TechEra
ENGINEERING (INDIA) LIMITED

To,
National Stock Exchange of India Ltd.
Listing Department
"Exchange Plaza", C-1, Block G,
Bandra Kurla Complex, Bandra
(E) Mumbai – 400 051
Symbol: TECHERA
ISIN: INE0JQS01019

November 24, 2026

Sub: Transcript of Investor Conference Call held on November 18, 2026.

Dear Sir/Madam,

In continuation of our earlier letter dated November 19, 2026 informing about the audio link of the Investor Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcript of Investor Conference call which was held on Wednesday, November 18, 2026 at 4:00 P.M.

The transcript may also be accessed on the website of the Company at https://techera.co.in/investor-meet/.

Kindly consider this for your record and information.

Thanking you,
Yours faithfully,
For TECHERA ENGINEERING (INDIA) LIMITED

PRATIKSHA KUMBHARE
Digitally signed by PRATIKSHA KUMBHARE
Date: 2026.11.24 12:49:16 +05'30'

Pratiksha Kumbhare
Company Secretary and Compliance Officer
Encl. As above

"TechEra Engineering (India) Limited

H1 FY27 Earnings Conference Call"

November 18, 2026

MANAGEMENT: **MR. NIMESH DESAI – MANAGING DIRECTOR, FOUNDER AND PROMOTER – TECHERA ENGINEERING (INDIA) LIMITED**
MR. MEET NIMESH DESAI – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER, CO-FOUNDER AND PROMOTER – TECHERA ENGINEERING (INDIA) LIMITED
MR. HARIDAS BHABAD – NON-EXECUTIVE INDEPENDENT DIRECTOR – TECHERA ENGINEERING (INDIA) LIMITED
MR. JAGANNATH BODKE – NON-EXECUTIVE INDEPENDENT DIRECTOR – TECHERA ENGINEERING (INDIA) LIMITED
MS. PRATIKSHA KUMBHARE – COMPANY SECRETARY AND COMPLIANCE OFFICER – TECHERA ENGINEERING (INDIA) LIMITED

MODERATOR: **SAMVAAD PARTNERS PRIVATE LIMITED – IR PARTNERS**

Moderator: Good afternoon, fellow investors. Greetings from Samvaad Partners, the IR advisor to TechEra Engineering (India) Limited. I welcome you all to the H1 FY27 Earnings Conference Call of TechEra Engineering (India) Limited. I would now like to pass on the call to the Company Secretary. Over to you, Pratiksha.

Pratiksha Kumbhare: Thank you, Punit sir. Good afternoon, everyone. This is the earnings call for the financial results for the half year ended September 30, 2026. From the management team, we have with us Mr. Nimesh Desai, Managing Director; Mr. Meet Desai, Whole-time Director and CFO; Mr. Haridas Bhabad, Independent Director; and Mr. Jagannath Bodke, our newly appointed Independent Director.

I would now request Meet sir to take us through the financial results. Over to you, Meet sir.

Meet Desai: Good afternoon, everyone. Is my voice audible?

Punit Thakkar: Yes.

Meet Desai: Thank you very much for joining the call with us today. Every year, we have been holding investor calls after the results to discuss how the company has progressed, in which sectors within the aerospace domain we have done well, the order book, the executions that have taken place, the developments made and the corresponding results that have been published. We have always been eager to discuss these with you.

The results are sometimes positive and sometimes not entirely in our favour, which of course is the case at this moment. However, these are H1 results, and the current work in hand and our current order book position are not entirely reflected in them. This will materialise into something better.

The company has also taken certain strategic initiatives within these sectors, all well within our competencies. These have been taken to ensure that the company stays relevant in the industry, and that the progress we have made and the competencies we have acquired till date stay in line with the opportunities we see in FY28 and FY29. The experience necessary for those opportunities has to be gained now, and some impact of that naturally comes into the financials. However, as I mentioned, this will be recovered well within H2 of the current financial year, with positive reinforcement from FY28 onwards.

To address some questions we are already aware of: we have reported revenue of around Rs. 22 crores for H1, and our current order book stands at around Rs. 55 crores to Rs. 57 crores. This is entirely within the aerospace and defence domain, which for us means manufacturing of tooling and fixtures, flying parts and insourcing. These are the three areas in which our order book currently sits, and the future opportunities we are working on also fall within this domain.

With that, the team is ready for the Q&A and to discuss how the company is going to take this ahead.

Pratiksha Kumbhare: Thank you, Meet sir. I now request investors to raise their hands for queries. Our investor relations team will unmute you one by one to ask your question. Punit sir, please go ahead.

Moderator: Thank you. The first question is from Mr. Shivam Parakh. Please go ahead.

Shivam Parakh: Hi, sir. Am I audible?

Nimesh Desai: Yes, you are.

Shivam Parakh: Thanks for the opportunity, sir. My first question is on borrowings. Long-term and short-term borrowings have gone up from around Rs. 32 crores to around Rs. 39 crores. What are the company's plans to bring the debt down and become debt-free in the future?

Second, there was an increase in inventories and trade receivables. Is the increased inventory due to orders to be fulfilled in H2, or is there some other reason? Some light on that would be appreciated.

Third, there was a significant outflow of around Rs. 6.5 crores towards PPE. What capability building have we done at our premises with this expenditure?

Meet Desai: Thank you for your questions. Let me take the capex question first. The new machines the company has acquired are to build capability in the flying parts domain. Certain upgrades have been done, and such upgrades will continue every six months or so, because every time we want to build a new capability for a part, or add to our existing set-up to attract bigger and newer clients, these become necessities.

These include machinery, and when machinery comes in, a lot of accessories come with it, such as equipment for fixturing, the machine foundation and the related tooling. All those capabilities have been added. As I mentioned, these capabilities cater to a certain set or kind of parts. Once we get into a new domain, some further upgradation is done, but that is on a case-to-case basis. That is how it works.

Nimesh Desai: On the second question, regarding the increase in inventory: yes, that will definitely be converted in H2, and you will see the results turn positive before March 2027 for sure. We are basically a project-based company, and part proving goes through very long cycles. A project may be expected to be completed in six or seven months, depending on its value, and it sometimes gets extended by a couple of months because the proving has not been completed. That is why inventory has increased, but it will definitely be converted within six months.

Shivam Parakh: And on the first question, related to borrowings, sir. Borrowings have gone up from Rs. 32 crores to Rs. 39 crores. What are the company's plans to bring the debt down and make the balance sheet debt-free?

Nimesh Desai: Our action plan is that over the coming two to three years, the balance sheet can be taken care of by our profitability itself.

Shivam Parakh: Okay.

Nimesh Desai: I am not committing that it will be done quickly. But in the defence and aerospace industry, we need to build capability, and that requires a complete set of machinery. Whether you make one component or the same component 100 times, you need the same set of 10 machines. Proving a single component takes four to seven months.

So the investment has to be made at the time of manufacturing the flying part itself, and it takes a longer period to convert into profitability, until 500, 600 or 700 types of components are proven and moved into regular production. That has not yet happened at that scale. Around 150 to 160 components are already in regular production, and we will start making more from now on. You will see the number of proven flying-part components increasing every six months.

Shivam Parakh: Sir, I had a follow-up on what Meet sir answered. You mentioned there will be incremental capex going forward. In the Management Discussion and Analysis section of our latest annual report, we had mentioned that our infrastructure is capable of supporting revenue of around Rs. 120 crores to Rs. 125 crores without further capital investment.

Nimesh Desai: Yes.

Shivam Parakh: So has the peak capex spending been done, or should we expect around Rs. 5 crores to Rs. 7 crores to be added every year to what is currently on our books?

Nimesh Desai: No. As you rightly mentioned, we are capable of doing Rs. 100 crores to Rs. 120 crores of revenue with the existing capex. But we cannot lock ourselves into a decision that we will not do any capex for the next three or four years, because this is flying-part manufacturing. To give you an example, we do not have a machine that can make blades for aircraft engines, small or large. If such an enquiry comes in, we know we can do it, but we do not have the machinery, and that machinery is very costly; it could be an investment of Rs. 5 crores or Rs. 6 crores. You cannot lose that kind of opportunity, where there are very few players, and it can come at any moment.

But yes, the current capacity and capability are, as you rightly said, good for Rs. 100 crores to Rs. 120 crores for sure, with the products we are making right now. Only if something additional comes in, as I mentioned, such as blades or a critical component involving titanium machining, will we need to invest. For Rs. 120 crores, there is no need to invest.

Shivam Parakh: Okay. Sir, there was a press release two or three days back about a development-cum-production order from HAL. Since we will be receiving production orders for the next five years if we are successful, what is the expected order size and timeline for the company?

Nimesh Desai: First of all, let me correct you. It is not from HAL; it is directly from the Indian Air Force.

Shivam Parakh: Yes. Sorry.

Nimesh Desai: That is what we were working towards for the last one and a half years: to connect directly with the Indian Air Force, and that has worked.

The way the Indian Air Force works is that whenever they want to develop an indigenised product in India, they first release an RFP. We have to express interest and demonstrate our capability. They then release the RFQ, and we submit the complete quotation. If you win that order, you get a licence for five years.

Shivam Parakh: Okay.

Nimesh Desai: So anywhere in India, wherever there is an Indian Air Force base, be it Ambala, Pathankot, Pune, Delhi or elsewhere, whenever they need this product, they can order it directly from us through the system. That is the arrangement.

The first order we received was of very small value, but our target was the Indian Air Force, and that has been achieved. The second order is of a more substantial amount, and we are looking at the third and fourth orders as well, which will continue for five years. With design and development products, our revenue keeps churning, with projects running on roughly six-month cycles.

We cannot stop the project-based business, because that is our bread and butter and what we have culturally been built on. But this is an area where we can build our revenue in a very systematic, monthly manner, and that is what we are aiming for. We have now successfully received two orders from the Indian Air Force, and we expect many more in the coming year. Things are moving very fast.

To give you a sense of the turnaround: the first order, which was of very minor value, took us one and a half years. The second order came within four to five months. Now we have submitted a number of quotations to the Indian Air Force, because once they gain confidence that we can deliver, they start giving us RFQs.

The best part of working with the Indian Air Force is that it is not like the GeM portal, where anyone can come and quote any price. They first assess the technical capability of the company and only then issue the RFP or RFQ. That is a very positive sign for a company like ours. On the GeM portal, we often struggled; someone else would win, fail in six months, and we would lose that opportunity. That does not happen with this kind of order. So we are very optimistic about working with the Indian Air Force.

Shivam Parakh: Okay, sir. That was very helpful. And my last question...

Moderator: Shivam, may we request you to rejoin the queue? We will take the next question from Mr. Garvit Goyal. Please go ahead.

Garvit Goyal: Hello, am I audible?

Nimesh Desai: Yes.

Garvit Goyal: Hi, good evening. I was reading through your past interactions with investors, and I noticed three things that concern me and which I would like to understand from you.

First, the growth guidance we used to give earlier has now turned into de-growth, I would say.

Second, our vision. In one of the calls, you mentioned that our vision is to manufacture an aircraft. But what I understand today is that we are not even getting enough component orders to deliver growth.

Third, in past calls you mentioned that there would be no further stake sales by the promoter, but a stake sale happened in the last quarter itself.

So, on these points, I am not able to understand why we are not walking the talk. What is going wrong, and what is going to change from here? What should we expect from the organisation, specifically in this financial year? In the opening remarks, you spoke straight away about FY28 and FY29. So what is the outlook for the rest of this year, and what is your view on the concerns I have raised? Thanks.

Nimesh Desai: Okay. On the first point, as Meet mentioned, the H1 results you have seen will turn positive for sure, because we know exactly what we are doing. There is nothing more painful to be seen. It will definitely turn positive by the end of this year. And the FY28 and FY29 projections we have shown and have been communicating continuously remain as they are; they have not changed.

Now, on the growth guidance. Yes, we have always spoken optimistically, because the Indian aerospace industry has been moving very fast over the last five years. We believed that the knowledge and capability we have could be converted into growth very soon. But the way the industry is moving is new for us and new for our nation as well. There are certain areas where conversion has not been as fast as we expected. For example, we never expected that the Indian Air Force would take one and a half to two years just to assess the capability of Indian manufacturers.

That kind of thing we never anticipated, which made it a little difficult. The government is encouraging us to work in the aerospace sector and is pushing everyone to do so, but some of the basic processes on the government side have not kept pace. That is where our understanding of how the aerospace industry and the government would move lagged. That is the reason for the shortfall in growth. I remain very optimistic that the growth will definitely happen; yes, it has been extended by another couple of years. That is what I believe, as far as growth guidance is concerned.

Regarding the vision, sir, building an aircraft requires three major things: the capability to manufacture the aerostructure, the engine to be assembled into that aerostructure, and avionics. In every aircraft-making company, the engine and the avionics come from outside, and they integrate them into the system. That capability comes only over a period of time.

We have already proven ourselves through component manufacturing for the HAL LCA Tejas Mk1 and other aircraft. Yes, we have to go to Airbus and Boeing within another year or so; we are not ready for that yet, and we want to go only when we are ready. So the vision remains.

One of the areas where we are working with HAL is insourcing, and I believe we are one of the very few MSME companies strongly capable of it. This is structure assembly, which we can do with very high quality. We are assembling the entire centre fuselage and the entire vertical stabiliser. I am not saying we manufacture those parts. HAL gives us a separate order under which we assemble inside their plant, using the jigs and fixtures we have already built under other orders, and then hand over the complete centre fuselage to HAL.

That is the capability this brings, and over the years it will grow along with our capability in manufacturing flying parts. The remaining gap is composites, which can be done outside. I am just giving you an overall picture of why we hold this vision and why we believe we can achieve it, perhaps over the next eight to ten years. As an entrepreneur, I think it is my right to have that vision.

Your next question was on further stake sales, sir. There was a personal requirement on our side, which has now been completed. There will be no further dilution of stake for sure. If anything happens, it will not be in the form of selling stake; it may be through a preferential issue or something similar. We are not saying anything about that right now, but a stake sale will not happen again. That is for sure.

Meet, anything you would like to add?

Meet Desai: No, sir. I think you have covered it.

Garvit Goyal: Thank you very much. I have my answers. Thanks.

Moderator: Thank you. The next question is from Mr. Abhishek Deokar. Please go ahead.

Abhishek Deokar: Good afternoon, Meet sir. Am I audible?

Meet Desai: Yes, you are.

Abhishek Deokar: Meet sir and Mr. Nimesh, if you remember, in November–December last year there was a call to give an update on the Indian Air Force engagement, and you mentioned that we would start getting orders from FY27.

I understand that in H2 FY26 there was the cancellation of the Turkish company's order, which is why revenue did not grow. But I had asked a question on that earnings call, and you said that we would comfortably grow 30% to 40%. Now I see de-growth in H1 FY27 against H1 FY26. Are we still intact on that 30% to 40% growth for this year compared to last year? Because if so, we would have to double revenue in H2 compared to H2 FY26. That is my first question.

My second question is on the recent appointment of Mr. Meet as CFO. I want to understand the rationale behind the appointment. As a listed company, investors and shareholders expect professional management in the finance function, because there is a lot of working capital management, fundraising, debt raising and discussion with bankers. Considering Mr. Meet's background, which is especially in engineering, do you think it was the right appointment, or is there a rationale I am missing?

Nimesh Desai: I will answer the second question first. The person who was earlier in that role is still with us, so it is not as though there is any concern there. We also have other experts on our Board of Directors who can take such decisions on the financial side. Meet has eight to ten years of experience in engineering, and as an entrepreneur, I think you need both kinds of capability; otherwise you cannot sustain yourself in this industry. So I do not think there is any concern in the decision that has been taken.

Meet Desai: Abhishek ji, one more thing to add on the second question. When you are building an organisation, understanding finance becomes key, and at a certain stage, when growth is anticipated going forward, you reach a point where you can contribute to the organisation in a better way.

It is also about keeping certain key positions within a trusted managerial level, while at the same time using the expertise we have already onboarded, in terms of our finance team, our auditors and our independent directors. Considering all of that, we took this decision, and I, the management and the Board are confident in our ability to take this company ahead. Yes, the results do not show it in the current H1, but going forward you will see why certain calls were taken and how we can turn things positively in favour of the organisation.

On the first question, as you said, we now know what we need to do to maintain the 30% growth for FY27. It is a steep task, so it is not firm, nor am I saying it will not happen. We have the order book to get to a decent level. It may be slightly on the conservative side, but it will certainly not be negative. It might be 15% to 20%, or it could potentially reach 30%, but it will definitely be on the positive side.

Abhishek Deokar: Okay. Meet sir, one more follow-up. As I mentioned in the last call, we young investors, considering the tailwinds in the aerospace and defence sector, want to back young founders who have the energy to grow the company to the next level. But with the H1 FY27 results, I think we are one of the only companies in the defence sector to have de-grown. Given the trust we have placed in the management, that was very disheartening for young retail investors like us. I do understand that businesses go through hiccups and cycles, but considering where the sector is going, I really hope we keep up the pace and meet the guidance we have been giving over the last two years.

Meet Desai: Right. I share that sentiment with you, Abhishek. We completely understand, from the investor's point of view, what kind of thought process develops in a short period when a company de-grows in a sector that is otherwise booming. But please keep your hopes on the positive side. We are here to turn things around. This is the only baby we have to nurture, and we will deliver the results the investor community expects from us. Thank you.

Abhishek Deokar: Meet sir, one last question. Can retail investors get access to a company visit? The management could decide a date and time when the facility is opened to retail investors, so that we can see what is actually happening on the ground.

Meet Desai: I would let Punit coordinate with you on that. It should not be a problem.

Nimesh Desai: We have already done this many times; we have allowed everyone to visit.

Meet Desai: So, as I said, you can get in touch with Punit, and we will coordinate and find the right time. We will be more than happy to host you and talk more about the process, the industry and our work.

Abhishek Deokar: Sure. Thank you. That is it from me. All the best.

Nimesh Desai: Thank you so much.

Moderator: Thank you. The next question is from Mr. Ajinkya Jadhav. Please go ahead.

Ajinkya Jadhav: Thanks, Punit, for the opportunity. My first question: we have seen de-growth in this half year. At the end of H2 FY26, we had an order book of Rs. 45 crores, whereas the guidance for the full year was Rs. 80 crores. Is the de-growth linked to a deliberate delay in execution on our side due to a lack of new order inflow, or was there an issue with our equipment? What was the reason behind the lower revenue this half?

Meet Desai: There is no deliberate measure to delay execution or hold things back because of a lack of order book. Our order book has never been higher; it is nearly Rs. 60 crores right now. So the order book is not a challenge.

The two or three new initiatives we have taken to build ourselves for the private sector in the flying parts and insourcing domains are what have held us back slightly in this half year. But as we mentioned, there is no shortfall in the order book. The delays in execution are not stoppages; they relate to data exchanges, customer inspections and part trials, which are standard, routine things in the industry. They are not new, which is why we believe we should be able to deliver a better H2.

At the same time, we could not wait until next year or a later stage to take the new strategic initiatives in these sectors, because that would have put us behind when these opportunities actually materialise. That kind of expertise and experience had to be built by actually delivering certain products and adding them to our product portfolio, and that is what we have done. So please rest assured about the order book. It is there, and we are working very hard to take it to another level, so that the company can return to growth at a higher level.

Ajinkya Jadhav: My second question is also on the order book. How much order inflow are we anticipating for the rest of the year? It is good news that we have started receiving orders from the Indian Air Force, so there will be incremental inflow from there as well. Could you guide us on the bid pipeline and what the order book will be at year-end?

Meet Desai: In terms of the bid pipeline, the value of proposals we submit is always large; it is always in three figures and never less. But the conversion cycle is something we are not able to anticipate, because even the customer does not have that level of clarity on the conversion process. That said, since April 1 of last year, the order book has grown by at least 20% to 30% every time we have spoken to the investor community, every four to six months. It will follow the same range. So if the number is around Rs. 55 crores right now, as I mentioned, you can expect it to keep growing every three to four months.

Ajinkya Jadhav: Okay. My third question: we have seen a sharp 38% increase in employee cost this half. Is there any particular reason for that jump?

Meet Desai: It is for building certain capabilities that are directly related to manpower. That capability has been built and trained, and we have some good opportunities in that area. When we get those orders, we have to start operating on them immediately.

That capability cannot be built only when we get the order; we have to work six months ahead to build it, so that we are ready when the order comes. That is why employee costs have increased. The proportionate increase in employee cost will be much lower than the proportionate increase in revenue after six months to a year. If I add 100 people, the relationship with revenue is not one-to-one. Every time we win a new opportunity, we do not have to hire so many people. This number will stabilise in six months, and then you will have one and a half to two years of capability already built and experience already gained through the people we have hired or have with our team right now.

Nimesh Desai: I want to add one more thing here. Earlier, Garvit was asking about the vision of aircraft manufacturing. That is one capability we are building right now along with HAL, and that is why labour cost looks high: the people have already been recruited and are being trained for that capability within the company, so that we can reach the level we want to be at in the future.

Ajinkya Jadhav: Got it. And my last question: you spoke about the flying parts segment. Could you throw some colour on tooling, ground support equipment, automation or any other segment, and how the operating environment was in those segments this half?

Meet Desai: Ground support equipment is a routine business activity, a manufacturing activity we do with a similar set of customers. We have added a couple of new customers in this area as well. It starts small, but it goes well, and around 90% of our later execution will come from this domain rather than the other two.

In flying parts, we have around 300 varieties. Someone earlier on the call mentioned that we do not have many components in our directory, but that is not accurate. We have around 275 to 300 flying parts for the Indian domestic market that we are making. That is the variety, not the quantity; the quantity is around 3,000 to 4,000. With that directory, we will approach private organisations on the commercial side to demonstrate our capability. If I do not have that in my directory, no private organisation is going to trust me with manufacturing civil parts. That is the entire reason we are in this area. We understand the industry and the business well, and to show that we can do it, we first have to do it. That is what we are doing right now.

Of the parts we make, around 25% to 30% are parts no one else in the country is currently able to make. We are the customer's single source for them, and this has also materialised into opportunities in FY28 for which we are bidding right now.

Ajinkya Jadhav: Thanks, Meet sir and Nimesh sir, for answering the questions. I hope H2 will be much better than H1. All the best.

Moderator: Thank you. The next question is from Mr. Ameya Argade. Please go ahead.

Ameya Argade: Hello, sir. Good afternoon, and thank you for the opportunity. I see a lot of dependence on the government for orders. Are we looking to bring export orders into the picture, which would give us the benefit of dollar revenue and help the company grow beyond our country? I wanted some idea on that.

Secondly, like one of the earlier investors, I would also like to visit the facility to see how things actually work there. When and how would that be possible? These are my only two questions.

Nimesh Desai: Yes, we are definitely working on exports. We have already received one export order, which has been disclosed to the stock exchange, and you will soon see an improvement in export orders for sure.

We also understand the concern about dependence on the government. But in this industry, nobody other than HAL and a few other government organisations really understands it. If you want to learn this industry, you have to go through them. If you look at the companies that have built themselves in this space and are now delivering 20% to 30% PAT margins, over the last 20 years their initial start was with these kinds of organisations. That is why we are following the same path. You will soon see an improvement in export orders.

Meet, anything you want to add?

Meet Desai: No, sir, you have rightly mentioned it. Of course, we want to get to that market. The capability built today will definitely attract customers who want to source products in this line from India, and we are working on it.

Ameya Argade: Perfect. And lastly, regarding the visit, whom should I contact?

Meet Desai: Sir, Punit is the right person to get in touch with for any visit.

Punit Thakkar: Investors may write to us at ir@samvaad-partners.com, and we will get back to you.

Ameya Argade: Okay. Thank you so much.

Moderator: Thank you. The next question is from Mr. Abhishek Shah. Please go ahead.

Abhishek Shah: Hello, Mr. Desai. Good evening, and great to connect with you again. I am actually quite enthused by our performance and the intimations over the last three months about the nature of the order wins. They are a great testament to our desired move away from one-time projects towards becoming a component supplier, and winning sub-assembly orders for aircraft such as the C295 and the HTT-40 is very encouraging.

I want to understand these orders a little better. I believe what we have in hand right now are test orders for one aircraft each. Is that the case? How many shipsets are we doing? What is the likely trajectory going forward? Once we deliver these test orders, depending on the outcome, are we likely to secure orders for entire aircraft or a set of aircraft? And are we the sole supplier for these test orders, or have they been given to multiple vendors for each aircraft?

Meet Desai: Let me explain how this works. Take the domestic aircraft builder, HAL. Today they have an order book of around 200 LCA aircraft of just one type, the Mk1, from the Indian Air Force, the Ministry of Defence and the Indian Navy. They have initially placed orders for assembly of the aircraft, for manufacturing of parts and for the jigs that we have to design and build.

For manufacturing parts, they have raised orders for 15 aircraft. As I mentioned, we make more than 250 varieties of components in this area. When the number of aircraft increases, and they want to buy parts for the 21st aircraft onwards, the system will show that this set of parts has been manufactured by TechEra. So there will be limited tendering, and we get the first right of refusal for these parts. However many LCA or HTT-40 aircraft get built, the parts we are making now, and those we win in future bids, will come to TechEra first. Only if we refuse, for reasons of capacity, cost or anything else at that time, does that part go to open tendering.

That is the advantage we are trying to secure, because we know the volumes will grow significantly at some point, and the more capability we prove in this sector, the more it will benefit the business. And we are talking about only one aircraft here. The HTT-40 is another, and there are other platforms in the Indian Air Force that have been commissioned through HAL. Those are the real business opportunities we are looking at.

At that time, of course, if I am selling a part at Rs. 100 today, the price of the same part after two years of manufacturing for 20 shipsets will not be Rs. 100; it could be Rs. 150. HAL, or whoever is buying, is aware of the price escalation that happens, and of the learnings from the first set. That is the opportunity we get going forward.

So that is how the entire cycle works. It is not for one aircraft; it is for a set of 8, 10 or 15 aircraft, whatever is scheduled to be delivered to the Indian Air Force in the first two years. Once those deliveries happen, the cycle continues. For one of the components out of those 250, we have already completed deliveries for the first 10 or 12 sets, and the customer now wants to source more. That process will happen in December or January; being a government-oriented process, it takes its own time. But because of limited tendering, we know that whenever it comes, it will definitely come to us first, and we have already seen the fruits of such orders in the current financial year, where we have won orders because of this approach and the government's strategy.

Abhishek Shah: Wonderful. So, if I understand your response correctly, for the parts on which you have received orders, you will likely be the sole supplier, and for any follow-on orders you will have the right of first refusal. Is that correct?

Meet Desai: Correct.

Abhishek Shah: Wonderful. So when the follow-on orders come in, does that give you the freedom to increase pricing, and to what extent, keeping cost considerations and the current geopolitical environment in mind? Is there a fixed mark-up you can charge, or is pricing and your margin open for negotiation?

Meet Desai: It is open for negotiation. It becomes a one-to-one discussion. You tell the buyer the costs you have incurred on the previous orders and what the right price for the part is. The customer is also aware, because the technicalities of the product do not change from supplier to supplier; they stay within a 10% variation.

Abhishek Shah: Right.

Meet Desai: So there is that kind of negotiation. If the order is immediate, as now, the customer might want to give it at the same price. But if it comes at a later date, there will definitely be a price negotiation on that part.

Abhishek Shah: Understood. That is very good to know, and it further adds to the competencies and moats we are building. On that note, a few quarters back we were talking about NADCAP qualification for global OEMs, and we had deprioritised it at that stage, I think because we felt the Indian opportunity with the Indian Air Force was large enough. Is that still under consideration, or is it on the back burner for now?

Meet Desai: It is not a priority right now. But if a customer today asks whether we will get NADCAP for surface treatment on a part we are making, it is not a difficult certification for us to achieve. It would take around three to four months to build the capability and get the certification. It is not difficult to achieve, but right now we do not require it.

Abhishek Shah: Understood. Got it. My last question is on the capability we are investing in on the employee side. Could you share some information on employee additions over the last six months, and any attrition figures for the skill sets we are building? That would help us understand where we stand.

Nimesh Desai: Abhishek, I think you also mentioned that you would like to visit the organisation.

Abhishek Shah: I did not, but I would certainly love to.

Nimesh Desai: You are definitely welcome; we are open to anyone visiting. I think this can be better explained when you come here and see what is going on in the company.

Abhishek Shah: Okay.

Nimesh Desai: I want to add something to your earlier question, which Meet answered, on NADCAP. Two years back, we were thinking about building NADCAP capability in the company because, at that time, customers required that capability in-house before placing orders for such parts.

Over those two years, certain suppliers have also been developed for that purpose. They have been in that area for many years, and they have now gone for NADCAP and built it. So why should we unnecessarily build something completely new? That is why we are not pursuing it right now, and we are not worried about it. If at any moment a customer wants a component with machining and chemical processes done by NADCAP-certified suppliers, we now know who those suppliers are. Two years back, nobody knew who would be doing NADCAP and these chemical processes. It is still open, and we may reconsider having NADCAP in our company. Let us see how it works out; as time progresses, we will put emphasis on it as needed.

Abhishek Shah: Got it. I was wondering whether the certification would make it easier for us to qualify for some orders. But you are saying that the certification is now easier to get, since an Indian entity is entrusted to provide it, compared to earlier, when you had to apply in a foreign country, and that since multiple players already qualify, we can get the work done through them and do not need to build that capability in-house.

Nimesh Desai: Yes. And two years back, what we understood was that the customer would give you the order only if the full capability was available in your own plant. Over time, customers have changed their thought process. They now say that if the expertise already exists outside, they will allow their current supplier to get the work done from them. They certify that capability as well, so it becomes a combined capability, and the customer is fine with that. So why should we do it?

Abhishek Shah: Sure. Thank you so much, Mr. Nimesh and Mr. Meet. This was really heartening to hear. I think we are on the right trajectory and things are lining up well. Once these trial orders fructify into confirmed and regular orders, we as shareholders will start seeing the financial impact as well. I wish you all the best and look forward to more positive outcomes in the coming times.

Moderator: Thank you. The next question is from Mr. Shameen Khan. Please go ahead.

Shameen Khan: Hello. Am I audible?

Nimesh Desai: Yes, you are.

Shameen Khan: Hi, Nimesh sir. I have been a shareholder for the last three quarters, and I have attended all the calls and gone through all the presentations.

Retail shareholders like us depend on management commentary, because for such a young and small company there is no other information available. On two points, the management commentary has not been consistent. The first is growth guidance. Being an entrepreneur, I understand there are difficulties and sometimes things happen, so we have not been able to meet the guidance given in the last two half-yearly results.

The second point, which is disconcerting for all stakeholders and which you have already addressed, is the stake sales. Over the last three to four quarters, there have been consistent stake sales, and after each quarter the management has said there would be no further stake sale, yet before the next quarter is out, there has been another. That is concerning. As a retail shareholder, I am very bullish on the sector, on the management's capabilities and on your track record, and we are confident the results will take care of themselves as the capabilities are built. But if the management goes back on its word, it becomes very difficult for retail investors like us to continue supporting the company.

This is an apprehension that I, and I think many small investors, have. Could you shed some light on that, sir?

Nimesh Desai: I understand your concerns very well, sir. But there were certain personal matters that had to be taken care of. As I mentioned earlier, being a first-generation entrepreneur, a lot of things had to be managed to reach this level. It will not happen again in the coming days for sure. Any change will happen only if a preferential issue or something similar comes up, and we will probably try to increase our shareholding as well, if we are allowed to do so. But a stake sale will not happen again for sure. Whatever happened was for certain reasons that had to be taken care of, and rest assured, it will not be repeated.

Shameen Khan: Thank you, sir. A couple more things I want to ask. First, I would definitely like to visit the facility. I had emailed after the last call, sir, but did not get any response.

Nimesh Desai: You can connect with Punit. Punit has shared the email ID as well.

Punit Thakkar: We will get back to you. We have not organised a visit since the last call, but we will keep you updated.

Shameen Khan: Okay. And one more thing, sir. One issue we had in the last quarter related to an interest payment. Is the company in good standing financially to meet all its financial obligations over the coming six months to one year?

Meet Desai: Yes, sir. From an execution and operational point of view, we are in a position to take care of those. Any fundraising needed would be project-based, to improve capability or plant infrastructure.

Shameen Khan: Thank you, Meet sir. The last question I would like to ask is about our capacity and order book. When we say we have over Rs. 100 crores of capability from our factory, is that annual, or how does it work? And on the order book, if we get an order of Rs. 5 crores over a five-year period, how is it accounted for? Is it on a quarterly basis when payment is made, or after the order is fulfilled? What are the timelines, or is it something like 20% each year?

Meet Desai: Some orders are annual and do not go beyond the financial year. But the sub-assembly and insourcing work we do is not annual; it runs over three years. So if we get an order of Rs. 10 crores, it will be split across three years. Tooling work, MRO work and GSE work are all completed within a year or six months. Flying parts can be annual as well, depending on the part, and some are longer programmes.

So when we say the order book is Rs. 50 crores or Rs. 60 crores, around 60% of it gets executed within that year, and the remaining 40% goes into the next financial year. That forms our build-up for the next year's order book. When we accept or bid for projects, we consider how much we can execute immediately, within 0 to 90 or 0 to 120 days, and what carries into the next financial year. That is how we work and take orders, balancing both, to deliver current top and bottom lines while maintaining equilibrium between the current year and the next.

Shameen Khan: Great, thank you. Hoping we do at least Rs. 30 crores in the next half year. All the best, sir. We are here for the long haul, and hopefully in the coming one or two years we will see the results of our efforts. Thank you.

Moderator: Thank you. We will take a follow-up question from Mr. Shivam Parakh. Please go ahead.

Shivam Parakh: Hi, thanks for the follow-up opportunity. In our Management Discussion and Analysis section, we had mentioned that we expect MRO to be the company's largest revenue driver going ahead. What was its contribution in H1, and what is expected in H2?

Second, we had a quotation pipeline of around Rs. 170 crores to Rs. 180 crores, from which management anticipated meaningful orders. What can be the expected closing order book at the end of H2 FY27?

Meet Desai: Most of those quotations are still in the technical review phase on the customer side, so there are no results yet, and whatever we have won has already been disclosed by us. What we have observed during the current bidding phase is that we are competing with a lot of Tier-1s and OEMs in the industry, because they also want to build the capability we have built today. At times it is a strategic call on how to approach these. But as I said, whatever we have won has been disclosed, and the rest are still under technical evaluation. That is the only status we have, because the customer may also have certain dependencies on their end customer. Could you please repeat your earlier question?

Shivam Parakh: Sure. We expected MRO to be our largest revenue contributor during FY26–27. What was its contribution in H1, and what is expected in H2?

Meet Desai: It is difficult to give you a percentage split right now. Yes, MRO will be a big contributor going forward, considering the repair and overhaul opportunities. But right now our focus is not only on MRO. Wherever there are six months to one year of opportunities available in aerospace manufacturing, we are pursuing them, and one of the Indian Air Force opportunities we have already won is in that sector. The majority of MRO will come from the Indian Air Force and the domestic defence sector, because the government is now asking the foreign OEMs that supplied the aircraft to have MRO carried out in India itself, so that the Indian Air Force does not need support from outside OEMs to supply MRO equipment. That is why a couple of orders have materialised for us in the last four months, and as Nimesh sir mentioned earlier, this is just one development tool.

This will grow into a large requirement, and our target in that sector is to add more part numbers. Right now we have two, and we want to add as many part numbers as possible, because this is going to be a volume game going forward. It is a very good advantage for us, as our expertise is suited precisely to such sectors. But it is very difficult for me to give you a percentage split for H1 and H2. Also, MRO and GSE have a lot of overlapping boundaries; since they are manufacturing-based, they correlate with each other. You will definitely see an update from our side on this in H2.

Shivam Parakh: Okay, thank you so much. That was very helpful, and all the best for the future.

Moderator: Thank you. We will take a follow-up question from Mr. Garvit Goyal. Please go ahead.

Garvit Goyal: Hi, thanks for the follow-up. While we are saying we will do a minimum of around 20% growth this financial year, how should we look at profitability on that front?

Meet Desai: We are targeting to keep it on the positive side at present. That is the only statement I would make right now, rather than putting a PAT or PBT number to it at this point. We will get more clarity on this, but it will be on the positive side.

Garvit Goyal: Positive on a full-year basis, right?

Meet Desai: Yes. Positive on a full-year basis.

Garvit Goyal: Okay. And it was mentioned that Nimesh sir is on a business tour. Which country are we looking at for opportunities?

Nimesh Desai: That cannot be disclosed right now, but I am currently outside India. You will come to know soon.

Garvit Goyal: Okay.

Pratiksha Kumbhare: Punit sir, I think we have given everyone an opportunity, and we can take further questions over email as well.

Moderator: Sure. We will take one last question, a follow-up from Mr. Abhishek Deokar. Please go ahead.

Abhishek Deokar: Thank you. Rs. 100 crores is a good target that we can achieve in the next two years. I wanted to know what sustainable EBITDA margin we can expect over the next three to five years, once capacity utilisation reaches 80% and we start getting a significant number of orders. I am asking about the long-term sustainable margin, not one or two quarters.

Meet Desai: In the long run, an EBITDA margin of 17% to 20% is what we forecast right now. But this figure keeps changing based on the kind of work we get every six months, so we have to keep re-looking at it. On average, though, I think it will be around 17% to 20%.

Abhishek Deokar: Okay, thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, Nimesh sir.

Nimesh Desai: Thank you so much to all the investors for placing your trust in the company and in us as promoters. Yes, these results make for a slightly tricky situation, but there is nothing to worry about, because we know very clearly where it comes from, why it has happened and how it can be rectified.

Whenever something negative happens, you need to understand three things: why it happened, how it can be rectified and when it will be rectified. We are very clear on all three. So we have a very clear-cut understanding of the results we have declared, and there is nothing to be worried about. Please rest assured and keep your trust in the promoters and the company. We will be coming up soon with a different kind of approach, and soon means very soon. Thank you so much.

Moderator: Thank you. On behalf of TechEra Engineering (India) Limited, that concludes this conference. Investors may write to us at ir@samvaad-partners.com for any further queries. Thank you for joining us, and you may now disconnect your lines.