challenges, notably around tariff-related uncertainties, the country's economic resilience is underpinned by solid fundamentals, proactive policy measures and robust domestic demand.

These factors position India well to navigate global headwinds and seize long-term opportunities. This year for Parth has been momentous for us, highlighted by the success of our IPO. We have also laid foundation of manufacturing facility, gas insulated switchgears in Vadodara, and that is placing us among a select group of players in the power transmission and distribution sector and reinforcing our technological advantage.

Our focus on growth is evident in our expanding global presence. We have successfully added notable new clients in United States and recently in Bhutan also, further broadening our reach in enhancing our global standing. As of September 30, 2025, our order book is exceeding INR135 crores.

And those who are not aware about our journey, I just want to bring them the -- or I just want to tell them from where we started and what we are today. See, as a first-generation entrepreneur, I started this company in the year 2005 as an electrical engineer with a service motive. So, as a service company, we started, we continue to build team from five to 10, 10 to 15, 20 people.

And also thought of entering into manufacturing in the year 2009-2010. Of course, it was not easy, but then we were aware that manufacturing is the way forward along with services. So, while not losing the focus on services, we continued focusing on our dream of entering into manufacturing also. And we have successfully established our manufacturing facility in the year 2009-'10.

Then we have added actually latest CNC machines with the vision of expanding the existing facility in Vadodara. Today, I can say that the entire facility of 16,411 square meter of land is occupied with the shop floor space and all the products what we are doing right now and it is fully occupied at the moment.

Along with manufacturing, we thought of entering into EPC also in the year 2012 with the intention that whatever products we are manufacturing and whatever specialized services we have gathered as a strength, we want to also utilize both of them into pushing in our EPC projects. So, EPC projects are, you can say, started considering the specialization services to be utilized in that and the product what we are manufacturing, we want to push in that. So, we will be continuing the focus on EPC, but with the major things in mind that we want to push our own products actually in our EPC projects.

One of the reasons we want to go for Gas-Insulated Switchgear is that also because while we are doing EPC projects, we have observed that medium-voltage and high-voltage gas-insulated substations are in huge demand. Now, all the utilities and industries, they are focusing on gas-insulated switchgears, mainly because of many reasons.

One is the reliability of the product, second is the availability of the product, third is the safety of the product, fourth is basically the cost is coming down, and fifth is mainly it requires one-tenth, you can say, one-tenth of the space what is required for traditional substation to be built.

So, land is a scarcity right now in all the Tier 1, Tier 2, Tier 3 cities, and it is becoming very costly. So, gas-insulated switchgear is one of the best options for any utility and industry, and that is why we are also going for manufacturing gas-insulated switchgear.

So, overall, you can see since 2005, we have been growing, we have been adding our infrastructure, we have been adding our team, and in 2025, we have listed this company, and we have big plans actually going forward also.

Now, we are in the field where you can say skill is going to be the critical parameter, and that is why we have thought of entering into the Skill Development Center also, and in our RHP, you must have seen, we have mentioned investment in Skill Development Center, and today I am happy to say that we are almost ready with Skill Development Center, and maybe next month onwards, we will start actually utilizing the Skill Development Center in skilling new employees and absorbing them actually in our portfolio.

Now, you see, we are planning for two major factories. One is in Vadodara, second is in Odisha, and we are planning for expansion into our specialized services and EPC. So, for that, we require almost 300 more employees, over and above 255 we have today.

So, we want to be a big team of 555 in next three years, and for that, we have to have that desired skill, and we have decided to develop that skill by our own actually, Skill Development Center.

And we will be deploying people from ITI colleges and then degree colleges, diploma colleges. And we will be training them for three months, six months into this training center, and then we will be absorbing them into our entire factory and service, you can say, portfolio. And that way, we will be able to really achieve the dreams of becoming a complete manufacturing EPC and service company going forward right from Air-Insulated Switchgears to Gas-Insulated Switchgear also.

Now, if I say industry growth drivers, that everybody is aware that government is boosting actually a lot of policies towards enhancing the complete power transmission and distribution network.

You know RDSS scheme, which is going to outlay almost INR 3 lakh crores of funds from the government utilities and state utilities, which is mainly to revamp the complete distribution sector. There, we have a major role to play in terms of supplying our Ring Main Units and Compact Substations.

In addition to that, there is a sharp increase in power demand across all the cities. That requires also, you can say, a very good T&D infrastructure, where we have the products like, you can say, Compact Substation and Control and Protection Relay Panels and Metering Panels and the Gas-Insulated Switchgear, what we are planning to push going forward.

The requirement of RMUs and CSS is specifically increasing, because everybody wants a neat and clean power transmission and distribution infrastructure. Nobody wants to have a shabby overhead line going actually in front of the houses or on the roads, which is not only creating actually the reliability issue, power availability issue, safety issue, theft issue, which can be taken care by going forward with RMU and Compact Substation technology.

In addition to this, India is aiming for a huge addition of clean energy, 250 gigawatts being planned actually in the next five years, which is going to increase the requirement of 33kV RMUs, 33kV switchgears and 33kV GIS also, including data centre, which is going to ask for a lot of medium-voltage gas-insulated switchgears and high-voltage gas-insulated switchgear.

Now, both these requirements not only ask for gas-insulated switchgear, but air-insulated switchgear also, and recently I want to announce that we have signed an agreement with Schneider that along with the outsourcing model, what we were doing actually with Schneider since last 10 to 15 years, now they have allowed us to go directly in the market with their air-insulated switchgear product also, AIS, for 33kV and for 11kV.

That is also a big market actually in India. So, we'll have a complete product range of 11kV AIS, 11kV GIS, 33kV AIS, 33kV GIS, 11kV RMU, 22kV RMU, and 33kV RMU and compact substation.

So, the customer who wants to go for AIS, we have the solution. Customer who wants to go for GIS, we have the solution. So, overall, we are aiming to touch each and every customer so that when they come to us, they are delivered the product what is expected actually from us.

If I tell you then our business revenue is distributed into major two segments, you can say three segments. One is manufacturing, second is services, and third is EPC. And our focus would be always about 80% manufacturing and 20% is contributed by services and EPC.

Services in a specialized field, we want to focus more because if we can grab more opportunities in specialized services, it is going to be healthy for us in terms of improving the bottom line going forward. EPC, specialized EPC will be focusing and we will continue to push actually our own products into EPC. So, going forward, EPC will bring us also a lot of supply opportunity from our manufacturing plant.

So, overall, if you see all three sectors, manufacturing, services, and EPC, a very strong actually from our side and going forward with the addition of 300 more employees, two more factories in Baroda, as well as Odisha, we are very confident that we'll be able to take this company to a next level.

If I talk about the order book position as on 30th September, we have a very strong order book of INR137 crores, which is going to be executed in the year 2026 only and very little bit amount may be shifted to actually quarter one of financial year 2027. Of course, October and November month has been also very good in terms of order booking.

So, maybe going forward, I think we have announced also. But overall, if you see INR137 crores of order book on 30th September is a very healthy sign actually with more than INR80 crores sales revenue already crossed in the first half of the year. We are poised to grow beyond the last year sales revenue. Last year was a special year for us. We have done 100% sales revenue, 100% jump up sales revenue from FY '24. So, from INR87 crores, we have crossed INR176 crores.

So, for a company like us, a small-scale company like us to sustain at that level itself is a challenge at the first thing, especially we are not adding any infrastructure in the existing facility. We are not adding any, you can say, more streams into our existing operations in FY '26 and still we are expecting a growth actually from INR176 crores beyond INR 200 crores or maybe more than that. So, that itself is a big challenge for us. But we are very confident that we will be able to actually take this company to that level.

So, overall, I want to say from Parth that we are ready for the next growth. We are aligned, you can say, we are aligned as per the IPO objectives, what we had in terms of investment into two more factories, alignment in terms of developing new products, going for type testing and before the factories are ready, we will be able to roll out actually the products from the existing factory only.

So, that is why we will not be wasting time when the factory is ready. We will have orders also ready on hand. That is what the target going forward.

I want to request Bhavin Chavda to take you through the financials of H1 and then maybe I will come back to you again with our IPO objective plans before we are open for a question-and-answer session. So, over to you, Bhavin.

Bhavin Chavda:

Thank you, Jignesh sir. And good evening to all. We have lots of positive to share in terms of overall growth and most importantly, balancing the business growth with all the compliance and requirement of the regulatory environment for a listed entity.

Some financial highlights for you. For the half year ended 30th September, we are pleased to report the following sales of numbers. For H1 Financial Year 25-26: Net Revenue of INR 80.40 crores, which is 15% year-on-year growth. Second, our margin profile has significantly outpaced our revenue growth reflecting operational efficiency. Gross margin improved from 28%, improved by 555 bps.

Our EBITDA has grown by 30% and EBITDA margin stood at 11.87%. PAT has grown by 48% and our PAT margin stand 7.59%. We continue to maintain a strong balance sheet closing the quarter with the net cash position is of INR 71 crores with a current ratio is 2.47 and the debt equity ratio of 0.13.

We have no long-term borrowing since last 12 months as we have been well capitalized. Also, one time provisioning of all the post-period gratuity leave encashment has been considered in the long-term provision.

On the working capital front, inventory days were marginally higher as we built up inventory in the anticipation of strong order executions in H2 FY '26. We are also happy to inform you that we reduced our finance cost by 34% which we focus to continuously reduce and maintain it.

Thank you. Thank you for your continued support and confidence in Parth Electricals. We look forward to updating you on our progress in continuous quarter. I would like to ask Jignesh sir to take through our ongoing capex and recent business updates. Over to you, sir.

Jignesh Patel:

Thank you, Bhavin for educating everyone actually about our H1 results. I hope we have done well in terms of expectation of the investors. But I want to say that although there is a marginal increase of 15% year-on-year sales revenue, I have clearly told you that we were 100% growth last year. To maintain that growth itself is a challenge and we have grown further by 15% year-on-year.

But H1 is generally a lull you can say lull period for any electrical industry be it services, be it EPC and be it manufacturing also because a lot of time April-May is going actually for all the industries and utilities in budgeting the things and then the monsoon hits and this time monsoon was a little more harsh. So you can say the lift-ability of all the projects was also little weak but still we have performed well year-on-year basis by 15% increase in revenue.

But most importantly we have improved on EBITDA and PAT. PAT improvement even after you can say making the provision of long-term provisions of INR 156 lakhs, so INR 1.56 crores we have made the provision after that we have improved the bottom-line and today we are

standing at 7.59% of PAT vis-à-vis the last financial year it was 5.89% which is 170 bps better than actually the last year-on-year if you compare year-on-year.

Overall, I must say that we are doing good in terms of cash flows also and the working capital cycle, our inventory levels have gone up because we are focusing on better actually growth in the H2 so we have built the inventory for that our debt-to-equity ratio has gone really down. So, overall financially we are doing good.

Now, if I take you through the IPO you can say objectives we have we have gone ahead with finalizing the land before the IPO listing for gas insulators with your factory but after that we have started the construction overall capex has already been invested more than INR3.43 crores after the listing so you can see in one month time we have invested so up to 30th September numbers are INR3.43 crores before listing, we had already invested INR7.84 crores, so overall INR11.27 crores was already invested into capex on 30th September 2025 and October onwards it has really picked up well because the monsoon has gone and the construction activity can be really geared up.

Now, if you ask me our skill development centre is almost ready another. One month time, I think we will start actually recruiting the people from ITI colleges and diploma degree colleges and we will start actually the sessions. So, another one month I think you will see a lot of things happening actually on our skill development centre and we will continue to absorb them going forward so our target is next six months we should have the service expansion or one of the factory to be ready to absorb them.

So, if you see Odisha although we have got a single window approval, we are yet to finalize the land because there is a discussion going on between the space what we want is 4.5 acre for building the factory what Odisha is telling that you need only 2.5 acre so we are trying to convince them but since we have seen that it is taking little time we have decided to go for a rented facility in Odisha we have already identified the 25,000 square feet of shop floor space.

We are making it ready our team is continuously working day and night actually in Odisha Khordha to make that facility ready and we will start operating that facility in a small capacity maybe one month or one and a half month time so that will give us basically the confidence going forward because we have one year or one and a half year before we start the new factory.

But in one and a half year we will establish ourselves as a manufacturer there we will start actually treating all the customers directly from Odisha, we will start addressing all the customer need from Odisha, we will start giving services sitting in Odisha so overall you can say the eastern region operations will start in one and a half month which was not earlier envisaged but we have observed that we should not waste this one and a half year time for eastern region operations and that is why we have decided to go for a rented facility.

We have invested almost INR 97 lakhs into that Odisha facility to make it ready to move forward and we will shortly also announce that we are starting the factory in Odisha in a rented facility in a small capacity but we will start addressing actually customer of all the eastern regions.

We have also -- in fact we have started bidding all the projects becoming a local manufacturer in Odisha state and other states also. So we are expecting good breakthrough orders going forward, which will be delivered from Odisha, so that way Odisha will also start contributing actually in the next financial year that is what our target is.

Now I have actually -- a very big addition in our team which is Mr. Darshan Shukla: who has you can say equal technical experience like me. He has been you can say a big strength to us once he has joined us. He's two months now with us. And I want him also to speak a little bit about his role in the organization and his presence is going to make this organization really you can say better or fast forward to achieve our goals of you can say going for new products. He is Darshan Shukla, technical director of our company.

Darshan Shukla:

Good evening, everyone. It's a privilege to talk to you over this eaming call. Just to quickly take you through and summarize what Jignesh, the MD of this company has already said. We are almost on the verge of entering into a long-term tie-up with the ITIs of the surrounding locations of the factory, so that we can have a sustainable service from them and we can provide a sustainable employment for the surrounding people.

We are also going to have a similar arrangement with diploma and degree colleges, subsequent to recruitment we are going to have three to six months in-house skill development program, very professionally and systematically mapped with the skills requirement of the factory and the businesses.

Going forward we are also going to come up with our own branding of certain products, which are having good market, which will enable us to move up the value chain. Once we do that it will also not only boost the revenues or the profitability, but also can be used as a lever for the EPC projects. EPC projects in which the supply portion is going to be the new products in competition with the cost heavy competitors. So that also is going to boost our presence in the market for the projects.

Down the line the projects and the equipment which are going to be installed we are likely to enter into a long-term maintenance and health check, et cetera contract which might result into an annuity income as well. These are the plans when whatever we see going forward we will take in our stride.

The addition of the technical skill development center in next one or one month and odd is going to really act as a great lever towards the employees who are very scarce these days. In fact, orders are plenty, but people who are needed to execute this high-end equipment are not available.

So, once we have such kind of people on-board it is going to be very easy for us to start the operations of the expansion as well as cater to the requirement of the expanding business for the existing product. So, wish you all the very best and I hand it over back to Jignesh, MD of the company.

Jignesh Patel:

Thank you, Darshan. Looking ahead we remain optimistic about our growth prospects driven by increasing demand of reliable and sustainable solutions and industry tailwinds. We are

committed to delivering value to our shareholders through disciplined execution, innovation and strategic expansions. Thank you once again for your continued trust and support.

We can now open Karan, the floor for questions

Moderator: Thank you. The first question comes to the line of Piyush Chawla. Please go ahead.

Piyush Chawla: Yes sir. So, I had a query regarding the cash flow statement. In the cash flow statement, this is a cash outflow from operating activities of INR10 crores, INR10.22 crores. So, my guess is that this part of this amount pertains to the issue expenses, the IPO issue expenses around INR6 crores. What is the balance amount if you can give us color on that?

Management: Hi, sir. Can you repeat again the question?

Piyush Chawla: There is a cash outflow in the cash from operating activities of INR 10.22 crores.

Management: Okay.

Piyush Chawla: Okay. This is under the head other current assets. Now if you see bottom the proceeds from IPO is INR61.99 crores. So, I guess the issue expenses are not factored in cash from financing activities. So, my sense is that around INR6 crores of issue expenses are there in this -- INR10 crores. I can't figure out what is the balance INR4 crores and whether I'm right in you know making an assumption that this INR10 crores represents some of the issue expenses?

Management: Hello. Yes sir.

Piyush Chawla: Yes.

Management: Sir, in the current asset right? In current asset we put IPO expenses in current asset, right?

Piyush Chawla: Okay.

Management: That is 5.11 here.

Piyush Chawla: Okay.

Management: Okay. And the remaining is advance given by us to our vendors that amount is 5.22.

Piyush Chawla: Okay. Thank you.

Management: Current asset is showing in our balance sheet is 10.30 right?

Piyush Chawla: Okay. It 10.22 is the cash outflow Yes.

Management: Yes sir, just one minutes sir. Our IPO expense will be set-off at the end of in H2 with the our reserve surplus right now we not set up any IPO expenses with our reserve surplus right? So, we put it into the current asset -- other current asset.

Piyush Chawla: Okay. Okay

Management: And then all the effect that we give in H2 of FY '26.

Piyush Chawla: Okay.

Management: So, you find that -- all your questions answered in the end of our H2 financial results. Very clearly.

Piyush Chawla: Okay. Okay. Got it. And just one more question if I can ask. There is a cash inflow of INR5.5 crores in cash from investing activities it is other non-current assets so if you can tell what is -- what is this amount?

Management: Cash flow from the -- sir can you repeat again the question?

Piyush Chawla: Yes, so you look at the cash from investing activities. There is a cash inflow of INR 5.48 crores under the heading of other non-current assets.

Management: Okay. Other non-current sir I already told you that the non-current asset means our investment right are the other non-current asset.

Piyush Chawla: So, this is some redemption of investment?

Management: Yes, sir. We put a INR 1.56 crores provision -- long-term provision for the gratuity and leave encashment and therefore to meet that expense in future we already put that amount in form of an investment.

Piyush Chawla: Okay. Got it. Okay. Thank you

Moderator: Thank you. Next question comes from the line of Rakesh Choudhary, an Individual Investor please go ahead

Rakesh Choudhary: Thank you for the opportunity to ask the question sir. My question is for the Jignesh Bhai.

Jignesh Patel: Yes, sir.

Rakesh Choudhary: Down the line five years from now where do you see the company, in terms of revenue, internal target, bottom line...

Jignesh Patel: Although -- you know we have plans to establish two more factories so in next one year and one and a half year we are adding the products which are going to be one of the best products actually in the market. So going forward naturally we have bigger growth plans but we want to go step by step. Our immediate focus is to establish both the factories. And also focus on enhancing our services and EPC sector also.

So -- and adding 300 more employees so overall you can see we have bigger plans. I cannot say or give you the forward-looking numbers but you know we are going to grow sizably considering the two factories coming 300 more employees coming and plan for expanding into services and EPC also. So in terms of percentage numbers, we are eyeing anywhere 20%-30% CAGR going forward next five years.

Rakesh Choudhary: My next question is who are your competitors in India in listed market?

Jignesh Patel: Sir, with existing products and with new products -- about both I will talk. With existing product we have competitors like Lucy, Eaton, they are multinational company. Siemens multinational, ABB multinational, Crompton Greaves, you can say Indian multinational and so those are big players. CSEC is also Siemens offshoot, so those are the players who are more into the existing products.

Along with that we have local players also in unlisted phase which is Megawin and maybe Stelmec but we rate ourselves among those top players because of the product quality and the technology transfer we have actually from one of the -- like you can say renowned multinational company - Schneider.

So that way our competition is going to be with all those big players, and we are able to compete them in the market not in terms of only price but in terms of services also, because our services are better than them. So, most of the, you can say, customers are preferring us because of our service capabilities, not only product.

Secondly, when we go for a Gas Insulated Switchgear, our competition is going to be limited to then those big players, mainly Siemens, ABB, Hitachi and then BHEL and CG then Lucy, Eaton, Megawin, all these people will be out. So, it will be a big challenge to compete only those big multinationals who has got multi-billion, you can say, balance sheet against the small-scale industry.

But we know that the product what we will be pushing in the market is going to be at par and the services what we will be offering is going to be better than anybody else, because even for their own products, they are not able to give services on time in the market and we are going there and providing them services customer.

So, customers are trusting us to even provide services for other products like Siemens or Schneider or Hitachi or GE for that matter or Crompton or ABB. So I can see going forward we will -- although we are going to have a competition from those big players but we will be equally respected by the customer because of the product what we'll put and services what we will offer to them.

Rakesh Choudhary: Thank you, sir

Jignesh Patel: Yes sir.

Moderator: Thank you. Next question comes on the line of Shreyansh Jain with KERPL. Please go ahead.

Shreyansh Jain: Hello. Good evening, everyone. Thank you for having me. My question is that can you please elaborate on the segment-wise revenue, specifically in the manufacturing and supply, EPC and services. Can you just give me a breakdown on the revenue on these particular segments which are there?

- Jignesh Patel:** Right. So, services are, you can say, contributing 70-plus percentage in manufacturing, sorry manufacturing is contributing 70-plus percentage; services is basically -- so if you talk about H1 then H1 is INR70 crores manufacturing, INR5 crores services and INR5 crores EPC, but overall if you see our focus is going to be and even last year result also if you see is going to be 70% to 80% manufacturing and 20% to 30% in services and EPC.
- Shreyansh Jain:** All right. Thank you
- Moderator:** Thank you. Next question comes from the line of Divy Agrawal with Ficom Family Office. Please go ahead
- Divy Agrawal:** Yes. Hi sir. Thanks for taking my question. Sir firstly I wanted to know how much revenue are you expecting from the second unit in the Vadodara facility?
- Jignesh Patel:** The new unit?
- Divy Agrawal:** Yes, the second unit. Yes, the new unit.
- Jignesh Patel:** See, the product mix is different actually there, but yes, with addition of both the facility, we are expecting to at least triple the revenue going forward in next three years or five years, three to five years. So that's what our target would be. But the capacity what we are building in Baroda is going to be -- in terms of revenue, it can be more than the existing factory in Baroda.
- Divy Agrawal:** Okay. And in terms of Odisha facility, so the product would be the similar products that we have currently?
- Jignesh Patel:** Yes. Odisha, we are eying for the similar product like what we are doing currently. GIS, we do not want to go there because GIS requires a different type of facility, and we don't want to multiply that. Sitting in Baroda, we'll be able to cater to entire India and even across other countries also for GIS because it is a specialized product and people will always come to us when we are ready.
- Divy Agrawal:** Right. So basically, right now, you are at peak utilization at around 90%, 95%. So, around INR180 crores, INR200 crores is also expected from the Odisha facility, right?
- Jignesh Patel:** We can add that much from Odisha facility if we have the similar kind of factory established there. Right now, we are -- we have started with only 25,000 square feet of temporary space, which will be operating actually next month onwards. But going forward, once we are -- we are eyeing to set up equally big factory like what we have in Baroda. And once we have that factory, yes, the capacity-wise, it will be available up to...
- Divy Agrawal:** Sir, I wanted to know about the margin. So right now, our margins are around 12% H1 FY '26. So what can we expect for FY '26 and '27?
- Jignesh Patel:** Yes. So see, our focus is going to be improving on margins. This year also, you must have seen H1 have really improved the margin by almost 175 basis points. Our target is going to be improving by 100 to 200 basis points going forward till we are settled, you can say around 10%. So that's what our aim would be to reach to almost 10% PAT. Until then, we will continue to

innovate, reverse integrate, improve on our productivity and all. So I think next two years or next three years, you will find a good improvement actually in our profitability going forward.

Divy Agrawal: Sure. So, 10% in next 2 to 3 years?

Jignesh Patel: Yes. Because we'll be adding new products also. So, you can say those products are better margin products, gas insulated switchgears. So, we are expecting that it will stabilize our PAT by about 10% in the next three years.

Divy Agrawal: Okay, sure. And I wanted to know about the margin breakup between manufacturing and services. So, I believe services would be much higher margins?

Jignesh Patel: Services are definitely much higher margins. But of course, services are -- requires a special skill, and we have a team of -- limited team of people. And going forward, we want to train more people so that we can attract more service projects because these are specialized services. Now if I give you a recent example, we have put four people to Switzerland for training -- specialized training. We invested INR20 lakhs in the training. Now out of four people, two were introduced new and two were refresher training.

So, two people were already trained and they are certified since long, but two more people, we have trained them. And now they are also -- they have also been cleared by the company fresher. So overall, we will have now two more people actually to provide that kind of specialized services. So that way, we are adding certified people into our team so that we can cater to more customers and we can add more revenue. The more revenue in specialized services, the more profit it is going to be.

Divy Agrawal: Right. I just wanted to know about the margin in services and manufacturing. How much are the margins I just wanted to bifurcate that.

Jignesh Patel: Okay. So, in services also, we have two, three kind of services. We have -- one is the maintenance services, what we provide for switchgears. That fetches us, you can say, anywhere between 15% to 20% margin. But if you say about the specialized services, which is gas insulated switchgear services or high-voltage cable installation and termination services that fetches actually almost 30% to 40% of margin.

So average, you can say it is going to be 20% margin or maybe a little more than that for services, the final margin and for products, yes, we are trying to improve by reverse integration and adding you can say bringing the productivity into it. So overall, you can say manufacturing and services together, we will try that we touch quickly PAT of 10% and we will continue actually maintaining that. If the service revenue improves then we may increase also PAT margin more than 10%.

Divy Agrawal: Right and so lastly, I just wanted to know so the agreement that we have with Siemens. So is it possible that another company would can also get a similar agreement and if not, who are other players in the industry who have similar agreement as that you have?

- Jignesh Patel:** Your voice just got disconnected in between, so what you said is we have the agreement with Schneider, not Seimens actually – that company also has the agreement with Schneider that's what you are trying to something they say.
- Divy Agrawal:** Right, right, Yes just wanted to know who are other players having similar agreements?
- Jignesh Patel:** See if I tell you that we are number one outsourcing partner of Schneider in India. We are number one licensee partner of India and we were second number in 80 countries across the world as far as Schneider is concerned.
- So, we are enjoying that position at the moment even if somebody else is coming, they are going to take a huge amount of time before they reaches to the level where they can really -- you can say they can be considered or affecting our business.
- Secondly, what we are doing is we are not going to be depending on only Schneider. We are adding actually the new products bringing the technology from China. That product is going to put us in the next league. So overall, we will not be depending on single company. So going forward, our name, we will be considered as an independent OEM, not you can say licensee partner or not partner of any OEM, other big companies, okay
- Moderator:** Speakers, this is the operator. Sorry for interfering. There was a background noise. Now it's not coming. All right. Mr. Agarwal, please rejoin the queue for more questions. Next question comes from the line of Shreya, an Individual Investor. Please go ahead
- Shreya:** Hi, good evening, everyone. I hope my voice is clear. Just wanted to know, what are the key challenges that you foresee while transitioning from a service-oriented business to a more manufacturing driven business?
- Jignesh Patel:** See service has been our strength from the beginning and today also it has been our strength. The challenge to go for manufacturing was there in the year 2009-10. Now we have surpassed actually those challenges. So, we don't actually -- we don't get afraid going forward in taking more you can say initiatives in manufacturing.
- So overall it is exciting actually not challenging to go for manufacturing new products, so we are excited to not only expand into our specialized services, but also expand into manufacturing. So now we know actually the tricks of manufacturing and we are happy to expand into manufacturing. So, it is it is more of a excitement than challenges.
- Moderator:** Thank you. Ms. Shreya, please rejoin the queue for more questions. Next question comes on the line of Nihar Dave, an Individual Investor. Please go ahead.
- Nihar Dave:** Good evening. Thank you for the opportunity. Congratulations on your IPO. One question...
- Moderator:** Mr. Dave, sorry for interfering. Your voice is breaking. Can you just come in the range?
- Nihar Dave:** Better?
- Moderator:** Yes, please go ahead.

- Nihar Dave:** So, the order book of 130, when do we expect execution of that to take place? Are those orders to be executed within example or this over next year?
- Jignesh Patel:** See most of the orders are going to be executed in this financial only. Only part, very little actually. You can say 10%, 15% will fall actually in the next financial year, but yes, these two months has been really good as far in terms of new order booking also so those orders also are with a deadline of delivering actually in this financial year, so overall we can see a good growth in terms of sales revenue this year also from the last financial year
- Moderator:** Thank you. Mr. Dave. Please rejoin the queue for more questions. Next question comes from the line of Smit Shah, an Individual Investor. Please go ahead
- Smit Shah:** Hello, am I audible?
- Jignesh Patel:** Yes, please go ahead.
- Smit Shah:** Good evening, and thank you for the opportunity. My question is around capacity utilization. My question is your annual report mentions that 90% capacity utilization but one of one of your interviews of Jignesh Patel Sir, that he said that currently plant is running only for 2 shifts, how that then – how does that add up.
- And how – and are the shifts longer or utilization measure differently? Jignesh Patel, sir you also mentioned in earlier your interview that you plan to start a third shift, could you share how that fits in your mentioned capacity utilization?
- Jignesh Patel:** Correct. So, I think you have rightly observed this, but if you see our kind of business, we have the product cycle of anywhere between 45 to 60 days. Now, when we have this product manufacturing cycle, we need actually the shop floor space to keep those products and it requires a very high space occupying for the products what we are manufacturing.
- So we are restricting ourselves to add actually new shifts because we do not have sufficient shop floor space to actually add more numbers of the equipment what we are manufacturing. Secondly, if we want to add more shifts, we have to also add more people into our organization, so right now we are 255 employees, out of that about 175 employees are working in the factory. If we have to add third more shift then we have to add another 70 people, again 70 skilled people.
- Secondly, we do not have the shop floor space available enough to utilize them and add more actually the numbers and more revenue, so that's how we are not eyeing to start full-fledged third shift but yes, if the situation demands and if we have to get something out of that, if we have to get 110% out of the existing facility and if we have to work in the third shift also, certain operations you can say, if fabrication is required to be in third shift or if powder coating is required to be in third shift or maybe some assembly work is required to be in third shift, we can add that and fetch little bit more out of the existing plant.
- So this is what we are going to do this year to really fetch a little bit more out of the existing plant and that's how capacity utilization of 90%, if you have to stretch it to 100% or maybe 110%

we are ready to do but we are not eyeing for starting a third shift in the factory and then adding 30% more revenue actually from the factory, it is not possible.

Moderator: Thank you. Mr. Shah, please rejoin the queue for more questions. Next question comes from the line of Lakshit, an Individual Investor. Please go ahead.

Lakshit: Good evening, everyone. Thank you for having me. My question is how much of the order book is export versus domestic, and what are the expectations of growth for exports particularly to the USA?

Jignesh Patel: Perfect. So at the moment, the orders on hand what we have, out of that about INR45 crores worth of orders are export orders mainly to USA and Bhutan and these projects are expected to be executed in this financial year only, so we'll be executing a big export order to US and Canada.

Now executing this first order will put us in a next league where we will be approved in USA and Canada both the market, and that's how actually the entire market will be open for us. So going forward we want to bring at least 20% revenue from export out of the complete manufacturing setup, and export being a better margin product will help us actually in improving the bottom line also.

So overall achieving 10% PAT going forward can be achieved faster actually if we do more export projects, and with these projects we are very confident that next year we'll be able to fetch more orders from USA and Canada both.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. Due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Karan Anchalia for closing comments.

Karan Anchalia: Thank you, operator. 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 joining this call, and I would now request Jignesh bhai for closing comments if any.

Jignesh Patel: So I must say thank you very much. This is our first earning call and thank you for patience listening. We may not be as sharp as what is expected actually in an earning call both myself and my CFO, but we are in an improvement drive. So going forward we will improve on our deliverables even during the earning calls, and of course you can visit our factory, us in-person to understand more, if you have any questions. We'll be also open to answer any of your written queries or questions, technical or commercial or financial.

We want to say that we are committed to all the investors along with our commitment to our employees and our vendors and our contractors, and all the stakeholders and after IPO, we are more you can say feeling more responsibility and we want to really do good going forward. Thank you very much all of you for joining.

Moderator: Thank you on behalf of Kamametic Partners LLP. That concludes this conference. Thank you for joining us. You may now disconnect your lines.