



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

28th May, 2025 4pm-5pm

Management:

Mr. Nimesh Rameshchandra Desai: Managing Director, Founder & Promoter

Mr. Meet Nimesh Desai: Founder & Promoter

Mr. Haridas Bhabad: Independent Director

Ms. Pratiksha Kumbhare: Company Secretary & Compliance Officer

CA Rajendra Senapati: Internal Auditor

Call Facilitator and IR:

 **Samvaad Partners (Punit Thakkar)**



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Punit Thakkar: Welcome all the investors to the Conference call of Techera Engineering FY25 earnings call. We have the management of Techera with us. I would handover the call to the director of TechEra, Mr. Meet Desai

Meet Desai: Good afternoon everyone. Is my voice audible Punit

Punit Thakkar: Yes.

Meet Desai: Welcome and thank you all investors for joining this call.

We are looking forward to building our relation further and discussing how previous financial year has fared for Techera. I would share my screen.

I will start. We always start our presentations with our core values. We exist to elevate nation's capabilities by delivering world class experience. These are foundational values. We are humble, hardworking and committed, are net contributors and forward looking.

Just a general disclaimer (as per the ppt's disclaimer page).

We have uploaded this ppt , so you can catch it later. We would like to express our gratitude to all the investors stakeholders and well wishers.

Since its our first investor presentation call after listing we wanted to have this discussion with everyone in the best possible manner.

Talking about what how we are doing at Techera is what we would like to share.

First of all, I guess everybody has seen the results uploaded. We have shown around 28% growth in revenue compared to our last year. We congratulate and thank everyone for helping us and being a part of this journey. Looking forward to further expansion and further big projects and plans which we need to execute.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

I will just go through whatever we have done in upgrading our infrastructure, adding world class machines so that we can serve our customers better to deliver quality.

These are some of the images of machines of our premises.

Our machining capacity, reach, everything is doubled and helping us scale up. We portray ourselves as a leading manufacturer in defence and aerospace industry.

Right side you see our plant 1 and left side is clicked from plant 2. This is 80000 sqft facility for plant 1 and 2.

I am very proud to announce that we have leased another plant which is our fabrication unit now. That is expanding in space and infra point of view. And another thing is , our manufacturing meets world class setup to ensure we meet aerospace and defence standards.

We have installed these high class CMM machines which is helping us do that. So this is the key highlight and attraction we can say, at Techera. This is a 6mtr. long. A company our size, one of its kind available in India. This is going to give us a huge boost to private sector boost, PSU and aerospace.

The requirements that are getting generated, with our experience such capabilities are rare, with our technical competency, with our approach to market, such kind of machines are required. And we thank investors in helping us acquire such technologies and bring that to India, so that we can expand and grow together further. The machine is now in transit phase and it will come to Techera next week. Then we can do installation for a month. It will start. It would get installed in plant 2 and will have inauguration in month of July.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

So further developments, as everyone must have seen, we have established a design centre, its a separate entity focussed on the engineering and design side of products we build.

So last year we saw lot of inquiries and requirements getting generated wherein the customers have requested for design to build support to commission.

Earlier we were already engaged in building activity like manufacturing, but now with the manufacturing competency we have we needed this design centre to complement the existing infra. So this is what we have built. The main purpose is to cater to the internal design records and also to the external design requirements in aerospace and defense as well as in any mechanical based industries We have all the softwares all the hardware required to function and run such a high quality design centre. We are heavily marketing this activity now and we look forward to growing Techera as a group and design unit as an individual entity.

Another one is Kalbhorz Electric. So they are into specialized motors. They are also working into aerospace defense domain as well. But on the motor and the electrical side. So this strategic investment is also done considering the fact that as TechEra group we need to build in-house competencies in each domain which we are forecasting and anticipating will grow in the country (and in the world) and we've spoken to the promoters at Kalbhorz, their interests and our interests align.

The kind of passion they have passion for the electrical technology is something which we have to grow techera as a group company and also to grow into aerospace and defense. So that's what has fueled this investment into Kalbhorz Electric.

This company is also based in Pune only. So makes it easy for us to work with them as and when required. So just an update now in February, TechEra participated in the defense expo. So this was the, we participated for the third time, but at this scale we did it for the first time in the month of Feb and we have seen massive response from customers, from people all around from



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

investor side, and mainly from potential customers who want to engage with MSMEs in aerospace and defense manufacturing.

And the best part about this TechEra were part of the India pavilion which was 'a complete pavilion established by ministry of defense' to showcase the capability India has for the world in this area.

A good part was that on the left if you see is the highlight by Shri Raksha Mantri Rajnath Singhji on his social media platforms. He mentioned about how India pavilion is showcasing different kind of developments and manufacturing capability in aerospace and defense and out of three to four podiums visited, ours was one of them, rather he had a quick two second word with our CMD Nimesh sir, as well and complimented us on the kind of work we are do doing in the aerospace and defense sector.

And that was the podium which we had (the bottom image shown in ppt). So this is basically scaled down models of what we manufacture made it easy to understand by giving references of the aircrafts we have worked on. Like there is a commercial aircraft on the right, there is IAF Tejas over here, another tooling for Rafael over here.

So that is the kind of manufacturing we do and that is what we were able to exhibit. Thanks to the ministry of defense for giving us this opportunity.

And based on that we now want to increase our global footprint and that can happen by exposure. Such exposures will come from similar kind of expos which happen in the world.

For example, there is a Paris air expo happening in June and it is the biggest expo in the world. All our customers are participating and TechEra is also visiting there for 3 to 4 days. We have lined up certain meetings with customers to try and convince them to 'Make in India' and manufacture with TechEra and like we said the world-class infrastructure which we are building, which is necessary to make sure that such customers trust the MSMEs in India



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

and that is our ultimate aim to bring tier-1 OEMs from outside to make in our country and to directly choose us as their manufacturing partners. So that will be a very core focus for us going forward where we want to supply the global supply chain.

So if we have to talk about key points which TechEra which we want to focus in the future and make the best of the installed capex at TechEra now which happened from October to March, we what we would like to do is focus in five areas, building infrastructure which is world class which we can bring our customers from outside and show how we are manufacturing in control temperature environments and we are having clean rooms for critical aerospace components.

Then with the design centre, we can cater to their engineering requirements, not only built for them but also help them engineer their products right from conceptualization phases. So in aerospace because the manufacturing technology comes from outside India so the data the design data which we have to build is of very old kind. This is from 1970s- 1980s. So that data needs re-engineering which is called digitization. So that is where also TechEra Design Centre wants to make the most of that.

On the point 'expanding global presence'. By participation in outside shows we want to expand our reach already we have supplied to some parts of Europe, some parts of Southeast Asia and the United States. So it is not that something is new to us. We can definitely meet their quality standards.

So during one of the discussions we did internally with our leaders and team members we decided to improve our in-house efficiency by being reliable and fast that is the kind of USP which TechEra wants to build and by 'lean manufacturing' approach is how we are targeting. So our first step is to bring lean culture. By bringing lean culture in our manufacturing and slowly slowly moving into bringing new technologies like establishing IoT or getting into AI



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

based process approaches. So that is what we are looking at in to include such kind of technologies within our own manufacturing setup and to build a culture which is focused on technology and people and of course aligns with our values and purpose and the kind of second and third tier leadership which we are building now is completely process driven. Focus is on how these the team members can become independent so that the management can focus on strategic initiatives and take TechEra to new heights of course and it will happen with the support of the investors.

So we are very thankful for the trust and we strongly believe that the kind of exposure India is getting TechEra is in right place in right position to make most of those opportunities to make most of these increased capacities and it has never been only about adding machines and increasing capacity but the kind of machines we have added bring new dimension to the manufacturing which we are doing. So I just wanted to quickly say that once again we are trying to build trust, precision in a future ready aerospace ecosystem.

Our foundation our values are very strong. Our intention is to grow this company with the best possible effort and passion and establish ourselves as a world-class manufacturing unit which is reliable and which is fast.

We recently saw India become overtaking Japan and becoming fourth largest economy and soon we go up. So that is happening because as a country we are becoming reliable and fast and we want to be a part of this revolution which will happen together with your support, with a lot of discipline while we are executing and lot of ownership of the actions what we are doing at TechEra.

Yes. thank you. And some of the things what I had to mention is every one of us has seen how the month of May has gone for us as a country and this is going to fuel lot of more opportunities in this sector. we have seen certain announcements coming from ministries regarding investments in this sector. Right. So, the listing the increase in capabilities has happened at the right time for us and we are very much looking forward to be a part of this new projects



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

which the government has launched along with the government. There are a lot of private players investing and TechEra are looking forward to them. So that concludes the presentation. I would just want to ask Mr. Nimesh if he wants to add something or anyone from TechEra Management then we can talk further.

Nimesh Desai: Keep going. Keep going on.

Harish Bhabad: Yes Meet. I think it should be continued

Meet Desai: Okay.

Meet Desai: So now we can we can talk about any the queries which investor has if they want to ask certain questions we are available. And we've also mentioned previously that our approach has always been to build better relations with our investing partners and stakeholders and whatever infrastructure we have built, whatever plant we are building and the products we are into, we would love if the investors want to come and visit TechEra. There are appropriate channels available. You can get in touch with our company secretary Pratika. Then Punit is there of course and we can always visit here. We can talk face to face and we can also discuss further other things so that everybody gets to know at the back end what kind of work we are doing in aerospace and defense and also in the design centre. now.

Punit Thakkar: for questions. fellow investors can raise their hands and we'll take the questions one by one. we'll start with AK investments first.

Please unmute yourself and ask your question.

AK Investment: Yeah. Yeah. Hi sir. am I audible?

Meet Desai: yes



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Meet Desai: you are audible.

AK Investment: Yeah. Yeah. Thank you. And congratulations for the great set of half to FY25 results. Sir my first question is in FY26 what is our expectation growth expectation for the revenue and EBITDA margin has been declined in for the whole year FY26 which is 17.37% which was 22.5% in last year. So what is the reason for the same.

Meet Desai: So I will answer about the FY26 growth scale. Like we mentioned, if we see the historical data of the company, we have shown a certain percentage trend increase and at bare minimum we definitely look to maintain and improve that because we have done that without the capex which we have to. So we are looking for a very strong and positive FY'26 and the current efforts being taken into marketing the company is also going to reflect shortly in H1 and H2 of FY'26 and related to EBITDA I think if you can repeat that question.

AK Investment: Yeah.

Meet Desai: request Harish also to answer that.

AK Investment: Yeah. so sir, FY25C EBITDA has been for the full year 17.37% which was 22.5% in FY24. So what is the reason for the decline in the same.

Harish Bhabad: Basically this is not you can say directly decline. this is a project-based company and margins varies from product to product. So sometimes you may see a higher EBITDA sometimes little bit lower but it is not impacted too much year to year.

Nimesh Desai: There will not be major difference.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

AK Investment: Okay. So, FY26 can we can we assume 22 to 25% EBITDA in FY26?

Nimesh Desai: in I think
Nimesh Desai: in percentage

Harish Bhabad: you can assume it because this industry is in that range only

AK Investment: Okay. All right sir. Answer how much order book currently we do have orders on hand.

Harish Bhabad: if we compare to the last year it is more than it's a double if we compare last March 24 and March 25 it is definitely a twice

Meet Desai: this question. So two tier investors. So every time when we talk about certain set of numbers which by position by a role it is difficult for us to disclose it takes away lot of competitive advantage because the capacities can be mapped towards number of orders and the new customers might gauge that differently. So that is the reason we don't disclose on those numbers but please be rest assured that we have a healthy order book that is keeping our capex and machines occupied.

We are running all three shifts and that is a very positive sign. Thank you.

Sumit Chopra: Yeah. Thanks for giving the opportunity. So, one bookkeeping question that I want to ask from the current set of the number is that there is a one loans and advances figure of 14 cr which are appearing in the asset side. So, what is that advances for and to whom we have given that advance? So like on one side we are taking a long-term loan of 5 cr and on other side we are giving some loans and advances of 14 cr what what exactly if you can help me reconcile this and just in continuation to that we have recently raised the funds through IPO then why there is a need to raise this additional long-term loan of 5 cr that arises so soon we have just done the fundraising one. One question on bookkeeping on this and second question there is excess amount



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

of 2.7 cr that we have utilized for core general corporate purpose and I believe that proceeds is out of the capex proceed so why we are why we were not able to anticipate it earlier now there is a excess amount spending of 2.7 cr which which we would have paid for the repayment of debt.

CA Rajendra Senapati: Meet can I address that bookkeeping.

Meet Desai: Yes, sir.

CA Rajendra Senapati: so that 14Cr in that in loans and advances it is given for the advance to the suppliers for purchase of plant and machinery that Meet just recently mentioned that shown in the photograph so that they're expecting that plant and machinery in next one week so it is for that only.

Sumit chopra: Okay. And a long-term loan of 5 cr that we have additional raised.

Nimesh Desai: I can put emphasis on this. the point is the machinery if you go machinery which we decided to go for is a five axis machine, which is around if size is concerned it is 4.5x1.6 by 1.7 m. When we decided to go. But once we went there to see the machine to understand the machine sizes and all we realized that nobody is having one of the big kind of machineries in India and some of our PSUs are looking for big machineries which we understood.

So all of a sudden we decided that why don't we go for a machine which is bigger and which we will be the only one in India our size of the company as Meet mentioned earlier also.

So here the cost of the machineries got bit of rise. We have taken some liberty on that and we believe that now you can see the impact of these machines in these years is a huge. So that is the reason the cost of the machineries is higher than what we decided and that's why we have to go for that.

Sumit chopra: So this is the same machine that 6.2m 5-axis which we have



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Nimesh Desai: No earlier it was a different one. That's the point. Earlier was a different earlier was a smaller one and as and when it is a technical side of things as and when if you go increase the y-axis then cost of the machinery is increased by substantially. So the y-axis increased from 1.6 or 2m to 3m. So the cost of the machine has got increased. So that is the basic reason we have to incur the cost in the machineries and we have taken we will take the advantage of it in coming years as well for this.

Sumit chopra: got it sir. And sir, this we have procured domestically or we have imported it.

Meet Desai: have imported it.

Sumit chopra: Okay. In any light you would like to throw upon that excess expenditure of 2.7 cr of general corporate purpose. What was that for?

Meet Desai: Yes. So basically along with when we buy the machines, there are lot of excess expenditure are there which we need to upgrade our plants to upgrade our capabilities in not only in terms of machine but in terms of infrastructure.

So that is that expenditure which was necessary for us to do at that point of time or then , it won't complement the machines which we have the plant has to look at a certain standard if you want to attract tier one OEMs to come and directly work with us. So that is the general corporate funds which we have utilized and it also consists of some design software parts some IT, hardware part which is necessary from a compliance point of view because all the data we handle is confidential since it is from defense OEMs and it is from aerospace it is related to the aircrafts.

So it is all combination of all the requirements which come when we are working in such kind of industry which we also learn gradually as in when we grow we also gradually get exposed to such kind of things.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Sumit Chopra: Okay.

Meet Desai: Thank you.

Sumit chopra: Okay. And and sir in like a similar question what earlier participant was trying to understand which you have responded that it is because of the change in the product mix that margin in some part of the year may be higher or some part of the year may be lower. So, what is the sustainable gross margin that we can expect from techera going forward.

CA Rajendra Senapati: the previously that raise the EBITDA there is not reduced in the current financial year so there is a little confusion if you compare that FY24 and FY25 EBITDA% remains same in the range of 17 to 18%

Sumit chopra: So actually my question is for from gross margin point of view. If you see in current H2 my gross margin is 63% as compared to the 67% of H2 March 24. So there is a 300 400 basis point fall in the current half year yoy so is this the sustainable 63% or what we can expect going forward that is the guidance what I am seeking for.

CA Rajendra Senapati: Yeah. Already Mr. Harish addressed this. It is depends on the mix of the products. So we are in this line is development and standard products. So on the basis of development products then it will be that here and there positive and negative where there is standard due to that operational efficiency it will be reduced. So more or less it will be in that line only.

Sumit Chopra: So full year basis we can consider the current margin?

CA Rajendra Senapati: Yeah. Yeah. So it will be remain that line.

Sumit Chopra: Okay.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Ashish Soni: Yeah. So I think I I'm new to the company. I just want to understand . I think you're close to 40 odd crores this year and I think your order book is doubled you mentioned. So what's the growth trajectory you're seeing next 2 three years in terms of revenue aspiration wise? I mean margin wise there are a lot of questions. So I think we can understand the range you have given but what is the company's aspiration in next two three years in terms because business wise I think if 100% order book growth this year from last year this year is coming so what are your thoughts . I know marketing wise you're trying different forums and all so just give a flavor qualitatively what you're trying to.

Meet Desai: Sir like we mentioned the order book when Harish mentioned double the order book it is not double the turnover order book and the question the answer got misinterpreted I think. So the order book has always been strong and like I said the trajectory of the company from (FY)22-23 till date is the similar kind of trajectory will be there at bare minimum and we definitely are working to push it further by 10 or 15% than what the actual growth rate is. So then you can now I think join the dots.

Ashish Soni: I think you attended some exhibition I think in Bangalore you mentioned and you're planning for Paris also. So did we get any leads and what what's your thought process when and in terms of leads how many leads have you got and do you think when you get that leads how long does it take to convert that into a project maybe one year two year.

Nimesh Desai: I can just give you one example. It is an industry that is moving in a little bit of slow rate because number one it's a baby industry in India. People are still, we need to develop it to India to build the entire aircraft. If you go through the news today, it is in times of India. The Indian government has declared some project which is first aircraft will be built in 2035 and they are talking right now. So the aircraft is already seen a sample is already been seen at Bangalore but the manufacturing of the aircraft will start in 2035. So this is the slow rate of industries but the tooling what we are manufacturing and the product what we are, it takes around six months to one year to convert



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

the customer's lead and to convert the new customer into our bank. So patience is the most important part in such kind of industries because the order booking will be for the long-term perspective after once the customer has been set. It's very difficult even for customer to sustain this kind of suppliers our kind of suppliers. So it is a win-win situation for both of the things. Initially yes it is taking time but later on it's for long-term basis like if you if you don't if you know or I don't know but the other companies who have a order booking is around 5/ 10 year , 15 years for the part manufacturing and all this kind of situation is now coming to our company as well.

Ashish Soni: And with the existing set of fixed assets what we have how much the potential peak revenue we can achieve and typically when you take any orders and what's the typical execution timeline from like 6 months to one year or whatever we can elaborate on that.

Nimesh Desai: Sir that order timeline of the order booking is depend on the size of the value of numbers of the PO maybe what is the value of that part particular item but in general terms one tooling set it is right from 3 months to 6 month it can be anything if it is a Bigger project like automation we did we took one year to hand over the project.

Ashish Soni: So current order book what do you have in hand it's like execution wise how long it will take it will take like 3 to 12 months is what I understand.

Nimesh Desai: as I no as I mentioned it's depend on the size so it may take one year also and some orders are 5- 6 years also so that that is the way you have to consider.

Ashish Soni: How much maximum revenue or turnover can be achieved. So can you answer that as well? With your current fixed asset, how much of the revenue or turnover can be achieved and in how much time frame



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Nimesh Desai: See there are certain companies are there already who don't have the asset value but they have a huge turnover. So you cannot you cannot have such kind of theory because once the skill building is happening will start happening in India we can outsource the product also we can outsource our work also. So it all depend on that. So it is not evaluate the what asset value you have and how much turnover you can do it.

Ashish Soni: But if you can from your ballpark estimate based on whatever you have and what is in work in progress what's the peak revenue because from an investor's point of view that is important. So I just want to I know it can be outsourced in certain scenarios but from your ballpark estimate what's the what's the value if you can help us with that.

Nimesh Desai: How we can add give a value in this case to the investors. I think we cannot declare the numbers now. Yes, I know the situation is very very positive and the substantial growth is going to be take place in this year. Effect of IPO is coming now.

Nabendu Mondal: Thanks a lot for giving me this opportunity. Um, and congratulation for the strong set of numbers for the H2 and maintaining the guidance. So maybe I have a couple of questions, and I'll start off with the

first one. So and this is specifically for Mr. Nimsh Desai that I have seen that in one of the podcast um on posted on YouTube in the month of January you have mentioned the vision of reaching an annual turnover of around 1,000 crores in the next 5 years. So is it just a vision or do you think that you could get to that level and what are the kind of operational plans or some mission statements which you are taking to reach that if it is achievable?

Nimesh Desai: we are working in that direction basically I don't

Nimesh Desai: I'm not confirming this have where you have seen this.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Nabendu Mondal: It is publicly available on YouTube platform. you have an interview with a podcast available on YouTube where you you you have mentioned the same.

Nimesh Desai: So we are working very genuinely on in this direction. So I cannot reveal this.

Nabendu Mondal: you have some short-term plans or operational plans which we are aligning to reach that level because based on what I see from our fixed asset perspective right now we may not be able to reach that level. So do we have some kind of plans which we have already created?

Nimesh Desai: Yes, we have a plan. For sure.

Nabendu Mondal: perfect.

Nimesh Desai: confident. Okay.

Nabendu Mondal: Perfect. Um the next question would be from I mean we would have seen in the news yesterday or day before yesterday that Tata

Airbus has set up a final assembly line in Karnataka for the H125 helicopters and also there was one more news yesterday for the Saffran and there are some talks going on for the engine manufacturing for the Tejas / MIG. So is TechEra going to participate in any ways in those projects and what could be the possible size of these projects.

Nimesh Desai: I think for H125, Meet will be answer.

Meet Desai: Yes. So what I would say is when there is any final assembly or MRO or any kind of aircraft assembly or part manufacturing happening, TechEra is there in the tooling part supply part. So be rest assured whatever



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

aircraft programs which come to India we are always there and another thing I want to say is so why I say this is, if we check the history of the aircraft programs coming to India we have always been there supplying and doing our part and also the volume or the size of the project it cannot be commented upon. Because when we talk about H125 assembly line does not only, it comprise of tooling comprises of digitization, design, building it. These are green field projects. So they are you know distributed in various segments. Like electrical, harnessing then maybe lifting, tooling, design, painting all those things.

These are only mechanical aspects. there are non- mechanical aspects as well. So the size I we won't be able to comment but yes like I said whenever an aircraft programs comes to India we are there

Nabendu Mondal: Okay.

Nimesh Desai: here as mentioned Meet mentions very correctly in India whenever any aircraft new program will be coming definitely we will be there see the building scenario for the aircraft anything which requires initially they need a part manufacturing just I want to elaborate our product range so first of all they start with the part manufacturing we are there, secondly after making the parts they are manufacturing the entire assembly of the product assembly of that particular aircraft, they need a tooling systems, we are

there. After building the aircraft and hand it over to the customers they need a ground support equipments, we are there.

So right from the scratch to start the build the aircraft hand it over to the customer and whatever the customer needs to use that aircraft, that also we are there. So I think now you can elaborate yourself that how the range of the product what we have right now.

Nabendu Mondal: So this is basic basically for one of our the Maharashtra defense and aerospace venture fund which owns I think over 10% of the equity of the company and has been invested with you since 2021. Right. Can you



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

elaborate how what is their contributions from a strategic perspective to TechEra um as a company and just to add on to that is do you see them considering that these are kind of venture capital funds who are basically having a 4-year investment and have made quite a handsome return on their investment. Do you foresee them exiting techera in the near future like let's say in the next one year?

Meet Desai: Exiting is something which we cannot comment on right now and it is I don't think that the investor or venture funds being a part of TechEra and exiting is something which as promoters we think on, But yes what it does is it strategically gives us you know kind of credibility as a promoters and as a company when someone of that stature gets associated with you that means that the kind of due diligence has happened with them over the years has already been checked and qualified upon and it should give the investors a perspective on what kind of company TechEra is or what kind of vision or focus this company has. Right.

So like I said we would always we want to have more and more such partners and because they are with us since 2021 and which is almost 4-5 years before today. We would love to take our investor relations not only with them but with everyone as long as possible because we are a company which is there for long and we'll be up there with the best aerospace companies in the country going forward with everyone's support and help.

AK Investment: Yeah sir. thanks for the followup. sir, my question was if you can split the revenue geography wise. So what was the domestic revenue and what was the export revenue and in export what what has been the geographies in FY25 particularly.

Meet Desai: So in FY25 most of our revenue was domestic. I think 5% to 7% would be export. But rest everything was domestic and the kind of quality we have delivered in the export projects that is putting us in a very good zone to bring more and more potential orders and work to India and that is why we are participating in the Paris show to take that percentage to higher and also



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

help our revenue from outside the India and also such world-class machinery can be marketed more outside the country and we can bring more and more book.

Nimesh Desai: I think India is now doing great in defense and aerospace and the last one one and a half months you can see how our defense system has taken over in the war. So I think we basically not require the people outside to capability to do it. So better we serve for our nation. Yes, there is an opportunity we are going to Paris show. So as mentioned and I believe that it will be increased for sure but domestic is going to be the huge content for coming years that's what I analyze the industry.

AK Investment: sir. I have one more question. So sir, one of our one of the companies which is in the same sector and space as we are. They have said that government of India is inviting the bids for nuclear energy turbine and they they have very huge plan for nuclear energy generation in the next four to five years. So are we in the same segment or do we provide any components or something like that in that sector?

Meet Desai: As of now we are not catering to that sector nuclear side of it but if you have mentioned then we can have a look if they have some manufacturing requirement then we can have a look but our focus has always been aerospace and defense.

Prateek Shrivastava: Um thank you sir for giving me this opportunity and first of all let me congratulate you on a great set of numbers. Um so my question is on the accounting okay so when I was reading this your consol profit and loss statement for FY24 whole year I see the PAT when I read it today is what you release it was you know 2.82 crores but when I read in the RHP it was 4.82 crores. So can you please explain the discrepancy of this PAT for full year F24 between today's statement and the RHP?



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Nimesh Desai: declaration already been given. Anyway, Harish

Meet Desai: So I think we have already provided declaration long back for that. So that was the difference in the restated and audited financials and if you can you know go on the NSE website you'll find the full cover letter with all the explanations given related to that.

I think we spoke about it in the last call as well. So if I request you can you just check that and also thank you very much for the wishes which you have given us.

Prateek Shrivastava: Thank you. Thank you, sir. So one more one more question which I have. I just sort of wanted to understand you know the business more well in terms of the duration of the project and the receivables right. So can you explain how typically like how long the duration of the projects are and what are the receivable cycles? Is it quarterly or you get like end of something or you get you get some bills some early and then midway and then through the end of the project. Can you please explain that sir?

Meet Desai: So, The scale of the project defines how big the project is. Some of them are 12 weeks, some are 16, some are 24. And some of them are staggered deliveries, like over two years every 3 months certain set of batches and so it differs from the value. It differs from customer to customer because we are project based. It goes back to back and a usual cycle would be 12 to 16 weeks and on the receivable side again depends on the policies of these customers. PSUs have different policies, the private sector has different policies, we are working with some of the overseas customers they have different policies so some of them give us 30% in advance after delivery 10% after pro out and installation.

So again it's how we negotiate based on how much is the value of the project and if the customer is expecting any cost benefit to improve the receivable terms then that is how we take it from case to case basis and our relation with



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

the customers, but our all customers are good and quite cooperative in that terms and which is a good thing for us and it helps us manage.

Prateek Shrivastava: revenues split between government, private and overseas?

Meet Desai: So I could give you the break up between aerospace and other sectors, automation. and precision machining.

So that is 70: 30 and within 70 75 of aerospace ind. It keeps on varying actually but there is lot of improvement happening because our revenues are getting scaled up.

So they are equally growing high in the PSUs also and also in the private industry and like you said some like previous investor mentioned about the H125 program. Initially last year it was C295 program. So based on what kind of programs get launched and what is our capacity situation at that moment, we take strategic calls and this percentage keeps on varying. But as far as we are concerned, we are not limited or restricted to the amount of work we have to do or the orders we have to book.

It is always positive towards both sectors.

Prateek Shrivastava: Sir. also when we look at BOG and maybe not particularly in your vertical but typical BOG and some other you know investors presentation we have seen problems on receivables from the government right if you look at you know Jal Jeevan Yojana or some in the past there have been problems in receivables on the BOG you know side of businesses right so are you also facing any issues use with receivables

Nimesh Desai: Sir Bog you are saying about this. Can you elaborate?

Prateek Shrivastava: B2G. Sorry, sorry, sir.

Prateek Shrivastava: know or B2B B2G. Sorry. Sorry sir. I miss this.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Nimesh Desai: from the PSU sides to get the funds they are very much on track , we haven't faced we are very much they are with us they are very much on track and we Looks once you deliver the product we are getting the funds as per the purchase order and schedule.

Sumit chopra: Hi sir, thanks for follow if you can from the engine overhaul if you can little bit elaborate about the type of the product that actually we are planning to supply or we are currently supplying and how big can that market be for our products in MRO business.

Nimesh Desai: Okay. So in MRO it is bit of technical questions but anyway so MRO means what engine is coming for the overhauling and they need to open the engines either it is commercial or it is defense related any engine. So to open that engine it cannot be that simple to be opened up the car engine it is a very difficult task. So they need a certain kind of toolings a set of toolings to open the one engine. It is any kind of any type of engine you take it from Rolls-Royce. So that set of anti- tools we manufacture here to remove the equipment from the engine and to refit once it is rework or rework with done.

Sumit chopra: Okay. Answer. How big can be the market for our products in this line of business?

Nimesh Desai: it is very difficult to say in amount right Again now. it's but if

you go to the last year's information that India is going to be a 2,500 cr market. That's what it is in news. So that's only in India I'm talking about. So you can elaborate the world now.

Meet Desai: India only MRO!!

Nimesh Desai: business it's 2,000 cr.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Meet Desai: I think it like comparatively the aerospace manufacturing market is billions because India are buying 1500 aircrafts that's Air India have bought 570, Indigo have bought 500, Akasa has bought 226. So which means there are 3,000 engines and India is building 60 airports in next 5 years. They have to have they want to have 350 by 2047.

So if that is the scale, no aircraft manufacturer can afford to take aircraft and engine outside India for maintenance. So guys like Saffran who are doing MRO right now they are and other players outside India are are going to make this market worth a lot more. And this push is directly coming from tier 1 OEMs who are making these aircrafts to make the project affordable.

Sumit chopra: Okay. And sir, one last question. last year like we have guided for the 30 to 40% CAGR growth. So can we expect a similar kind of growth in FY26 also?

Meet Desai: sorry. Can you repeat that?

Sumit Chopra: Sir, what kind of growth we are looking for? FY26 if not any specific amount if you can quote for some range in the terms of CAGR or percentage.

Meet Desai: So you can like I said you can consider the previous two years and how we have progressed, that would be the minimum percentage range we are looking at. It will be better than the previous years.

Sumit chopra: Okay sir. Thank you.

Nabendu Mondal: Yep. Thanks a lot. Um, so the next question is with regards to the 5axis machine which you have procured from Taiwan. So by when we can start production and how quickly we can ramp it up to full capacity and do we have any confirmed order for that?

Meet Desai: So the current orders we which we have the current orders which we have are something which we can directly move onto that machine. So



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

yes, we have the capability today to run the machine at full capacity and it will start in full capacity from the month of August. 1st of August is what we are looking at. But we have already done all the arrangements in terms of manpower, capability, trainings, softwares to make sure that we run it in full capacity from day one.

Nabendu Mondal: Understood. And in your investor presentation you have me maintained that you would be doubled I mean this is doubling your manufacturing capacity. Is is that a right understanding?

Meet Desai: Yes.

Nabendu Mondal: from a sales perspective I mean a previous participant was asking so we could somewhere look around 120 crores the range for the sales which we can achieve with the increased capex.

Nabendu Mondal: Can it be a right estimation?

Meet Desai: So the number like I said is not something I can comment on but we are looking positive and we will definitely showcase the rise in revenue similar to the previous year similar to this year.

Nabendu Mondal: Yeah. But with the new capacity, I mean you have double the machine. So ideally it should be more than what you were able to do is my understanding or right.

Meet Desai: So it will be 50%

Nimesh Desai: Yes, your understanding is correct.

Nabendu Mondal: perfect. Um sir I have one more question with regards to the Techera Aerospace India Limited and Techera Design Centre. So you had mentioned couple of disclosures that we are creating two new subsidiaries. So



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

what would be the nature of business with this design? I think you have already covered what would be the aerospace entity doing and do we have any strategic partners along with us in that subsidiary company.

Meet Desai: So we we have the aim of having techera aerospace is also to be into the manufacturing domain. But the current scale at which Techera parent company is operating and there is there are lot of opportunities which are you know more than the current scale which Techera needs to you know kind of cater to and in that there are lot of smaller opportunities which are also available in the market and the place where we are establishing this company is also in a strategic location to make the most of the manufacturing supply chain and add to our location and positioning geographically close to the customers.

Nabendu Mondal: So would it

Meet Desai: wherein

Nabendu Mondal: be Bangalore?

Meet Desai: there will be sorry

Nabendu Mondal: Would it be Bangalore you're looking at?

Meet Desai: it it would be Nashik

Nabendu Mondal: Okay.

Nimesh Desai: Sir

Nimesh Desai: See when you have a company with a design and manufacturing setup your design is supporting activity for the manufacturing which you are doing.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

This is what the normal scenario everywhere. So what you can do what you can manufacture that can be designed as well in your current design and manufacturing company.

But when you establish and thought process is being changed from design company , the collaboration is going to be huge.

You can be anything you can design you can have a lot more business to bring into the company

Nabendu Mondal: understood. yep. Um so one more question was with respect to the Kalbhor associate company. Are we looking at increasing the investment? I believe it's an associate with 26% stake. Um do we see any any increase in the investment in that associate company? because I believe they have done some good work with the axial flux motors which are used in the EV space and they are also interacting at an EV level. So how do you see the synergies playing out with Kalbhorz.

Nimesh Desai: Cant elaborate now. It ours strategic call sir. I think we will we will take care of it in future , We can't elaborate this detail right now but we will take a strategic call at that time whenever we need to do such kind of things. I think.

Siddharth Nagda: Good evening sir. Thank you for taking my question. so so I was just curious in terms of the you know aero tooling side at least from the little bit of studying I've done I've seen that you know a lot of the engine OEMs and the larger airframe OEMs tend to work with a bunch of licences such as say AGSC rhinest etc. So I'm just curious are we in touch with these licences? What kind of a relationship do we have with them etc. You know that'll be the first question sir. Thank you.

Meet Desai: So we are already, you are right, that the engine tooling which gets manufactured there is a license which the OEMs or the engine



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

manufacturers give out and we are working with some of them already and one of the reasons we are participating and travelling to Paris is also to get in touch with more of such people.

Wherever OEMs have outsourced their license to get in touch with them and see if we can bring the business opportunity to us, but we are already working with some of them.

Siddharth Nagda: Understood. So and so just curious on an investment front like just from our own investment and capacity creation front say in the hypothetical event that you know one of these marquee licences would like to procure you know say a large order from from us how do you foresee the amount of incremental investment both in terms of machinery and manpower that we'd potentially have to make. Thank you.

Meet Desai: Yes. So if there is a potential opportunity which is getting materialized at such a high scale, we are ready in terms of technical capabilities, infrastructure capabilities and financial capabilities also can be built upon, if such kind of discussions are initiated with us and we are looking forward to you know kind of market ourselves as someone who is ready for such opportunities also because the harder part in aerospace defense manufacturing is technical competency and manufacturing capability which techera already possesses. So that is something which we want to market ourselves

Siddharth Nagda: and sorry sir just want to sneak in one last question. Could you also just take me through your experience on the airframe MRO side and you know how we look to expand within that market.

Meet Desai: airframe MRO side we are already working on some of the tool manufacturing in that domain and the based on the commercial airport investments coming in that sector. Our design centre will play a very big part in also engineering these requirements for the buyers and our manufacturing capabilities are already there because we have built such units and systems in these MRO before.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Siddharth Nagda: Got it. Thank you, sir. Congratulations on the results. Thanks for taking my questions.

Meet Desai: Thank you. Thank you. Thank you.

Anonymous question: can you share the split of order book between aerospace defense and automation vertical and any order book from Indian Navy and aerospace electronics . I think it's partly answered but first part you can answer.

Meet Desai: So, like I said, disclosing the order book and the split.

It does not give us any edge our competitors and it becomes challenging because then there are judgments made about our capacities and we then lose in terms of new business being awarded to us. So we would like to refrain from disclosing any numbers in that domain.

Prateek Shrivastava: Thank you once again sir. Sir I don't have a question per se but I just have one request from the investors community. I know you are not obliged to give like quarterly results but you know from the investors community a kind request to you if you could keep at least give quarterly business updates that will be really great sir. Just request.

Meet Desai: so I take your request. So what we'll do is we will discuss this internally with our board and we'll see how we can keep transparency immediately without waiting for the half yearly thing.

Prateek Shrivastava: Thank you very much, sir.

Nimesh Desai: we take it very positively sir. I think questions which you have asked this is telling us that how you people are keen to invest into the companies like us. So I think we will take it very positive way and give you the feedback.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

Ashwani : What is the thought behind incorporating Techera Design as 51% subsidiary and remaining shareholding being kept by promoters?

Nimesh Desai: I think the way we have a consulting firms what we are working with them and the way they have suggested us that's what the way we are working nothing specific I think but to establish a design company separately is I already mentioned about.

Anonymous question: how do you handle distortion compensation during large format tooling fabrication for fuselet jigs and wing skins?

Meet Desai: Okay. So this is our bread and butter. So we have all kind of equipments and technical capabilities which we are demonstrating by delivering such kind of products frequently to our customers and every time we deliver similar kind of products we learn something out of it and then we implement and improve it going forward.

But we have the fixturing, the kind of lifting equipment, the kind of fabricating equipment, inspection equipment which kind of certifies what we have done to control the distortion and to maintain the requirements as per the customer drawings is what we always ensure.

Ankit Agarwal: sir, just one follow-up question. You mentioned that we have taken a loan of that 14Cr. and for that 5-axis machine which is not present in India. I believe it's a KenIchi machine. So can you just elaborate like how this machine will help us to service like increase our capability for manufacturing.

Nimesh Desai: Sir the point is it's a 6m x 3 m x 1.2 m. It's a huge machine. You can fit directly such component onto and it is a continuous 5-axis machines. I believe I'm not comparing our company with Tatas and HAL and all these companies but nobody in India have these machines.



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

So what exactly you want to understand from what type of component we going to pick or what?

Ankit agarwal: Sir actually the reason I'm asking is that this is a machine which if no one has as you mentioned in India and we have the we will be importing it.

Nimesh Desai: like

Nimesh Desai: company like 'us' (TechEra)

Ankit agarwal: company like us correct so the kind of products that we are making currently versus you know our capability to make newer kind of products will enhance is what I'm assuming after we are using this machine. So I was just asking that how much are capabilities we think that will it increase in terms of the number of components or the type of components that we can manufacture like exactly just what is the tangible benefit of this machines sir is what I'm trying to understand.

Nimesh Desai: for example, if I can give you example PSLV, have you seen that PSLV.

Nimesh Desai: on the top of the PSLV? You can see the huge cell is

Ankit agarwal: cone.

Nimesh Desai: there which is in round shape

Ankit agarwal: Yes.

Nimesh Desai: sale. So there are number of holes to be required to be drilled on that that can be done on our machine and the shell of that particular PSLV the length is 3m, 4m , 5m and which requires to be machined on five machine



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

only. This is one of the examples I'm giving you and this kind of lot of things we can do it.

Meet Desai: Aerospace industry component geometry references with one another are very important and without such kind of machines those geometries cannot be achieved. So we need everybody in this industry needs these machines.

Ankit agarwal: Sir, one one last question if you permit. I joined late sir but any kind of guidance for this year or next 2 years 3 years if you want to give or you don't want to give anything on that front please.

Meet Desai: So we already mentioned guidances that we are doing good work in this industry. Please keep faith and we will see good and positive results better than this every year. There will be better results from the previous years because the kind of competency we are acquiring on the on our journey towards excellence.

We are learning and improving and hence obviously you guys are trusting and believing in the kind of work we are doing.

We would like if you would maintain and keep that faith and definitely we would love to have you guys visit us also if there are any proper queries or if you want to see what we are doing what the machines do then you're always welcome. Request everyone to follow the channels through our company secretary and Punit and it will be taken care of.

Ankit agarwal: Thank you sir and all the best for the future.

Punit Thakkar: Okay. So now all the question answers are over and we can have a concluding remarks.

Meet Desai: Yes. So once again thank you very much for joining.

So this investor presentations after the result or calls is a way of us wanting to always interact with everyone and get to know the sentiment which you guys



TechEra Engineering (India) Ltd.

FY'25 Earnings Conference Call

have about the company, to make sure that both of us as partners are on the right page and we are doing work with utmost passion in this industry and we look forward towards positive growth in the years to come. It is a long-term project and we are here to work long term and help deliver excellence in India's aviation ecosystem. Thank you everyone.

Nimesh Desai: From my side I think. Thank you so much all the investors please stay rest assured and have trust on us that's it. Thank you very much, Harish.

Harish Bhabad: Yes. And thanks everyone.

Punit Thakkar: Alright, that concludes TechEra Engineering call. I have dropped my email ID in the comments, you can reach out to us techera@samvaad-partners.com. Thank you to all for connecting here. Have a good day.
