



“TechEra Engineering (India) Limited
H2 FY26 Earnings Conference Call”

May 30, 2026



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

MODERATOR: MR. PUNIT THAKKAR – SAMVAAD PARTNERS

Moderator: Ladies and gentlemen, good day and welcome to the TechEra Engineering (India) Limited H2 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Punit Thakkar from Samvaad Partners. Thank you and over to you, sir.

Punit Thakkar: Good afternoon, everyone. Greetings from Samvaad Partners, the IR advisor to TechEra Engineering (India) Limited. On behalf of the management team, I would like to welcome all the investors, analysts, and participants joining us for today's earnings conference call. We are pleased to have with us Mr. Nimesh Desai, the MD, Founder and Promoter; Mr. Meet Nimesh Desai, Whole-time Director, Co-founder and Promoter; Mr. Haridas Bhabad, Non-Executive Independent Director; Ms. Pratiksha, the Company Secretary and Compliance Officer; and Mr. Sandip Shinde, the CFO.

The management will begin with their opening remarks, providing an overview of the company's developments, and then the Q&A session. Participants are requested to refer to the company's publicly available filings for a detailed understandings.

With that, I would now like to hand over the call to Mr. Nimesh Desai. Over to you, sir.

Nimesh Desai: Am I audible?

Punit Thakkar: Yes.

Moderator: Yes, sir. Please go ahead.

Nimesh Desai: Good evening and Namaste. A warm welcome to all our shareholders, investors, and Board members. On behalf of the Board of Directors, I thank each of you for your continued trust and support in TechEra Engineering (India) Limited.

For financial Year '25-'26 has been a year of strategic investment and capacity building for the TechEra. While our revenue remained largely stable, we consciously invested in strengthening our future. During the year, we significantly expanded our manufacturing infrastructures, added new machineries, enhanced our software capability, strengthened our workforce, and increased our presence in the defense and aerospace sector.

These investments have impacted our short-term profitability. However, they have also positioned TechEra to participate in larger and more complex opportunities in the years ahead. Today, India is witnessing unprecedented growth in the defense manufacturing, aerospace production, indigenization programs, and advanced automation.

We believe TechEra is strategically positioned to benefit from this transformation. Our involvement in defense and aerospace programs, our work with leading organizations, and our continuous focus on the technology and capability development provide us with confidence about the future.

We would also like to share an important development which affect our -- this year's revenue. We had a secured a five-year contract from the Turkish Aerospace valued at approximately INR110 crores. The contract had already been signed. After that, we did all the hard work to develop that component for more than eight months.

However, following Operation Sindoor and the evolving geopolitical situations since then, the communication from the customer end has effectively totally ceased. They have never been connected as we tried a lot to call them, to message them, but they never replied on this. It was an unfortunate incident as a company, I can say that. But for the kind of nations, we are in India, and that's very good, I think. Let it be like this, but that is what impacted to the organization.

While this has resulted in the loss of a significant assured business order, which impacted our revenue for the year '25-'26. As an entrepreneur and long-term leaders, we believe that sustainable growth is created by investing ahead of demand.

Financial '26 was a year of building capacity and capability. Our focus for financial year '27 and beyond will be on improving asset utilization, strengthening profitability, enhancing cash flow, and converting opportunities into the sustainable growth.

I assured all shareholders that your management team remain fully committed to creating long-term value through disciplined execution, strong governance, customer trust, and technological excellence. We remain guided by our core beliefs that entrepreneurship is not merely a business activity, it is a service to the nation and society as well.

So, thank you once again for your trust and confidence in TechEra. Now, I am inviting your questions and suggestions. Please, thank you so much.

Moderator: Thank you very much. The first question is from the line of Darshit Shah from Nirvana Capital. Please go ahead.

Darshit Shah: Hi Nimesh ji, how are you? Hello, am I audible?

Moderator: Yes, yes, Mr. Darshit. Please go ahead with the question.

Darshit Shah: Yes, sir. So, I just wanted to know -- so the results, the numbers were pretty lower than what I think the market and every investor was expecting. So, Yes, can you let us know what led to almost similar kind of revenue? We were expecting at least 40% kind of growth this year. So, what are the main reasons behind that if you can highlight?

Nimesh Desai: Sir, as I mentioned, because we already had an order of INR110 crores as I mentioned in my speech as well, that we confirmed about the INR20 crores order every year. And we knew the

component. We believe we are working very hard on that component and we traveled so many times to Turkey to get this order, even the contract, and we got that contract also. And we developed some fixtures, jigs for the component, and we ordered the machine as well.

And all of a sudden, in the May, I think 5th and 6th of May, the war was declared and the Sindoor Operation took place after that. And all of a sudden, there was no communication from the customer. And it was -- we tried for almost 90 to 120 days to keep in touch with them, sending emails, talking to them. But even when we called, they just said, good morning. And then they said, hi, everything is fine, we will come back to you. That is the only communication was taken care at that point.

And then we decided that, okay, now the reason is -- it was very much clear that they supported Pakistan during that war. And that is the reason, I think, there was a geopolitical situation created in such a way that no transactions could have taken place between Turkey and India. We tried a lot to talk to the MoD as well for that because that equipment and that parts what we were supposed to deliver to them is not at all connected to the defense. But it was a commercial part.

But anyway, we can't do anything much more about it. And then as soon as we realized, we started getting some connected to the different organizations to view them to make this kind of revenue again within a short period of time. But it was unfortunate that but fortunately, at least we could manage the show. And we can manage with the profitability. But I think it's a long period. Now this year, we will get it back on the track for sure.

Darshit Shah: So can you let us know what is the current order book in hand and what is the bidding pipeline looking like for this year?

Nimesh Desai: So we have already INR46 crores-INR47 crores in hand. Out of that, INR7 crores-INR8 crores will be transferred to the another one and two years. So INR40 crores will definitely be executed in this year, within another 6 or 7 months. And already, I think INR170 crores or INR180 crores already RFQ or quotation already been submitted and in discussion with the customers.

So probably by the end of another 4-5 months, we'll be having another addition of around INR30 crores-INR40 crores order in our hand. So this year's -- last year's turnover, which we supposed to be reached by around INR75 crores-INR80 crores in a very sure way, that definitely we cross this year for sure, it looks like.

Darshit Shah: Okay. And sir, if you recall in the last call, which happened in probably December or so, there were some of the things which we had conveyed, like we were looking to kind of make the entire tooling set for a private aircraft OEM. So if you can let us know, what is the status on that?

Nimesh Desai: We already got that order. And we already -- design has already been completed for the entire aircraft tooling sets. And now, some of the tools already been started for the manufacturing. So by the end of the September, I think we will be completing all the tooling set for this company. And that's a significant achievement because as soon as they will display their aircraft into any

air show or something, we will be the only company who worked on that kind of complete set of aerospace toolings for one aircraft.

So it has already been, order we received, design been completed, and now it is under manufacturing process. And the best part is, the authorisation and design in discussion is National Aeronautical Laboratories. That's a great sign because we learned a lot from them.

Darshit Shah: That's nice, sir. And sir, also on the Air Force front, there was something going on, we met them. So, what is the status now, u if you want to share something?

Nimesh Desai: Certified by them. And we already issued the certification. So we are now authorized vendors for them, which was not six and seven months back. It took six or seven months to get this level. A lot of RFQs from that end also we received, and probably in another two or three months, we will start getting some orders and getting the license for that particular part. So that particular equipment, so that we can be the supplier for that particular equipment for another five years.

So that's what they're planning. So once you are the supplier of any component and finalise, then you will get that order for five years. So whatever new coming, that particular item, you will get it for five years. Nobody else will come into the picture for five years.

Darshit Shah: So what is the scope of work there, sir? So that is only for a particular component or we will be looking, engaging more with them?

Nimesh Desai: No, no. This is a little bit of what I can say is not, cannot be elaborate the answer, but I will give you the glimpses. It is not for the one of the company, it is for the entire set of ground support equipment, which they are using for the different, different aircraft. So it's a huge scope. Let us say Rafale, let us say Tejas, let us say whatever another in our Air Force, whatever the another aircraft is there, it is for there also. So it's a very, very big indigenization project from the SIDA.

Darshit Shah: Okay. And for that, we are currently kind of one of the projects we are currently participating in?

Nimesh Desai: Yes, we are certified already for the IAF. We can quote, we can go, we can discuss with anyone in the Indian Air Force and all their DRDOs and all their CIMDs -- one CIMD as well.

Darshit Shah: Sure, sir. And lastly, on the HAL front, now since we have been working assembling in their plant for more than half a year or so, what is the more scope of work expected from HAL going ahead, if you can throw some light?

Nimesh Desai: Meet, can you [inaudible 0:13:20].

Meet Nimesh Desai: Hi, am I audible properly?

Darshit Shah: Yes, Meet.

Meet Nimesh Desai: Yes. So, like you rightly mentioned, we are assembling a lot of sub-assemblies within the HAL plant right now. And we have submitted tenders for a couple more, which will allow optimum utilization of our existing manpower with 20%-30% addition of manpower capacity, but with added more scope of work.

So, right now, what we foresee is that HAL has huge plans on this insourcing front, what the project is called. And because TechEra is already doing the current two insourcing projects which they had released, the two more which are in the pipeline for which we have submitted tenders and we are awaiting further process to take place from their side. But it should not be long, within the next 60 days we should be able to add more to our insourcing capacity and capability.

Darshit Shah: Would these projects also be in their plant? I mean, initially we thought that maybe a year down the line they might outsource something to us and we would kind of set up something for them. So, where are we now in that?

Meet Nimesh Desai: Yes, so the current project what you are saying would be in their plant, but there are some other projects in the pipeline which are tender-based for which we have kind of qualified also to win those projects. So, those projects will be in a separate facility outside HAL where the supplier is responsible for creating that facility and delivering the product.

And this one is something which is within their facility. So, we are in both the races at present, and both are independent of each other in terms of manpower and resource base. So, it is not that if we have one, the second one will be compromised; we can run both of them parallelly. Like I said, we are waiting on further news from them on the existing tender and bid submitted by TechEra.

Darshit Shah: So Meet, just to add on to this tenders and scope of work where we also intend to get something outsourced from them. So -- in that particular thing, what kind of components do we intend to make if at all we qualify and get the tender? If you can throw some light on that, that would be useful.

Meet Nimesh Desai: So, on the assembly front, it is the entire aircraft, the HTT-40 aircraft is there. And on the component front, it is some section of the vertical fin which is there on the back, that is what is there on the outsource front, like which the supplier has to develop the capability. So this is just one of the components and one of the sub-assemblies. The other ones are still under tendering.

So, going forward, we see a lot of opportunity in this segment itself, and that is the reason the current technical competency in terms of manpower is being built by TechEra, and a kind of investment has happened on the manpower front to make sure that when this scope increases, our existing team has a lot of technical know-how to do the best for the new projects as well.

Darshit Shah: And would this be under our own company or this would be under the subsidiary if at all we get the tender and intend to do outsourcing work for HAL?

Meet Nimesh Desai: No, no. We have -- it will be under our own company because the capability and competency is built under the brand name TechEra, and we will always keep it that way. We have no plans to kind of put it under a subsidiary or anything.

Nimesh Desai: Sir, the planning is what? When they are asking to do the -- send the people within the insourcing in their plant, it is coming under the TechEra only. But the planning behind this to send the team inside and groom them, skill them to make the aircraft. Then if they say that you go outside the company and now you make this kind of equipment by your own. Now we will make you independent. Then we will move this project to our subsidiary Nashik only because the movement of the component is very huge. So, that is the reason.

Darshit Shah: So sir, when do we expect that thing to happen?

Nimesh Desai: That is a strategic decision of the HAL team. That will come to know as and when we move inside and we will keep going on with their insourcing planning.

Darshit Shah: Got it. No problem, sir. I will join back in the queue. Thank you.

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

Abhishek Shah: Thank you. Hello, Mr. Desai. I just wanted to understand, there has been a series of stake sales from the promoters starting in December and then in March. And I was connecting this back to about a year back when there were discussions and questions from the investor community as to whether there were plans to raise further money from the primary markets in order to make investments and strive for higher growth.

There were concerns around dilution considering the already lower promoter stakes. Now, we are doing secondary sales in the market, we have these results which are quite disappointing, and at the same time, the reason behind the poor results is quoted as to an event that happened in May last year, about which there has been sufficient timeline by which management would have already realized what is transpiring. So, I am just wondering how should we read into these as investor communities?

Meet Nimesh Desai: Hello, am I audible?

Abhishek Shah: Yes, I can hear you.

Meet Nimesh Desai: Yes. So, you rightly mentioned that the kind of revenue which should have happened has not reached that kind of a scale. So, strategically, we have kind of consolidated what was in front of us and what quick opportunities TechEra can grasp which can be materialized into revenue at that point of time.

And even if the event which happened in May, the effect of which to be flown down to us took nearly third quarter, wherein a lot of development was already done from our side. And to kind of take the H2 of the current financial year and make the best possible revenue has always been

our attempt, and in that, we have secured whatever projects we could, which could only be executed within the month of March because we want our revenue to reflect positively.

So, that is what we have already done. And also, it takes a lot of customer relationship for us to [build and operate and that's 0:20:39] defense and aerospace space, which has a long-term growth potential.

So, at present, to kind of build our strategy and make the most of the capital assets which we have added in the current year in manpower and in terms of machinery, and make sure that we are positioned enough to make the most of the opportunities available in the market rather than relying on a single source, that is what we have learned through the previous financial year. And that is what we are positioned to do at present.

And in the initial discussion, Nimesh sir mentioned that our current order book stands at around INR45 crores roughly, which was less than half in the start of the previous financial year. So, year-on-year, we do see a lot of positive change in this, and the kind of order book which we have right now, which is twice than what it was, gives us a massive chance of putting a good result to the market and for the company and for the stakeholders as well. That is what I would like to add to this. And what was your first question? Can you please repeat that?

Abhishek Shah:

Yes, I was asking that initially last year the management had indicated that they are worried of raising further monies in the primary market because they are worried about the lower stakes that they already have in the company to dilute it further at these valuations. But on the other hand, we see a slew of promoter stake sales happening in the secondary market. That doesn't quite make sense for the investors, especially the minority and small investors?

Meet Nimesh Desai:

Hello, yes. So, the promoters have no plan of any kind of getting into further dilution because, as you mentioned, we are aware about the current equity we hold, and we don't want to go into that kind of zone.

So, we want to give this confidence to the investors which we have that, at the current position where we are, we are in a very good zone right now and with the opportunities coming our way, in terms of India investing into defence, we know that the situation in terms of numbers will definitely improve.

And also, whatever the establishments have happened, they have happened for some personal debt level, at for personal debt levels. And when you are building a business ecosystem, there are certain things which need to be considered from our side and make sure that we don't get into zone of doing it, when the company actually needs us to focus and build a business at a higher level. And that is what we are doing. So please keep your kind of confidence on us.

And we are doing everything we can to take this company to the higher level. Because of course, our end goal is that we are aware that the trust the investors in the market puts in a company when they invest the money in it. And we are responsible enough to make sure that

we give positive returns at all fronts. That has always been the promoter focus and it will always stay like that.

Abhishek Shah: Sure, appreciate it. I'll join back the queue.

Moderator: Thank you. The next question is from the line of Shameenuddin Khan from SAAS Consumer Goods. Please go ahead.

Shameenuddin Khan: Yes, hi. Am I audible?

Meet Nimesh Desai: Yes, yes, you are.

Shameenuddin Khan: Yes. Hello, Nimesh sir. My question is regarding the order loss that we had this year and because of one client loss, our entire revenue and the results is very disappointing. So, I just wanted to know what is the current bifurcation of our revenue, as in how much top 10 customers contribute to our revenue and what does that look like?

Meet Nimesh Desai: Yes. So, the loss of revenue substantially has happened from a similar one kind of project from one client. However, in parallel to this, there were a lot of other projects which we had submitted bids for which did not materialize into orders. They are not lost yet, they have just not converted because that's what the process was taking time. So, both of them together contributed to this.

And second thing, whatever current revenue pipeline which we were able to build, we have added a lot of new customers also in the current year, which will add to the revenue. And how things will move is, initially you need to -- with every customer, we need to do small pilot project-based work to give them that confidence so that the numbers in terms of order book from their side increases.

So, that is why we are kind of in a good zone where we have around 10 to 15 customers who are in position with a lot of order book at their end itself, and the kind of work which they want to do, we are in a good position to grab those opportunities. Like there are certain -- and if the breakup is considered, our 70% - 75% we are into this aerospace and defense zone itself, and new customer acquisition has also happened in that particular zone.

And well, there is always some kind of learning which we need to take into the next year, and whatever loss of revenue has happened in the previous year, that will not reflect in the current year. And that is why new customer acquisition strategy has been there. There is a plan in place to bring customers from outside India wherein we have multiple panels in multiple sectors from multiple zones to give us that opportunity to execute and get those numbers on the board.

Shameenuddin Khan: Okay, sir. Thank you and all the best, sir.

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

Abhishek Deokar: Hi, hi Nimesh sir. Am I audible?

Nimesh Desai: Yes, yes, you are audible.

Abhishek Deokar: Yes. So, my first question is, like in the past con calls, there has been repeatedly given the guidance about 30%-50% CAGR growth year-on-year. Yes. There are a lot of minority shareholders who invest in the company by doing research as per the available information because we can't have direct access to the management.

So, my just one small request, like, can you please give us a realistic guidance for the next two or three years? Because we invest with a lot of conviction and confidence in the management and considering the tailwinds in the sector.

Having said that, we do trust the management, but there are hiccups in the business which can happen at any time. But my humble suggestion is to keep updated to the minority investor who can take the call as per the changes in the business time to time.

Nimesh Desai: Thank you, sir. I am understanding what you are saying and with due respect to all my minority shareholders, when you have an order in hand, such a big order, how you can realize seven or eight months you are keep going on, you are keep working on the -- you are investing the fixtures, we are keep talking to the customer on the daily basis, and all of a sudden this happens.

But still, we never lose the hope. So, you just keep continue talking to them, telling to them, "Today it will happen, tomorrow it will happen," because this is the order when which if it is started realizing now, we will be in a very, very different zone. This is just one order which is related to the equipment of one of the largest aircraft manufacturing company in the world.

That equipment what we will be -- we supposed to supply to them, but unfortunately didn't work. If it worked, in coming, we are still not losing the hopes. We are trying to get it there not from directly India, you give it to somebody else in some other country, they will give it to us. We are also trying in that way because you cannot lose the hopes.

But yes, hitting of the revenue because of that reason, it is for there because it's a big jerk for the INR50 crores, INR70 crores, INR80 crores company, INR20 crores is a big jerk. But we realized, we understood now how to tackle this situations. We were in a difficult situation initially when we realized, but with a couple of weeks, we immediately started jumping into the talking to the other customers and try to get the order.

At least we should be in a position where we consolidate the balance sheet at least at the level where we were last year and with a little bit of profitability. We should not be in a position where we haven't done anything, and that is what our effort is worked out. So, I'm very much optimistic that it's happened, it's okay, fine, but now in this year, 365 days gone back now.

Again we will be back on the 365 days and I'm sure that this will be the year -- next year when we will be talking on the same call, you will be saying and you just please remember this call what I'm talking. Definitely we will be have a different kind of zone in next year. With due respect you guys all are backbone for the company.

- Abhishek Deokar:** Yes. Sure. Thank you, sir. Sir, so last one question -- what can be the next 3-year CAGR from a like conservative, I'm not anticipating the growth, but considering the current scenario, what would be the conservative CAGR in terms of revenue and the bottom line PAT?
- Nimesh Desai:** Sir, you can consider 30%, 40% definitely for a year-on-year growth, no doubt about it. And the PAT will be goes increasing every year because of the -- our team will get skill level is increased. So, we get an order for the X amount, our team has groomed and at the same X plus X and the team member will be increased only 20%. I'm just giving you the mathematical calculation so that you understand that the whatever the cost we have incurred this year to get the skill development in our team, that will be compensated in the coming 2 years for sure.
- Abhishek Deokar:** Okay, got it. Thank you, sir. Thank you so much and all the best for future coming years.
- Moderator:** Thank you. The next question is from the line of Piyush Jain, an Individual Investor. Please go ahead.
- Piyush Jain:** Yes, thank you for the opportunity. Just wanted to ask, there is a one recently reported that there is some interest delay and default happened. Can you just elaborate -- is it something technical issue happened or is it because of some financial issue?
- Nimesh Desai:** No, sir. There was no technical issue. So, the interest payment kind of collided with our existing at present the movement requirement of execution.
- Piyush Jain:** Can you speak little louder? I'm not able to understand.
- Nimesh Desai:** Hello, can you hear now?
- Piyush Jain:** Yes.
- Nimesh Desai:** Yes. So, there was no technical flaw in that. It was that short-term working capital timing mismatch. However, the lender was informed immediately on the same moment itself and the dues were subsequently regularized. So, it is something which we expect that would not be repeated or there going forward.
- Piyush Jain:** But it was due on 31st March, which has been paid on 20th May. Is it correct?
- Nimesh Desai:** Yes, it is correct.
- Piyush Jain:** So, but your balance sheet you have a cash of around 75 lakh or something. So, even though whatever working capital mismatch, the cash was available, isn't it?
- Nimesh Desai:** Correct, right. So, not necessarily that we perfectly utilized that immediate fund on the 31st of March itself. Like I said, there were some quick requirements of that capital which we needed and hence we had had a discussion with the lender at the same moment. So, but like I said that.
- Piyush Jain:** And what is our overall cost of borrowing? Whatever the funding, the loan is there in the balance sheet, overall cost of borrowing?

- Nimesh Desai:** Can you repeat the question?
- Piyush Jain:** Whatever the debt is there in the books, what is our average cost of borrowing?
- Nimesh Desai:** Around 8% , 8.5%.
- Piyush Jain:** So then why we are carrying this instrument which is having a 15% of interest? If we as a listed company can borrow from the bank which is below 10% or something, then why we are carrying this NCD which is a 15% interest it will close to September?
- Nimesh Desai:** And I can understand what you are saying, but by September it will not be on our board, on our balance sheet.
- Piyush Jain:** Because we as a listed company has ability to raise money from the capital market, further after listing our ability to raise money from the banks also become very easy I believe with below sub 10 rates. Then as a investor, sometimes we fail to understand that why we are borrowing at 15%, then some default is coming. You think what type of message it is going as a investor community as a we investors.
- Nimesh Desai:** We realize, sir, regular what you are saying is very right. I think we will close it by September for sure. And some of the investment what we did to get the funds in some machineries which is currently which already some of them is already in the plant, some of them will be coming in another 34 days. So, that is the reason we just saying that, okay, we'll pay it by September. By I think rest assured that it will not happen again and we'll close it by September for sure.
- Piyush Jain:** Second question is this our March inventory and receivable level has increased quite sharply. So, is it a something year-end sales or is it something there is a delay in receivables or something? Can you just throw some light here?
- Nimesh Desai:** No, I will tell you, sir. When the incidence was took place that we realized that our turnover will going to be hit because of this reason, because every week we are communicating to the customer and there is no answer from their end. So, we understood that now we have to do something different.
- We cannot rely on that kind of order. We have to stop that and we have to keep going on. Of course, on the side-by-side we'll talking to them. And then we started searching some other equipments or other components to get manufactured. All of a sudden, we didn't get it and we got it in the somewhere in the September, October, November.
- And that is the reason that our Q4 turnover was high and because of that reason, the receivable is looks very fast, very sharply been looks like a INR23 crores. But already 30% we received and another will be received by the July end, it looks like. June-July end. And 90 days -- our normal cycle is 90 days, no? So, that is the reason.
- Piyush Jain:** One more thing in the previous call, we talked about something related to -- I'm forgetting the name—J Aerospace or something. Maybe you're trying somewhere where you were expecting

some more business or the entire business. Can you throw some light what is happening in that customer, what type of size of business we are doing or any increase happening in that business?

Nimesh Desai: Yes. There is substantial increase happening with that customer and the business. And we are looking good rather, we are aiming to win twice of what we did with them in the previous financial year. So, it is in good relationship we have with them, with the promoters of that company and it will continue we'll continue doing good work with them going forward as well.

Piyush Jain: Okay. And last thing -- our capex side is right now whatever for next 2 years, 3 years growth requirement is done or there is a further capex coming in the next 1 or 2 years?

Nimesh Desai: Sir, for around INR120 crores, INR125 crores we have been done. That doesn't require any capex, but definitely after that we'll be the require of the capex. Then we move on with that to take debt or what we have to do then we'll discuss. It has yet not been finalized, but now focus is that whatever we have investment done right now by wholly monetize in this year.

Piyush Jain: Yes, so that is what I'm trying to understand. For next 2 years, if we don't need more capex, then the more focus would be on the cash flow generation and reduction of debt as much as possible?

Nimesh Desai: At least 1 year no requirement for sure. Because once we realize that the coming up order is there and some concrete discussion is will be taking place in future, then we have to start planning a few months -- 3 months, 4 months before that. And that is the reason that I am saying 1 year and 1.5 year. So, probably 1 year, 1.5 years definitely not require. All of a sudden something orders will come and this Turkish Aerospace is coming back, then I think there will be a requirement.

Piyush Jain: Yes, that is fine, that I can understand. And what would be the margin guidance because our margin is also quite a lot moving. This quarter also the margin has declined quite a lot. So, what would be the margin we can keep it at this percentage of margin should be coming, accordingly we can build our overall assumption of what can be number which can be coming in the next 2 years?

Nimesh Desai: Regarding the revenue numbers as I mentioned, 30% 40% growth will definitely happen. And as far as the NP is confirm, I think it will be definitely more than 10% even on this coming year also. By March 27 also will be definitely achieving more than this.

Piyush Jain: So, this year -- this quarter the margin drop is one-off or how to consider this because this current half year?.

Nimesh Desai: You are talking about this year? You are talking about the H2?

Piyush Jain: H2.

Nimesh Desai: So, H2 just can you repeat your question? Now I am understanding you are talking about the H2. So, what was the question?

- Piyush Jain:** So, my point is in H2 our profit is declined quite a big number. So, what type of -- is it one-off event happen in this H2? What is led to this margin decline?
- Nimesh Desai:** H2 I don't think so huge, just a bit. Yes. But I think it's we should not consider is a master. It is just one of the kind of thing which happened, happened and we'll continue to work in this H1 and give you the better results for sure.
- Piyush Jain:** Okay. Thank you. All the best.
- Moderator:** Thank you. The last question is from the line of Rudraksh Raheja from ithought Financial Consulting. Please go ahead.
- Rudraksh Raheja:** Yes, thank you for the opportunity, sir. Am I audible?
- Nimesh Desai:** Yes.
- Rudraksh Raheja:** Yes, sir. Could you provide us with the revenue mix for FY26 like how much we secured from aerospace and how much we got from automation?
- Nimesh Desai:** See, as far as considering the total segmental wise, I think our profitable ratio is almost same, but still as aerospace it is 71% to 75% and rest of the other is around 25%. In that 25%, 7% or 8% is precision component manufacturing and 11%, 10% is from automation like this. But majorly is coming from aerospace and defense.
- Rudraksh Raheja:** Got it. And sir, within aerospace, how much is coming from MRO tooling, GSEs and aero components itself? Could you give that split as well?
- Nimesh Desai:** Yes in this year, tooling is the major part right now in March 26 -- till March 26. Second layer is MRO tooling you can say, third is ground support equipment and fourth is flying part manufacturing. I believe that in this yea, as a understanding about the business, MRO will take over the tooling because there are huge big-big MRO is coming to India as well and Air India is also setting up their own MRO, Akasa is setting up, Indigo is setting up.
- So, MRO will be the first kind of thing, that's what I -- but what coming to us is a different ballgame, but my perception is like this. One will be the MRO, second will be the tooling and that, third will be the ground support equipment and fourth again will be the part manufacturing. But if anything has been significant change takes place in Indian Air Force with the ground support equipment, then it may take jump to the first also. But it's up and down you can say.
- Rudraksh Raheja:** Understood, sir. And sir, could you quantify, not exact percentages, but broadly like how much are you expecting from each of these segments?
- Nimesh Desai:** I believe that 30% to 40% last year was from tooling manufacturing, around 20%, 25% is from MRO, and rest is ground support equipment and flying part. So, this year it will be probably looks like a different. MRO will take up to the number one and it will be around 30%, 40%, then tooling will be the 25% - 30%, and ground support equipment will be on the third number.

Rudraksh Raheja: Got it. And sir, in this value of inventory which is around INR15 crores in our balance sheet, how much can we attribute to the order that we have not been able to supply as of yet?

Nimesh Desai: Can you just repeat the question?

Rudraksh Raheja: Yes, sir. On the order that we discussed that the customer has backed out and there is no?

Nimesh Desai: INR50 crores, yes.

Rudraksh Raheja: Yes. So, how much of that is lying in our inventory?

Nimesh Desai: So, it is all in inventory shape right now. Around INR15 crores is in inventory. So, H1 will be the significant difference in the coming year.

Rudraksh Raheja: No, no. I meant that out of INR15 crores, how much can be attributed to that particular order?

Nimesh Desai: Which one particular?

Rudraksh Raheja: This Turkish order that we mentioned?

Management: No, nothing, sir because we already stopped that here. We just invent, we just manufacture some jigs, fixtures for the component because order is in hand and already will be coming. So, Turkish is nothing. Meet, you want to say something on this?

Nimesh Desai: Yes. It was not a significant material-based investment kind of work. We only had to develop jigs and fixtures to do that kind of manufacturing. And it is something which can be moved into other parts as well. Not necessarily we have to try those fixtures to that one particular component. So, fortunately, it did not have material component and investment on that front from our side.

Rudraksh Raheja: So, we were already able to monetize whatever we made for that company? Is that what you are saying, sir?

Management: Definitely. Whatever the investment we have done for the jigs, fixtures, that can be used for the other area also. We are looking for that so that at least we can utilize that for the another kind of orders.

Rudraksh Raheja: Sir, but if we already monetized those parts that we made for that company, why did we have such a shortfall on the revenue side?

Management: Sir, we are getting slightly confusion getting created. The parts were not monetized because we did not start making the parts since the order did not materialize, which we had received. To make that part, we need certain kind of accessory and equipment which we call jigs and fixtures. Those were our investment. Those were in our inventory. That is what we have monetized into other programs and other projects.

Rudraksh Raheja: Got it, sir. Understood now. Thanks for this clarification. Last question, sir, on the debt side, do we plan to increase or decrease our debt for FY27?

Management: Sir, as on today, we not think on it because if debt increase, I think business increase. That's what I believe. So, as of now there is no such plan. I can understand your question. So, let us move on with another 3 month, 4 month, 5 months of revenue terms and then we'll decide what can be done. As on today, we not have a think anything because this is going on.

Rudraksh Raheja: Got it. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day. And I would now like to hand the conference over to the management for closing comments.

Nimesh Desai: Yes. So, thank you everyone for joining the call and maintaining that trust in the company and in the management. We do believe that this year represented a lot of operational preparedness and hence full-scale business conversion did not materialize into revenue. Certain opportunities expected experienced delays in the progression in the program execution.

So, notwithstanding these temporary timing-related factors, the management remains focused on execution efficiency and order conversion at higher level and also, of course, maintain the liquidity discipline so that long-term shareholder value will be created. And that is our core focus and commitment and we will stick and adhere to it in this segment of aerospace and defense, which brings a lot of opportunities going forward. Thank you, everyone.

Moderator: Thank you. On behalf of TechEra Engineering (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

_