Parth Electricals

Operator: Good day, ladies and gentlemen, and welcome to the Parth Electricals & Engineering Ltd. H2 and FY26 earnings conference call, hosted by Karnavatic Partners LLP. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you require any assistance during the call, please signal the operator by pressing star followed by zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the proceedings over to Mr. Karan Anchalya from Karnavatic Partners LLP. Thank you, and over to you, sir.

Karan Anchalya – Karnavatic Partners LLP: Thank you, moderator. Good evening, everyone. On behalf of Karnavatic Partners LLP, I would like to welcome you all to the management call of Parth Electricals & Engineering Ltd. We are pleased to have the company's management team comprising Mr. Jignesh Patel, Managing Director, and Mr. Bhavin Chavda, CFO. Before we begin, I would like to remind you that our presentation includes a standard safe harbor statement regarding forward-looking statements and associated risks, and we encourage you to refer to the disclaimer while reviewing this discussion. We will begin today's discussion with an overview from the management followed by a Q&A session. With that, I now invite the Managing Director of Parth Electricals, Mr. Jignesh Patel, to deliver his opening remarks. Over to you, sir.

Management: 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 annual earnings call since our IPO in August 2025. We have evolved from a service-oriented enterprise in the power transmission and distribution sector to a technology-driven manufacturer of medium voltage and related switchgear equipment. Our business continues to gather momentum, supported by a robust order pipeline and enduring customer relationships. Very few companies can match the level of services we provide, which is why we benefit from exceptionally strong customer retention. Our products and services cater to a diversified portfolio of industrial and infrastructure customers, thereby mitigating concentration risk and providing visibility for growth across multiple end markets. Our company has consistently invested in engineering talent and process discipline. As of the latest reporting period, the company employs 270 personnel, reflecting both our scale and the technical depth required in our business.

In fact, we are inaugurating our Skill Development Center on May 26, 2026, at our Vadodara Manjusar facility between 11:00 AM and 1:00 PM. Everyone is invited to this event to experience what we have developed. This center is going to be a major breakthrough for us going forward. It reflects our long-term commitment toward building a stronger, more skilled workforce and aligns with the company's stated focus on in-house capability building and technical training. We believe this initiative will further enhance our ability to build a future-ready organization and contribute meaningfully to the development of skilled human capital. During the year, our efforts were directed toward strengthening four key pillars: product development, expansion into export markets, customer engagement, and governance.

On our product front, we continue to enhance our product portfolio in the medium voltage switchgear range and related systems. In fact, we are now entering the high voltage range in terms of control and protection relay panels, with a heightened emphasis on quality, safety, and reliability in line with evolving customer requirements and regulatory standards. We developed intelligent

Report is AI-generated and may contain inaccuracies.

motor control centers for one of our projects in the USA that was dispatched in the last financial year, and the remaining part is being dispatched this year.

In terms of exports, we intensified our focus on newer geographies and dispatched products to the USA, Zambia, Bhutan, and Nepal, which was almost negligible last year. This year, we have really done well. On the customer engagement side, we pursued a deeper wallet share with existing industrial clients while selectively adding new accounts in high-growth segments. We also continue to offer value-added services such as refurbishment and after-sales support for RMUs and other switchgear, thereby strengthening life cycle engagement with customers and supporting recurring revenue streams. That is going to be the business model as we move forward. From a governance perspective, the transition from a private company to a public listed company has been accompanied by enhancements in systems, disclosures, and internal controls. The management team continues to be supported by a professional leadership team providing both continuity and institutionalization.

As you can see in our presentation, there are many growth drivers for our business. First is the significant boost from government policies. We are still not at 24/7 electricity across India, so there is a huge investment planned by the Government of India in terms of the RDSS scheme and many other local schemes driven by DISCOMS. That is going to be a very big contributor in terms of pushing our products and solutions into the market. In addition, the National Electricity Plan envisages T&D capex of almost 9.16 lakh crore, and we are now approaching that area with our new products. So, we will be able to contribute heavily to that area as well when our new products come online.

Overall, there is a huge boost from government policies. We are also seeing a sharp increase in peak power demand. As we hear every day, peak power demand is increasing and is projected to reach 335 gigawatts by FY30, which is 60% higher than what was expected in 2023. As power consumption increases, the reliability of power becomes a critical factor. This is where our involvement becomes handy because we develop products and offer solutions that directly implement the reliability of power solutions.

The demand for ring main units (RMUs) and compact substations is increasing because RMUs are the backbone of the distribution system. We cannot continue with those old two-pole structures, which are unsafe and unreliable. Power availability and downtime are significant problems there. This is where RMUs come into the picture, bringing a lot of reliability and safety to the table. A few states are very aggressive in rolling out these schemes, such as Gujarat, Karnataka, Uttar Pradesh, Delhi, and Maharashtra. However, there are many more states that have yet to roll out these schemes, and we anticipate a lot of RMUs and compact substations will still be needed to make our entire power system more reliable and available.

Other major growth drivers include the transition to clean energy, including solar, wind, green hydrogen, and BESS (Battery Energy Storage Systems). This is a focus area for the government as well as private industries and institutions. We need green and clean energy, and considering geopolitical factors, I think we have to be self-dependent in terms of energy. India has green and clean energy amply available to be tapped to become self-sufficient, and we have a role to play in that.

Report is AI-generated and may contain inaccuracies.

One of the biggest booms is going to be data centers in this country. To give some context, a year ago I heard that there were 3,500 to 4,000 data centers across the USA, which has a population roughly one-third or one-fourth of India's. India has hardly 40, 50, or 60 data centers across the country, despite having four times the population. The data movement from the people is huge, but we do not have sufficient infrastructure for data centers. That is where our new products and solutions will be able to contribute heavily. I am looking forward to contributing to the data center business in India, and we will also start looking for data center business abroad in Africa and other countries.

If you look at our journey starting in 2005 as a service company, we have grown every year. The journey has been visible to everyone, but in the last 3-4 years, we have really geared up by adding good products, bringing solutions to the table, and expanding into other territories and manufacturing facilities. We are adding many export customers, so you can see we are on a strong path for growth.

Regarding our business mix, we manufacture and supply critical products: ring main units (11 kV and 22 kV). With our new 33 kV facility coming up, we will be adding 33 kV RMUs, which are a major requirement for data centers and solar projects. We will add these new products when we inaugurate the GIS manufacturing facility in September under our capex plan. We were previously doing only the outsourcing business for medium voltage panels, but we are now allowed to go directly into the markets. We have developed this product, and it is currently under type testing.

Compact substations, which we are already doing up to 33 kV and 5 MVA, are the future for data centers because they have a high power demand. We recently announced our largest order yet for compact substations for a data center. We also have an earthing box, which is a unique product we offer from India; it was previously imported. For control and protection relay panels, we were already presence in the 33 kV to 132 kV range, but we are now adding 220 kV and 400 kV to our portfolio. We are going to develop these and put them under type testing in this financial year. We already have metering panels from 11 kV to 33 kV.

Regarding specialized services, we provide them for systems ranging from 415 volts to 220 kV, and we have even started providing services for 400 kV. Service is the key. While the big players are reliable, they are often weak in providing timely services. We have an edge over all of them because we are able to reach the customer on call. Providing services on time creates customer goodwill, which brings us significant business and new customers. Our export customer in Zambia is a classic example of that, which I will discuss in a later slide.

Looking at our financial snapshots, in 2024 our revenue was 87 crores, in 2025 it almost doubled, and in 2026 we have grown even further from that doubled revenue. It is challenging for a small-scale company to double in one year and continue that growth the next, especially while in a capex cycle and investment mode. We are bringing in two more factories and new products that are expected to contribute heavily. You can expect at least 25-30% growth over the next 3-5 years with these new factories and products coming up.

The best part is that we have a very strong order book of 271 crores, which will mostly be executed in 2027, with a very small amount planned for 2028. However, with the entire year ahead, we have a huge pipeline of orders. If those orders are executed this year, there will definitely be many projects

Report is AI-generated and may contain inaccuracies.

completed during this period. Overall, we are expecting strong growth this financial year and beyond. Our focus is on value-added order booking rather than non-value-added orders, which are common in the market. We want to focus on where we can add value and drive top-line and bottom-line growth together.

We have a very strong board of directors. Our independent directors are truly independent and advise me regularly in taking the right decisions. Both the Whole-time Director and I put in our best efforts, listening to the independent directors to create a strategy for every quarter. I appreciate their contribution as they represent the investors. Regarding the core team, we have the same team you saw in the H1 earnings call. This is the best part: we are able to retain people who have been with us for 10-15 years. They are the backbone of this company. Very few companies have the privilege of saying most of their people have been with them for over a decade. That will drive our next phase of growth.

Our Skill Development Center is driven by the same motive of bringing in more skills. We will be developing our workforce technically and also focusing on human and soft skills. Because we create that environment, people do not want to leave. Whatever skills we develop in our center, we will be able to retain for a long period, which will help our growth. We have one of the best manufacturing facilities at Manjusar GIDC. We invested our pre-IPO and IPO funds into this. Customers who visit the facility usually become interested in working with us.

I will use Zambia as an example again. Once they saw the facility, we entered into a business deal with them. You will never find inferior quality in our products because we learned from multinationals and served large customers like Reliance, Tata, and Indian Oil. They do not prefer lower-grade quality, and neither do we. Our quality, reliability, and safety are of the highest standard. We are compared equally with big OEMs like Siemens, ABB, Hitachi, and CG when we go into the market.

We have developed intelligent motor control centers, and you can see one of the units we exported to the USA on the bottom left of the presentation. This was our first export project to the USA. It was a tough challenge to get approval from UL (Underwriters Laboratories), but they approved us to supply this project, and we have dispatched the first units. We served the expectations of the US customer and will continue to offer the same quality to our Indian customers. We are confident that large companies will continue to accept our products.

As far as services are concerned, we have one of the best trained teams in the field. We offer value-added services that small EPC companies or contractors cannot typically provide. We focus only on value-added services and invest heavily in training. Last year, we spent 30-35 lakhs to train people in Switzerland. We will continue this. The Skill Development Center is also part of the plan to elevate our skills to the same level we obtain by visiting Switzerland. We can develop more people at a lower cost within the company, which is key to having a talented workforce to expand our growth.

We have completed several key projects and added many customers to our portfolio. We have also received recognition. Siemens Energy recently gave us recognition for a 220 kV green energy substation at the Reliance Jamnagar refinery. There was a critical line to be laid, and Reliance approved us. They provided a fantastic appreciation letter regarding our quality and 24/7 service.

Report is AI-generated and may contain inaccuracies.

Reliance previously expected these services to come from Germany, but they found a substitute in us, and we eventually received an appreciation letter from Siemens Germany as well. We are making our mark. We won two big customers, Siemens Energy and Reliance Jamnagar, through our service.

On the left side, you can see a recognition for 765 kV GIS work. We had never touched this before, but GE Vernova entrusted us when a Power Grid 765 kV GIS substation was down. It was an emergency, and they opted for our services. We responded immediately, and they provided a letter thanking us for putting that 765 kV system back in service. A 765 kV substation carries a massive amount of power; if one is out, it affects the entire grid. Our services are acceptable even at the 765 kV level. In the future, we can say our reach spans from 415 volts to 765 kV.

Regarding recent business updates, we secured a strong order of 84 crores from PGVCL for an RDSS project. People might ask why we took this on as an EPC project. The reason is that it involves supplying a large number of RMUs, and we needed to convert a medium voltage line into an underground network. We took this order to establish our credentials and push our RMUs into the market.

Another significant win is the 45.4 crore order for MV block compact substations for the Reliance data center AI factory in Jamnagar. I am proud to say it was a challenge to convince the customer to accept the product, but we succeeded. It will be dispatched in 6 months. It is a critical project that we will execute in a very short timeline. We expect many more data center projects to follow this one.

We also successfully executed a 10.62 crore order for ZESCO Limited. The story there is that they were searching for RMUs and compact substations in India. They visited several manufacturers and then came to our city. The day they arrived, they saw a product that exactly matched their requirements. They asked if we could manufacture a unit for them to see the next day. Within 24 hours, we showed them a unit that met their needs. They were so happy they signed that unit and requested it be included in their first order. They essentially completed the inspection before even giving us the order. We participated in the bidding process and secured a 10.62 crore trial order. This year, they expect the numbers to increase. All those units have reached them, and we have been invited by the ZESCO director to their country to train their engineers.

More importantly, we are collaborating through our Skill Development Center. They want to send their engineers here for training. We also plan to set up a refurbishment unit there so that their old units in the field can be refurbished with our components. There are multiple African countries looking for similar solutions.

The intelligent motor control center project for the USA is in the final stage of execution. We expect many more inquiries from the US and Canada markets. Tata Power Central Odisha also floated a rate contract tender for 11 kV compact substations where Siemens, ABB, CG, and others were present. After a reverse auction, we became the lowest bidder. Following final negotiations, we were accepted as the provider and received a 9.23 crore compact substation rate contract order.

Many such projects are in the pipeline, and 2026-27 is going to be a strong growth year. Our competitive advantages include an experienced leadership team, approvals from many utilities and

Report is AI-generated and may contain inaccuracies.

industries, trusted global partners like Schneider, and a focus on specialized training. Our Skill Development Center, complete in-house design and manufacturing, and focus on exports are key. We are now opening the Middle East market as well.

I also want to update you on capex. We raised 62 crores from the IPO and pre-IPO rounds. We planned 20 crores for the Karachia GIS factory in Baroda and 19 crores for a second unit in Odisha. Other funds were for short-term borrowings. Our working capital requirement was 33 crores last year and has reduced to 15-17 crores this year because we put 15 crores toward repaying short-term borrowings. 8 crores was used for general corporate purposes.

Regarding the Odisha plant, we received single-window approval and were allotted 2.5 acres of land. However, when I visited, the surrounding infrastructure—roads, water, and power—was not yet ready. We decided on a Plan B to avoid delays. We entered into a long-term rental agreement for a 30,000 to 40,000 square foot space and have started executing small projects there. We are adding another 80,000 square feet nearby. We will build the full factory in this rental facility for now while we also develop the permanent constructed facility.

This shortens our timeline for the Eastern region from May 2027 to October 2026, allowing us to contribute 8-9 months earlier than planned. We will save on the original IPO capex for now, and that saving will be utilized for expansion or additional capital investment in the GIS factory after board approval.

The GIS factory building is almost ready. We plan to inaugurate it in September 2026, as per our filings. I invite you all to the inauguration. The Skill Development Center is a beautiful place we created to build skills, and you are all invited on May 26 between 11:00 AM and 1:00 PM. This center will be a huge boost for us. The GIS manufacturing shed is also taking shape and should be ready before August. We will definitely be ready in September 2026.

I have spoken quite a bit and will return for the Q&A. In the meantime, I hand over to our CFO, Bhavin Chavda, to discuss the financial performance for FY26.

Management: Thank you very much, Jignesh sir. I will now take you through the financial section beginning on slide 35, which contains the detailed financial analysis for FY23 to FY26. Our four-year CAGR for revenue is 45%, EBITDA is 69%, and PAT is 80%. Our working capital stands at 73 days for FY26, indicating a 5x working capital turn. We see a possibility of improving our working capital cycle and are working toward that. Our ROE is 19% and ROCE is 16%. Both these ratios decreased in FY26 due to the increase in our capital base. While our revenue growth for FY26 was steady at 13% year-over-year, our EBITDA margin grew by 49 basis points to 10.53%. Our PAT margin for FY26 grew by 140 basis points to 7.19%.

Slide 40 shows that we are well capitalized and poised for growth in FY27, leveraging the equity raise and capex. Slide 41 reinforces that profitability has improved and our balance sheet and solvency positions have strengthened. Slide 42 shows that we are currently in a heavy capex cycle, and cash flow from operations is expected to catch up over time as we aggregate the near-term cash flow dynamics that accompany growth investments. Thank you for your continued support. I would now like Jignesh sir to discuss our focus for FY27 and beyond.

Report is AI-generated and may contain inaccuracies.

Management: Thank you, Bhavin. We have outlined our focus areas, including executing the capex roadmap, deepening manufacturing and export capabilities, and maintaining strong client relationships. Looking ahead, we remain optimistic about our growth prospects driven by demand for reliable and sustainable solutions and industry tailwinds. We are committed to delivering value through innovation and execution. We are encouraged by growth in the battery energy storage system (BESS), green hydrogen, and solar segments.

Additionally, our expanding footprint in export markets presents an opportunity to diversify revenue. The demand for electrical infrastructure in data centers, fueled by digitization, opens another high-growth vertical. We believe India will be the only country able to deliver products and solutions quickly as Africa and the Middle East develop data centers. We are ready for that.

I'll address one question regarding inventory. Our inventory reached almost 40 crores, which was a significant increase. This was due to export projects for the USA being delayed by geopolitical tensions. This created hassles and a pile-up in our factory, preventing us from delivering 25 crores in sales originally planned for the last financial year. However, we are delivering that this month, and our inventory will be back within limits from this month onward.

Regarding why we are raising further capital after the IPO, we are planning for significant growth. Our order book shows we need working capital on hand. We are currently operating with minimal working capital of 17 crores, which is not enough to bring the desired growth this financial year. Our working capital renewal is due in September. If we go to the banks now, they will ask for significant collateral. I do not want to provide unnecessary collateral when we are building new capital expansions. To cater to the additional working capital for the next 6 months, we decided to raise 10-13 crores, which will be handy in executing projects faster. I will now open the forum for the Q&A session.

Operator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. We have the first question from the line of Shreya, an individual investor. Please go ahead.

Shreya – Individual Investor: Hi, good afternoon everyone. My question is regarding your global presence. I am happy to see you expanding into other countries, but I wanted to know what your exports were in FY26 and how much they grew versus FY25?

Management: Thank you, Shreya. Our focus remains on increasing export revenue. Last year, we did almost 31 crores in exports out of our total manufacturing revenue. Going forward, we expect at least 20-25% of our manufacturing revenue to come from exports. It might increase further, but that is our target for this year.

Shreya – Individual Investor: I am looking forward to the growth. Thank you.

Operator: Thank you. We will take the next question from the line of Ananya Singh from American Express. Please go ahead.

Ananya Singh – American Express: Hi, good afternoon. My question is, how much incremental capacity will the new GIS plant add once it is fully operational in terms of sales revenue?

Report is AI-generated and may contain inaccuracies.

Management: With both factories coming in, we expect the GIS factory to add another 200 crores in revenue when it is fully operating at the present capex. The Odisha facility is expected to add another 100 crores in sales revenue. Overall, this capex can easily add 300 crores. We have also done a lot of backward integration in our existing facility, so all three factories will contribute going forward.

Ananya Singh – American Express: Thank you.

Operator: Thank you. We will take the next question from the line of Shreyansh from KERPL. Please go ahead.

Shreyansh – KERPL: Hi, good evening. My first question is about how the management is able to source orders from Zambia and other countries?

Management: The ZESCO utility was looking for good manufacturing companies in India and visited our factory, which generated the first lead. We have now been invited to Zambia to add more products to the portfolio, including compact substations and smart RMUs. While they were inspecting their initial order of 125 units, we educated them on smart RMUs. They asked us to make one to show them, and within 24 hours we converted a regular unit into a smart RMU. They then added that unit to their order. Our strategy is to educate customers and utilities worldwide, give them value-added solutions, and provide confidence that we are there for the complete life cycle of the product.

Shreyansh – KERPL: Great. My second question is, how much was the overall total spend on the training institute?

Management: We spent 6 to 6.5 crores on the Skill Development Center. A major part of that investment came from internal accruals. I encourage you to visit the facility to see why we believe this will be a huge boost for our growth.

Shreyansh – KERPL: Understood. All the very best. Thank you.

Operator: Thank you. We will take the next question from the line of Sandeep Konwani from Konwani Family Office. Please go ahead.

Sandeep Konwani – Konwani Family Office: Hello, Jignesh bhai. In your presentation, you mention an "E-house" on the manufacturing and supply side. What is this product and which industries use it?

Management: An E-house is an electrical house. It starts with a compact substation; as you expand it, it becomes a package substation, then an MV block, and finally an E-house. It is used by utilities to convert civil construction substations into compact, self-contained units. It includes medium voltage and low voltage switchgear, control panels, batteries, and even a small office. These are used when space is limited, such as in data centers or building substations on terraces in large cities. We have supplied one for the eighth floor of a data center in Mumbai, and OPTCL in Odisha has tenders for these as well.

Report is AI-generated and may contain inaccuracies.

Sandeep Konwani – Konwani Family Office: Thank you. My second question is about the order book, which is 271.59 crores, out of which EPC stands at 144.57 crores. Since we are a manufacturing company, and EPC is more than 50% of the order book, are we transitioning toward being an EPC company?

Management: No, we are not focusing on EPC as our core. Out of that 144 crores, there are two large orders. One is for 85 crores, which involves a huge number of RMUs; we took that to create credentials. The second is a 45 crore order for a 66 kV by 11 kV GIS substation at the Kandla Port. Even though we don't have that product ready today, having those credentials allows us to push our own 66 kV, 33 kV, and 11 kV GIS products in the future. We are including our own control panels, terminal boxes, and earthing boxes in these projects. EPC is only used to push our manufactured products into the market. Our focus remains on manufacturing and value-added services.

Operator: We have the next question from the line of Disha from Sapphire Capital. Please go ahead.

Disha – Sapphire Capital: Thank you for the opportunity. In the second half, I see other expenses almost doubling. What was the reason for that?

Management: In the second half, our service and EPC revenue grew significantly, which caused sub-contracting expenses to rise. Sub-contractor expenses increased from 4 crores to 8 crores. Service and EPC revenue in the first half was only 71, but in the second half, it was 219.

Disha – Sapphire Capital: In our current order book, the EPC proportion is relatively higher. Do we expect these 9.5% EBITDA margins to continue? Are we targeting 9% to 9.5% for FY27?

Management: We will be focusing on improving the EBITDA margin. While other expenses increased due to sub-contracting for service and EPC revenue, the current EPC order book of 144 crores involves different types of execution, like GIS. We do not expect a similar percentage increase in sub-contracting costs there. We are expecting better EBITDA and PAT margins going forward based on the order mix. We are targeting an improvement of at least 100 basis points each year for the next 2-3 years.

Operator: Thank you. We will now take the next question from the line of Nihar Dave from AJ Stockbrokers Limited. Please go ahead.

Nihar Dave – AJ Stockbrokers Limited: Good evening. I wanted to know more about the US exports. What products are we focusing on there and what margins do we expect?

Management: The first project was a trial, but it was a big win because the customer accepted our intelligent motor control centers. We learned the complete UL process, from engineering design to component selection and inspection. We have already quoted for more intelligent motor control and drive panels.

We found that the USA has only 4 or 5 companies with UL approval for medium voltage products. We plan to get UL approval for our 11 kV and 33 kV GIS. We would be the first from India with that approval. Margin levels in the US for both low voltage and medium voltage are very high compared to India. The first project had learning costs and higher UL approval costs than anticipated, but it was still profitable. Going forward, we expect sizable profitability from the US and Canada.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. We will take the next question from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati – Genuity Capital: Can you give formal guidance for revenue and EBITDA margins for the current financial year?

Management: We expect revenue growth of 20–30% for the next 2–3 years. For EBITDA and PAT, we are targeting an improvement of at least 100 basis points per year over the next 2–3 years.

Operator: Thank you. We will take the next question from the line of Jay Shah, an individual investor. Please go ahead.

Jay Shah: My question is for Jignesh sir. You are a co-founder of a US-based entity. Could you clarify if there are any transactions or business arrangements between Parth and that US entity?

Management: To do business in the USA, a local presence is required to push our name and provide after-sales services. I established a small company there with local partners. They help push our brand and provide local service backups, which is required by US law for us to operate. We aren't contributing financially to that company. Instead, they helped us source components from within the USA during the project, which was critical due to BIS compliance and import rules. That company helps us understand the needs of the US market so we can plan our future products.

Operator: Thank you. We will take the next question from the line of Neeraj Mansingka from White Pine Investment Management. Please go ahead.

Neeraj Mansingka – White Pine Investment Management: You mentioned a 100 bps margin increase. Is that per year or a total increase over three years?

Management: That is per year, Neeraj ji.

Operator: Thank you. We will take the next question from the line of Smit Shah, a retail investor. Please go ahead.

Smit Shah: My question is a follow-up. Since you are a co-founder of that US entity, can it become a subsidiary of Parth Electricals & Engineering Ltd.?

Management: If that entity becomes large enough, we have the option to consolidate it as a subsidiary in the future. We will see how it develops.

Operator: The next follow-up question is from the line of Nehar Dave from AJ Stockbrokers Limited. Please go ahead.

Nehar Dave – AJ Stockbrokers Limited: You mentioned needing local services for the export market. For other markets we are exploring, is a local service presence required, and what is the game plan?

Management: In African markets and neighboring countries like Bhutan and Bangladesh, we are allowed to provide services directly from India with our engineers. We don't have problems with visas or working there. We will eventually build local service backups there to generate more

Report is AI-generated and may contain inaccuracies.

service revenue for Parth Electricals & Engineering Ltd.

For the USA, we must depend on a local company for on-ground services, while we provide technical backup from India. As countries like those in the EU open up for skilled workers from India, we will supply services directly. Regarding the US entity, it is currently in an incubation phase. It helps us understand the market and could eventually lead to 80% of manufacturing being done by Parth in India and 20% locally in the US.

Operator: Thank you. We will take the next question from the line of Akash Tejo from Artos Finserv LLP. Please go ahead.

Akash Tejo – Artos Finserv LLP: Congratulations on the data center order from Jamnagar. What is the probability of repeat orders in the future?

Management: It is 100%. Reliance executes projects very quickly, and this AI factory is on a fast track. Supplying to one of the largest industrial bases in their AI factory provides us with huge credentials to approach any other data center builder. We have already started getting inquiries from two other data center solution providers. The order we received came through Vertiv, a US-based company, which has already suggested two more companies to us. There are many such players in India we can approach, so repeat business won't be an issue.

Akash Tejo – Artos Finserv LLP: What will be the quantum of O&M (Operations and Maintenance) revenue we can generate on this?

Management: We are working on that. After the initial 18-24 month warranty, they want an engineer and technician stationed continuously at the data center for 2-hour, 6-hour, or 24-hour response times. We are signing agreements for this. Because we have a skilled service force and the Skill Development Center, we can deploy people to handle these operations. It will be a significant business model.

Operator: Thank you. Ladies and gentlemen, this was the last question. I now hand the conference over to Mr. Karan Anchalya for closing comments.

Karan Anchalya – Karnavatic Partners LLP: We would like to thank the management of Parth Electricals & Engineering Ltd. for giving us the opportunity to host this call. We also thank all investors and analysts for joining.

Management: I would like to thank all the investors for their faith and trust in this company. We will continue to work hard and update you on our developments. Thank you very much.

Operator: On behalf of Karnavatic Partners LLP, that concludes this conference. Thank you all for joining us today. You may now disconnect your lines.

Report is AI-generated and may contain inaccuracies.