

February 12, 2026

The Secretary,  
Listing Department,  
BSE Limited,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Scrip Code: 543187

The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
'Exchange Plaza', 5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051  
Scrip Symbol: POWERINDIA

**Subject: Transcript of the conference call with Analysts/ Investors held on February 05, 2026**

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call that was organized with the Analysts/Investors on Thursday, February 05, 2026 and the same can be accessed at <https://www.hitachienergy.com/in/en/investor-relations/analyst-section>.

Kindly take the same on your records.

Thank you,

Yours faithfully,

**For Hitachi Energy India Limited**

**Poovanna Ammatanda**  
**General Counsel and Company Secretary**

Encl.: as above

# HITACHI

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Hitachi Energy India Limited Q3 FY-26  
Analyst Conference Call – February 2026

**MANAGEMENT:**

Mr. N Venu – Managing Director & CEO, Hitachi Energy India Limited

Mr. Ajay Singh – Chief Financial Officer, Hitachi Energy India Limited

Mr. Poovanna Ammatanda - General Counsel & Company Secretary, Hitachi Energy India Limited

Ms. Seema Siddiqui – Head of Communications and Government Relations, Hitachi Energy India Limited

Ladies and gentlemen, good evening and welcome to Hitachi Energy India Limited Q3 FY '26 Analyst Conference Call.

As a reminder, all participant lines will be in listen-only mode, and you will have an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*', then '0' on your touchtone phone.

I now hand the conference over to Mr. N. Venu - MD and CEO, Hitachi Energy India Limited. Thank you, and over to you, sir.

**N. Venu:**

Thank you very much. Good evening, everyone. I hope you are all doing very well, and thank you for joining us for this third quarter 25-26 Analyst Call. I appreciate it very much.

Over the next 15-20 minutes, I will take you through our performance from October 1st to December 31st quarter. And for your convenience, I will refer to the slides we have uploaded, this slide deck, which was uploaded a while ago on BSE. Today, I am joined in the room by our CFO - Ajay Singh, the General Counsel and Company Secretary - Poovanna Ammatanda, and Head of Communication & Government Relations - Seema Siddiqui.

You have seen this week, on Sunday, the Union Budget, which, in our view, lays out a strong roadmap for technology-led growth with higher public capital expenditure and a clear push for AI data centers and advanced manufacturing. And as you know, in all of those things, Hitachi Energy is having a major play. And at Hitachi Energy, we understand the significance of these evolving dynamics and are well-positioned to leverage this growth momentum. In addition to that, the recently concluded EU-India Free Trade Agreement, according to some analysts' estimates, there is elimination of tariffs on nearly 97% of EU exports to India and vice versa. So, slashing up to 4 billion Euro in annual duties and boosting supply chain integration in renewables like offshore wind. We see this as a key area of opportunity.

Simultaneously, the additional thing that came out just two days back, the US-India trade deal reduces US tariffs on Indian exports to 18%. This is also promising in enhancing our export opportunities. So, I move to Slide #3, which starts from safety, which is our license to operate. And safety remains fundamental to our license to operate, and we have further strengthened interventions at our factories, our project sites, and our offices, etc. As a result,

one of the metrics we measure is the total recordable injury frequency rate is improved to 0.09, surpassing our own target of 0.19 down from the previous year. This demonstrates the positive impact of our proactive safety initiatives. We also reinforce our commitment to health and wellbeing, achieving 90% participation in our annual health check for our employees, conducting multiple awareness sessions, and also mental health apps.

Our shop floor and site teams received several recognitions from the industry, notably, the Business World Awards ranked us third in the electronics and hardware sector.

If I move to Slide #4, ESG target, which is very close to us. As you know that our technology, be it a product, system, services, software, decarbonize the customer, industries and customer places. So, that is the reason we have set ourselves the targets on the ESG front. And sustainability remains central to our strategy, anchored in the planet, people, and principles. For the planet, we continue to operate at 100% renewable electricity and are on track to achieve 70% reduction in operational CO<sub>2</sub> emissions compared to the 2019 base level, significantly ahead of the 2025-2026 targets.

Water audits are scheduled in several locations, including some of our locations like Halol and Mysore, to help us reach our goal of reducing freshwater consumption. Regarding waste, we have reduced landfill disposal by approximately 30% compared to 2024-2025, and now recycle more than 95% of general waste. For people, we remain committed to zero harm, and Safety is at the center of all we do here at Hitachi Energy. We are also steadily advancing gender diversity, reflecting progress across our talent pipelines, etc. On the principles, we uphold an uncompromising commitment to integrity with zero incidents as our standards, and also uphold the highest standards of governance in our company. Offshoot of various actions and activities at our company, I am pleased to report that our progress continues to be recognized externally. Our CRISIL Sustainability ESG rating improved to 61 (Strong) in 2025, while NSE ESG rating closed to 62.

If I move to the Slide #5, I think this particular thing I am sure you all know more than me, but I still wanted to touch base a couple of things on that. The macroeconomic environment remains favorable. All growth indicators are trending upward. Overall growth is strong and inflation has been maintained steadily. But if you really look at the right-hand side of the slide, which talks more about area, segments where it is important for Hitachi Energy, as you see

that renewable, we continue to have a strong growth momentum in this close to 50 gigawatt in 2025, but then it is quite a lot of things. Same is the case with the transmission. Same is the case with industry and the data center is the one big area where we are really hoping this will really come out in a big way. As you may know, 90% of AI-ready data centers today are located in the two countries, which are the US & China, and India is definitely going to have a big growth in the data center. The data center represents a significant growth opportunity for Hitachi Energy.

And then if we move to Slide #6, as you can see, our solid performance is driving growth and building profit margins. Our operating momentum remains robust with strong order inflows in this quarter, with most of them being base orders of Rs. 2,477.6 crores, which shows that if I remove the HVDC order in the previous quarter, we have achieved a 73% growth YoY. And if you take a quarter-on-quarter, 11% growth. Revenues are up by 29.6%, Rs. 2,168 crores,. And then profit before exceptional item is also quite quadruple, almost Rs. 400 crores, 118.4%. And PBT after exclusive items, which is basically, the labor code-related, it stands at Rs. 347.8 crores, and we have a consistent and strong OCF. And as you can see here, our order backlog is all time high, Rs. 29,872 crores.

And look at nine-month comparison, April to December this year versus last year is also quite strong. Even in the high base of orders we have maintained are slightly growing in that high base orders. Revenue is up 24% on a 9-month period, and profit and other things is a huge amount of improvement. This quarter, our work spanned various segments including utilities, renewables, rail and industry. Notable project execution include 765 kV reactors, ICTs for solar and some of the wind substations in Gujarat and Karnataka, 130 kV GIS installation, 400 kV CRP and substation automation, etc., . So, orders came from multiple segments and industries. And the notable worth of order to be mentioning is that our modular concept is also gaining traction. As you can see here, we could get a compact mobile 400 kV substation enabling rapid deployment for a reliable power quality management in Kutch, Gujarat for one of India's leading conglomerates.

So, if I move to the next slide, Slide #7, and we continue to commission the projects almost in line with our customers and wherever possible. As a technology leader, we are committed to enhancing grid reliability through timely commissioning and high-quality execution. This quarter has featured some exciting projects again across the cross segments. I would like to highlight some of them is that 130 kV, 33 kV substation in Bhutan for a leading oil and gas company. And then the commissioning of a 220 kV GIS substation for a

data center in Pune, Maharashtra and another 130 kV GIS pay extension for a major chemical company in Odisha. And then 220 kV, 33 kV substation for a 300 megawatt solar project in Koppal in Karnataka . In all these things, our comprehensive scope includes design engineering, manufacturing, supply, erection, testing, and commissioning.

Moving to the Slide #8. At Hitachi Energy, you have been seeing this. We are committed to leading with purpose and creating a positive impact on industry, society and the various stakeholders with whom we have interacted. At Energy and Digital World(EDW), which is our flagship customer engagement initiative and which we have been doing in the Tier-1 cities. Now, we have taken to the Tier-2 cities. So, we organized in Guwahati where we connected nearly 150 industry leaders to discuss power automation, digital service solutions, consulting, sustainable grid technologies and transformer technology, etc. These discussions help us and our customers collaboratively address emerging system needs and accelerate the transition to a more digital and sustainable energy ecosystem. And we have completed 25 years in India of power innovation in the transformers as a commemorating 25 years of power transformers in India in October this year. So, this includes our celebrations of 25 years of power transformers.

And if you go to the next one that we are very passionate about our engagement and collaboration with academia. We are accelerating this across overall on India basis, deepening academia-industry collaboration through partnership with NIT Warangal, which we had extended for another five years. Through platforms such as the TransTech, Shell Changemaker and CII ESG Summit, we continue to shape conversations around infrastructure readiness, especially on the energy security, sustainability and affordability, reinforcing our role as the role of Hitachi Energy as a trusted partner in powering India's energy transition.

If I move to the Slide #9, let me give you a little bit more color on the order intake from which segments came in this quarter. As you can see here, renewable- wind and solar, data center and industries have a strong growth Y-on-Y while transmission and rail & metro have seen a bit of decline on this quarter. But it is important to recognize that this is influenced by project timing and by strong prior performance driven by a large order during the same period of the last financial year. Additionally, there is a YoY decline in the rail and metro segment. However, we believe this is simply a part of the market cycle and timing and we expect it to improve in the coming quarters The order mix is also illustrated on the right-hand side. As you can see here, our products, that is

where we have been driving it for several years, and our contribution to the products is much higher compared to the projects. And Utilities has been one of our major segments, but as you can see here, in this particular quarter, both utilities and industries came almost equal in that 47% in utilities, 43% in industries..

So, at the next two slides, I would like to hand over to my colleague, Ajay Singh, to take us through the performance on the financial front. Over to you, Ajay.

**Ajay Singh:**

Thank you, Venu. Good evening, everyone. I hope all of you are doing well at your end. So, let me take you to the Quarter 3 results for our company.

So, if you see, orders in Quarter 3 was Rs. 2,477 crores and if I compare the Y-on-Y, it is negative 78%, but if I remove the HVDC order, then we are growing by 73%. And even if I compare with the last quarter, we see there is a growth of 11.7%. So, overall, a very good development on the order. Revenues is at Rs. 2,168 crores, 29.6% growth Y-on-Y and 13.2% growth quarter-on-quarter.

If you talk about the PBT before the exceptional items, Rs. 402 crores is what we achieved and this is basically based on the higher revenues, focus on execution, product mix, operational efficiency and export momentum has really contributed a good growth on the bottom line and we are 118% more compared to the last Y-on-Y basis. And even if I compare with the last quarter, the growth is 13.9%. And when I talk about the percentage from PBT percentage before exceptional item, 18.5% compared to Y-on-Y 11% and then the last quarter it was 18.4%. PBT is Rs. 347 crores and basically here if you see the delta of roughly Rs. 54 crores on account of the implementation of the new labor code that as per the guidance we have taken into this particular quarter and that is why PBT is 16% for the quarter, compared to the previous Y-on-Y 11% and last quarter 18.4%. PAT 12.1% and quarter Y-on-Y basis we are 8.2%. Operational EBITDA, we have reached Rs. 338 crores and basically we have doubled received on Y-on-Y basis and we are currently in this quarter 15.6% compared to on Y-on-Y basis 10.1%. Even if I compare with the previous quarter where we showed 15.2% we are more or less at the same level.

If I go to the next slide, little bit more details if I give more reflection on the numbers. If you see the revenues, in the revenues, the other income is Rs. 61 crores that is basically coming from the QIP that is deposits, the interest that we are getting so that is what it has contributed. We have a commodity exchange gain of Rs. 24 crores and personal expenses material cost if you see is around 58% compared to the last quarter 59% and Y-on-Y if I see it is around 55%. And

then if you see personal expenses in this quarter 7.7%, other expenses 14%, depreciation and finance 1.2% and 0.1% respectively and that is how we are able to close operational EBITDA before exceptional items Rs. 4 and Rs. 2 crores, 18.5% and the impact of labor code which I was discussing earlier Rs.54.2 crores is contributing roughly 2.5% for this particular quarter and the profit after tax is Rs. 261 crores that is 12.1%.

So, overall, I will summarize that fairly good quarter in my view as far as this Quarter 3 was concerned. Thank you, Venu. Over to you.

**N. Venu:**

Thank you, Ajay. And if I move to my last slide before we open up for Q&A.

I think as we wrap up this quarter, we are happy about the progress we are making towards our two key objectives, which are sustaining our growth momentum, enhancing our efficiency across all our operations, and also improving our margins and cash, etc. So, we take great pride in maintaining our leadership in core sectors like utilities, HVDC, industries and infrastructure and we are eager to explore and seize the new opportunities in exciting fields such as the Data Center and BESS and Energy Storage, etc. It is very important we are working towards shifting center of gravity to include more export, service and digital, but that you are seeing how we are already trending in the right direction and also working on our strategy of expanding at the edge of the grid that is the e-mobility, energy storage, data centers .

Our commitment to strengthening our service business in India is unwavering, so we created the separate global BU Service including in India and we hope that the efforts of this particular team would start fetching the results over a period of time . Services also help us keep continuity which is critical to robust energy ecosystems. Many of our new age customers such as data centers are looking not only supplying of our technology, be it our product system services but also life cycle partner. So, we are dedicated to driving productivity and operational excellence under this, thereby improving our quality and expanding opportunities. We are also focused on capitalizing on our substantial order backlog to drive revenue growth and maximize the potential of capital raised for further expansion plans.

On the safety, you all know it is deeply rooted in our culture and we are wholeheartedly committed to maintaining a robust safety-first environment not only in our factories, but also in our project sites. As we look ahead, we will continue investing in our capabilities for sustainable growth, whether through upskilling our talented workforce or expanding our operational footprint.

Together, we are paving the way for a brighter more sustainable energy future . So, all in all, we are super excited about this market growth, market environment and we are super impressed with the way in which we are driving for sustainable energy future.

So, thank you and over to you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We will take the first question from the line of Umesh Raut from Nomura India. Please go ahead.

**Umesh Raut:** Hi, team and congrats for a very good set of results. My first question is pertaining to execution. So, I just want to understand how much of execution pertaining to Mumbai HVDC project is remaining now and roughly how much of total turnover was contributed by Mumbai HVDC project for the third quarter?

**N. Venu:** So, thank you, Umesh. As you know , we don't share revenue details on a project specific basis, and when it comes to the Mumbai HVDC, so we have just completed our pre-commissioning test. We and we have just completed the pre-commissioning test. So, in just another two to three weeks, we will commission the project.

**Umesh Raut:** Understood, sir. So, my question was largely because of our gross margin performance which was slightly lower on a quarter-on-quarter basis. From last quarter, it was down to now about closer to 39.5%. So, apart from say, probably increased contribution from Adani HVDC project, was there any particular other reason for this drop in gross margin on quarter-on-quarter basis?

**Ajay Singh:** So, actually, this gross margin fluctuation is basically on the product mix that we are operating. We have also earlier talked about that in some quarters depending upon the execution of the products, there could be slight changes left and right. So, that is only the outcome of the product mix that you are operating.

**Umesh Raut:** Understood. And second question is pertaining to recent inflationary pressure from commodity prices. So, how you are managing these pressures? What percentage of our current existing backlog is on the account of price pass on to the customer?

**N. Venu:** We talked about also this, Umesh previously. Most of our backlog has price escalation formulas built in. So, we have been also telling you from the

beginning that it will not impact great to the large extent because more than I think 70% of our portfolio is having a price escalation. There will be small amount of portfolio where they need immediately within one or two months turnaround for their revenue. So, those things may not be there, but otherwise our portfolio is largely protected from price escalation.

**Umesh Raut:** Understood, sir. My last question is on the outlook for domestic market. How do you see in terms of FY '27 demand especially coming in for transformers especially in the domestic market? In terms of capacity which is kind of also coming into the market whether we will have same kind of pricing power in upcoming tenders? So, any insight about these things?

**N. Venu:** Yes, I think we can give a market trend. The market in my view is very strong. It is still stronger and both in terms of transmission and also in terms of electrification is going in a big way. Electrification of data center will come in huge amount in the same. So, the need for more power equipment, whether it is transformer, switchgear, etc., is definitely going to be there in that. So, we have been looking at the capacities coming in. Various companies have announced the capacity expansion. Considering the existing capacities plus capacities to come, we believe that still there is a gap to close on . So, this is the way the energy transition story in our view, purely in my view is a multi-year growth story. Thank you.

**Umesh Raut:** Thank you so much. All the very best.

**N. Venu:** Thank you.

**Moderator:** Thank you. We will take our next question from the line of Harshit Patel from Equirus Securities. Please go ahead.

**Harshit Patel:** Thank you very much for the opportunity, sir. My first question is on our HVDC localization. I know you have highlighted in the past about we are making HVDC transformers, converter valves and doing the entire engineering of those projects in India. I want to understand whether we are increasing our HVDC localization further or we have already reached a stage wherein further value addition is not possible at the moment in India?

**N. Venu:** We won't say that further value addition has not come. We are continuously taking a lot of actions to further increase our value addition. So, we have been doing that. We are also executing the HVDC project in a Marinus link, for

example, in Australia. So, all these things will help us to further localize the supply chains here.

**Moderator:** Yes, please go ahead.

**Harshit Patel:** Thank you. Sir, could you please provide an update on the budgeted CAPEX for FY '26 and how much of that we have already incurred as well as if you can highlight your CAPEX plan for FY '27 and FY '28 that will be very helpful?

**N. Venu:** We have very clearly given in our QIP document how we wanted to utilize CAPEX. In this first year, we said we will do Rs. 700 plus crores and the next year will be an additional Rs. 700 plus crores. So, that what is the thing in that. So, there could be a movement of few hundred crores this way, that way, but otherwise we are on track very much.

**Harshit Patel:** Understood, sir. Thank you very much for answering my question. I will come back in the queue.

**Moderator:** Thank you. We will take our next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** Hi, Venu. Congratulations on a great quarter. So, my first question is on the CAPEX. If I see the utilization of the proceeds, we have only used Rs. 155 crores till now versus Rs. 700 crores which was envisage for FY '26. So, why is there a big disconnect between what the CAPEX incurred and what we have outlined in the document?

**Ajay Singh:** So, just now, I think we answered the same question. So, we have a slow start for sure, but we have a pipeline in place where in the coming quarters, it will pick up. So, because of the product cycle, our product demands, we cannot do a bulk CAPEX at one go, so we have to go in a sequential approach. So, we have a plan around that and we are hopeful that we will pick up. So, it might happen that right now, your utilization is the lower side, maybe the next quarter, the coming quarter there is a huge spike also. So, that is how the cycle will operate. But we are very much on to that and we are very closely monitoring the usage of that CAPEX.

**Parikshit Kandpal:** Sir, another question is on the order backlog. We have almost 30,000 shares of the order backlog and if I estimate or remove the HVDC parts, our base order will be somewhere around Rs. 10,000-Rs. 11,000 crores and now the Adani HVDC order is over. So, in the coming quarters before the HVDC starts getting

executed from FY '27, so there could be a slowdown in execution in the coming quarters at least for two-three quarters now?

**N. Venu:** No. I think we told also it is not that HVDC will slow down because HVDC, for example, we are already working on the existing two projects, manufacturing is going on and also various other simulations are going on. So, those are the projects we recognize the revenue based on the POC. So, revenues all will keep coming in that. We don't see any slowdown in our revenue growth.

**Parikshit Kandpal:** One question on the other expenses. So, we have been seeing reduction in other expenses despite increase in the turnover. So, just wanted to understand is there any impact as we reduce any royalties. So, how is that other expenses have been going down for the next two-three quarters?

**Ajay Singh:** So, we have been discussing earlier also that our other expenses normally hovers in the range of let us say 15%-19%, . So, depending upon the revenue growth and also the operational efficiency that we have been focusing, so there we are able to get the leverage out of that and this operational efficiency we are talking about some of the expenses, also on the group expenses, there we are working and that is how the outcome is there. So, it will be in that corridor. If you ask me ballpark number, it will be in that corridor only.

**Parkshit Kandpal:** But has this ABB sharing of IT expenses is now totally, are we migrated to our own IT system because earlier we were paying them some royalty for that so is it because of that we are seeing some reduction?

**Ajay Sing:** That we have closed this chapter a year before. So, right now, we are totally operating on a standalone basis. We are not relying on the ABB so very much it is our Hitachi Energy Operating System and we are working on SAP4 HANA. So, we are on our own.

**Parikshit Kandpal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

**Sumit Kishore:** Good evening, and my compliments on a very strong set of numbers. My first question is a couple of large HVDC LCC projects are there in the pipeline, which could mature over the next 12-18 months. Could you speak about them and capacity wise how are you geared to address the opportunity and if you could

spell out what opportunity these two projects present roughly in terms of size as well? That is my first question?

**N. Venu:** Thank you, Sumit for your question. I think as you know there are quite a lot of HVDC pipeline, but one of them has definitely come for bidding for our customers that is TBCB customers in the Barmer project which is a 6000 megawatt LCC project. As you said, in fact, in the last concall also, I have been saying consistently that we have been creating the capacities in anticipation of all that. So, we do not have any limitation on taking any particular order, but every order we look into based on the risk reward profile and also our exposure etc., any particular customer. Those like any other organization look into that. So, we do those kind of things, but on the capacity standpoint, we do have a capacity. We will be bidding these projects.

**Sumit Kishore:** Just to follow up on this. Is it fair to say that the size of the HVDC opportunity addressable by you would be roughly 50% of the project cost?

**N. Venu:** We don't know, Sumit to tell you differently depending upon how the line size and other things it will be different in that, but it is definitely sizeable.

**Sumit Kishore:** If you could speak about the share of exports and services in your nine-month inflows and backlog and the outlook for the next one -two years for exports and services?

**N. Venu:** We said exports will be in the range of around 25% is what we set our target, but now we have reached almost close to in any way bidding 29%-30% range. And we also said our main thing would be to address the domestic market and that is the reason we are expanding, we are creating the new facilities because we have a clear visibility of the domestic market where it is going to go. So, at the same time, our exports are also growing, but exports are not at the cost of the domestic market.

**N. Venu:** Thank you.

**Moderator:** Thank you. We will take our next question from the line of Bhalchandra Vasant Shinde from Motilal Oswal. Please go ahead.

**Bhalchandra V. Shinde:** Hi, sir. If you can provide some insights on recent budget also, there has been potentially given for seven high speed rail and on the export opportunity also, again one point to address is currency has depreciated, so we will be more

competitive advantage wise, also on the better manufacturing cost. So, don't you think that relatively export opportunity should increase for us further?

**N. Venu:**

Thank you, Bala, for this question. I think on the budget, I think in addition to what you talked about, there are many other positive things out there, but if I only stick to the seven corridors of high speed rail, it is definitely a big opportunity for Hitachi Energy, and I'm not sure what kind of funding, etc. If it happens to be a Japanese funding then we are going to be in a much more sweet spot on that, but leave alone the funding. I think this is the opportunity, in fact, again considering this opportunity. We already started expanding our traction transformer facility. So, we are expanding our traction transformer(facility) and lot of other equipment which go into that are also being expanded. Yesterday, we did our ground breaking ceremony for high voltage product facility in Savli in Gujarat. So, this also lot of this equipment will go, not only into the transmission but also into this high speed rails, etc., . So, you are absolutely right, export right now because of the currency we can definitely take advantage of it, but we are building a solid and sustainable strategy. So, we don't want to create a strategy around a temporary phenomenon. If it remains like that, probably we will definitely do that but on a short-term basis, yes, we are reaching out to some of our global companies wherever they need, so they can procure from us it will be competitiveness for us. Those things we do it, but as I said we are looking at our company at a longer term, longer strategy and basis which we are working on things. And as you have seen our margins evolution over the last five years in only one direction improvement.

**Bhalchandra V. Shinde:** One last point on the exports. Can I continue?

**N. Venu:** Yes, go ahead.

**Bhalchandra V. Shinde:** Yes, one last point on exports. Sir, as per our global analyst meet and takeaways, there also our capacities are tied up till FY '30, FY '32 and we are adding capacities in India and other regions also. How is the scenario according to you on the global scale for us in that perspective that on the demand supply gap?

**N. Venu:** On the global scale, globally also it is a same situation. But globally, if they are adding the capacities, in fact based on the frame agreements etc., in that. So, it is quite tight and quite challenging in those things. And whatever the capacities we have added, in fact the need is to further addition is what we feel. So, those things are getting evolved as you see the demand. See, there are lot of things

are evolving. We very much understand that is not a traditional power systems. Traditional power system, we know the load growth, etc., . That AI data centers, the demand is so huge and the need at yesterday's basis. That is the urgency of building up those kind of infrastructure. And that needs not only the equipment, but AI-ready data centers and variation in the load from 100 MW to 250 MW in seconds, not even minutes, seconds. So, you have to have the power systems flexible enough to manage that kind of load center, right. So, it is not only the equipment, your whole system needs to be geared up, and that is what is happening in North America, that is what we see in Europe, etc. And we are very confident personally, that we see that mirroring in India as well.

**Bhalchandra V. Shinde:** Got it. Thank you very much.

**N. Venu:** Thank you.

**Moderator:** Thank you. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

**Amit Anwani:** Hi. So, thank you for the opportunity. Again on data center, you did highlight it about the strong prospects. So, I just wanted to understand in terms of addressable market you have in that space. And since, as you highlighted, North America, is our export having data center orders already? What is the proportion? Has that increased? So, is export also will be driven by data center orders globally? Just a color on that?

**N. Venu:** Yes. I think, as I said, our exports, we are creating, again, capacities, etc., for domestic market, but we are flexible enough to address those exports in the data centers and also in industries, etc., in the nearby, our region, Southeast Asia, and other aspects of that. So, to answer your question, yes, data centers is also one of the things we are looking at. We have already received part of the orders from the data centers as exports. And we are also bidding for some other exports for data centers.

**Amit Anwani:** So, what is the addressable market there?

**N. Venu:** No, I think we will not be bidding everything together from here. So, we will be complementing with our global organization, wherever they are bidding it. So, of course, if there is a requirement for a couple of hundred transformers. They will also source a couple of transformers from our side . So, we are not able to estimate exactly what is the addressable market in those areas.

**Amit Anwani:** And sir, what is the contribution from data center currently?

**N. Venu:** No. Contribution from the data center and overall our order is still a single digit, high single digit.

**Amit Anwani:** And this we are expecting to grow much faster, probably?

**N. Venu:** Yes.

**Amit Anwani:** Thank you, sir. Thank you so much.

**N. Venu:** Thank you.

**Moderator:** Thank you. We will take our next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** Sir, just one question on this news, if you can help us understand regarding the Chinese thing which has been going on in the transformer side, say your views on that?

**N. Venu:** Thank you, Parikshit. I think we have also read the news and we have not seen any government clarification or official message on that. But what we heard during our interactions that they don't allow any imports from neighboring countries, border countries. So, if they may, in case if they have any manufacturing facility here, they may allow. But for us, it is not about which competition is that. As long as the level playing field is there, we do not have any issue with that. So, we don't see that as a major threat. So due to that we are not holding any of our expansion projects or things like that. We are very confident that as long as the level playing field is there, so we can beat the competition.

**Parikshit Kandpal:** And second question is around the HVDC order. So, I understand that you have a level of localization in India and then there will be imports from the parent entity. So, when you calculate royalty, so how does it work? So, does the imports are excluded from that or the entire revenue is, the royalties will be applicable on the entire revenue? So, how does it work on the accounting side?

**Ajay Singh:** So, basically, royalty generally is calculated based on the overall revenue. But if there is any inter-company thing, that generally gets excluded.

**Parikshit Kandpal:** So, in these two HVDCs?

**N. Venu:** Royalty is paid as a technology, not as a localization of import. Royalty is because we are getting the technology and the technology we are allowed to localize. For that you need to pay the royalty. And once you localize it, it is not that it will be there for every time they get an update, there will be some addition to that technology. So, those things continue to do that. So, royalty is absolutely required, for example, because we are paying the royalty, that is why our SF6-free technology which is available in the world, so we are able to bring it here and sell it to our customers in India, to PGCL and everything in that. So, that is a big advantage.

**Parikshit Kandpal:** Sir, just wanted to clarify whether this entire HVDC order, Royalty will be paid on that or import content will be excluded. Just a clarification I need?

**N. Venu:** We will not give you exactly like that, Parikshit. But there will be some calculation, methodology, etc., what is excluded, what is not excluded in that. But it will be at least some percentage on a ballpark, on overall thing ..

**Parikshit Kandpal:** Sure, sir. Thank you.

**Moderator:** Thank you. We will take our next question from the line of Mohan Krishnaswami, an Individual Investor. Please go ahead.

**Mohan Krishnaswami:** Yes. Thank you for taking my question. Sir, on the data center, we have been reading reports stating that there will be an element of HVDC content in those orders because the power requirement and the speed of transmission is very different and very high. So, do you think that is correct? And do we have the capability to do that in Hitachi Energy India?

**N. Venu:** Well, I think, as I said, the data centers are evolving. What kind of data center being built in the US is completely different from the data center being built here. So, that is what I said, that 90% of the AI-ready data centers are located in those two countries. And I am sure those data centers once start coming up here, so we will also look at it. Yes, absolutely, today the data centers are having a big challenge in managing, getting not only the reliable, affordable and clean power, but also ensuring that managing the flexibility of that. So, there are the data centers we are looking at connecting directly to HVDC through any other renewable source. So, from a competency standpoint, we do have those things in Hitachi Energy in India to do those kinds of things as and when it is required and wherever it is required.

**Mohan Krishnaswami:** Sure. And secondly, sir, the recent EU deal, whenever it gets finally signed, being a European company as well, do you think that can have some impact on our export strategy in the years ahead?

**N. Venu:** Yes. So, that is what I said. Definitely, we will look at using our factories in India to the benefit of our own companies in Europe because of this tariff expense. So, that there will be some tweaking we will do, or at least we really look into it, how this will pan out and what are the products we supply from here to Europe. Those are the things.

**Mohan Krishnaswami:** Thanks a lot, sir. Thank you.

**Moderator:** Thank you. We will take our next question from the line of Shirom Kapur from Jefferies. Please go ahead.

**Shirom Kapur:** Hi, thanks for the opportunity. I just want to understand a bit more on the export strategy. Is there any thoughts on the parent allocating greater markets to the Indian entity, given you the global shortages? Is there scope for the Indian entity to serve more export requirements of the parent?

**N. Venu:** Thank you, Shirom. I think our export strategy is very robust, and we have been building over a period of time. And we have a three-pronged strategy. The first one is that we do have certain global feeder factories, and those products we only manufacture here and we sell all over the world. And then we have some allocated markets and these allocated markets being reviewed to add a little bit more wherever it makes sense for us. And then we develop these allocated markets just like any other market together with the local sales organization of that particular country. And then we start amalgamating our factories and start selling those things. So, this is accelerating as we speak and we are getting more and more markets to do that. And the third one is we do have a feeder factories where we manufacture the components for the bigger product. And this component we sell it to our own factories around the world. And the combination of these three, what we are saying, it will be 25%-30% of our revenues going forward. Excluding, of course, you need to take out the big HVDC project, then it will be 25%-30%.

**Shirom Kapur:** Understood, sir. Thank you so much. All the best.

**Moderator:** Thank you. We will take our next question from the line of Subhadip Mitra from Nuvama. Please go ahead.

**Subhadip Mitra:** Good evening, and thank you for the opportunity. Just wanted to get a clarification on one point. I am trying to connect two things. First, you have mentioned in the past that starting 4Q of FY '26, you are firmly going to be entering double-digit margins. I think we have already done that two quarters early. Margins are already quite strong. At the same time, we are seeing the Adani HVDC project, which has gotten delayed for some time, now entering into the commissioning stage. Is there a chance that we could see some delay related penalty or LD related hits that could come in 4Q? Or are you confident of maintaining these levels of margins and only improving from there on?

**N. Venu:** We don't have any delay in the HVDC on account of us or LD or anything like that. So, that is very clear, and we don't see that as a challenge. As I said, we have been building on a long-term basis and you have seen in the last, not three quarters, but several quarters, what we are saying and what we are doing it. And very consistently, we are making the margins up.

**Subhadip Mitra:** Perfect, sir. Thank you so much. That clarifies my question.

**Moderator:** Thank you.

**N. Venu:** Operator, if you don't have any questions, we almost came to the last minute.

**Moderator:** Over to you, sir, for the closing comments.

**N. Venu:** Once again, thank you very much for your participation and your engagement. If you need any further information, please do reach out to us. We are happy to engage with you and provide any additional information, etc... We are in such an era of sustainable energy future. We are super excited about the opportunities arising, not only out of our traditional segment, but also the new segments. And I am sure, like us, you are also super excited about what we are doing. Thank you for joining and looking forward to seeing you or meeting you or talking to you. Thank you very much. Have a great day.

**Moderator:** Thank you, sir. Thank you. On behalf of Hitachi Energy India Limited, I would like to conclude this conference. Thank you for joining us. You may now disconnect your lines.