

Date: 18<sup>th</sup> November, 2024

To,  
**Department of Corporate Services**  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex, Bandra,  
Mumbai – 400051.

Dear Sir/Madam,

**Sub: Transcript of the Investors' Earnings Call held on 15<sup>th</sup> November, 2024 on the unaudited Standalone and Consolidated Financial Results for half year ended September 30, 2024.**

**Ref: Scrip Code: TECHLABS (TRIDENT TECHLABS LIMITED)**

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on 15th November, 2024 on the unaudited Standalone and Consolidated Financial Results for half year ended September 30, 2024.

The transcript of the aforesaid earnings call with Investors/Analysts is available on the Company's website and can be accessed on the following link: <https://tridenttechlabs.com/investor-meet.php>

Please take the same on your records.

Thanking You,  
Yours faithfully,  
**FOR, TRIDENT TECHLABS LIMITED**

**SUKESH CHANDRA NAITHANI**  
**CEO, CFO & DIRECTOR**  
**(DIN: 00034578)**

**Date: 18<sup>th</sup> November, 2024**  
**Place: New Delhi**

**Encl: Transcript**

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“Trident Techlabs limited  
Conference call”  
November 15, 2024

**MANAGEMENT: MR. PRAVEEN KAPOOR—MANAGING DIRECTOR —  
TRIDENT TECHLABS LIMITED  
MR. SUKESH NAITHANI – CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER – TRIDENT TECHLABS  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Trident Techlabs Limited 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. From the management, we have Mr. Praveen Kapoor, Managing Director and Mr. Sukesh Naithani, CEO and CFO. I now hand the conference over to Mr. Sukesh Naithani. Thank you and over to you, sir.

**Sukesh Naithani:** Thank you, Sagar. It is a great pleasure connecting with you all. It is my first opportunity even as one of the promoters of Trident Techlabs to get into the direct conversation with you all. And I see it is a very important opportunity to share with you the detail of our recent performance as a business entity, our plan and vision for the near future to grow our revenue and deliver value to all those who have shown trust on us since our decision to become the public-traded company.

And I may be failing in my duty here if I do not express my sincere thanks to all the investors who gave us flying stars with energy by according our issue over subscription by 760 times, which was a record-breaking response. Drawing from enthusiasm of our investors and maximizing our commitment to meet with the expectation, we have prepared our growth plan and our market strategies for the coming months to year.

Since this happened to my first direct interaction, I would like to take some of the time here to give you a brief introduction of our background as a business house so that it gives you all better understanding of what Trident Techlabs comes from and what all gives us the maturity and confidence to succeed with our efforts. Techlabs has built itself over the last 25 years as a knowledge-based company, which helps its clients drive value from the new generation technologies.

As a growth driver of Indian industry, Techlabs has a history of partnering with the global leaders in the different technology areas and give the Indian engineers the capability to work and deliver on global scale. In our evolution as a business house, we emerged as a prominent player in an industrial market segment, which needs not only the electronics tools and software to engineer new products, but also strong technical support and services to educate and apply the required technology skills.

Over the last two decades, Techlabs has gained in presence with multiple market segments and in the variety of technology domains. Among the industrial clients, which count over 500, there are the entities in electrical power, defense and aerospace sector, as well as the private company, including the Fortune 500 corporate working in semiconductor, automobile, etcetera.

Delivering the value to its clientele, the service from Techlabs stands behind successful electric power utilities like Tata Power, Torrent, and Adani. And prestigious program in defense and aerospace, who have gained from the project engineering services and technology transfer from Techlabs in form of training and handholding from their engineering in advanced technology area.

As of now, Techlabs is active in domain of electrical power, defense and aerospace, semiconductor, and cybersecurity. And these are the domains in which we see our business growth in the near future. Let me share with you the progress made by Techlabs in the recent month in these domains and technology area and the new initiative at Techlabs, which will drive project growth in the business.

I add a disclaimer here that all the forward-looking statements are as the measurements see the current expectation and tentative and subject to risk and uncertainty. Our first division is electrical power. Techlabs has been active for more than two decades in the field of the electric power and has been offering the range of engineering consultancy services and the software solution aimed at improving the operational efficiency of electric power delivery system.

The software tool set along with the application support from Techlabs functions as the intelligent decision support system, which can bring effective improvement in the quality of plans to extend and modernize power transmission and distribution network. The quantum of benefits varies from client to client, but these are the instances of the power distribution companies having energy losses in their network on sustained basis and improve its financial performance by as much as 20% by anticipating the problem which may inflict with their network and implementing remedies thereafter in the time.

Among the most prominent of our clients is the Tata Power Delhi, who we have provided our complete set of software and services, including the customer's custom-built electric network assistant information and analysis system to diagnose weak points on their power network under the current conditions and in the future.

Tata Power Delhi has gained significant in reducing high level of energy losses in their power distribution network from 52% to 8% on sustained basis, attaining the maintenance world-class reliability of the power supply and cut down capital investment in their even-grown power network by eliminating the practices of ad hoc growth plans for their network plan for these networks.

The current financial year is dotted with the contract owned by Techlab from the largest state-owned power distribution companies in Maharashtra and Bihar. In addition to their significant value and the contract have their scope provision for supplementary services and long-term engagement with the clients, whereas Techlab provides a variety of services including the technical support and hand-holding of the client engineers while they carry out the planning of their power network.

These contracts are the landmark which will promote a significant growth in our business since the same scope of service is required by 50 plus government-owned power distribution companies all over India, many of which will choose to outsource the network planning services to Techlab under multi-year contract and voluminous annual revenue.

Following successful execution of the contract, negotiation is already underway at four government-owned power distribution companies with a time horizon of 6 to 12 months of obtaining similar contracts. Building on the vast experience of Techlab to promote the niche but

highly appreciated engineering and information technology services, Techlab has separated its presence into overseas markets and in association with the technology partner Eaton has begun to serve the clientele in Southeast Asia.

The services delivered so far include development of customized software and its implementation as power distribution company. The credential builds so with the Eaton with a multi-billion-dollar global corporation and our cost competitiveness which helps us to extend our footprints in entire Asia-Pacific region in coming years.

Similarly, as our new office at Dubai is a strategic move to establish ourselves as the Middle East and North African market in the presenting significant business opportunity for our technology expertise in electric power. With established credential at the global knowledge power companies like Tata Power, while Middle East market offers the opportunities to provide the power distribution companies, there is the decision support system for the improvement management and their power network.

The African market offer numerous opportunity of power networking planning studies as a power distribution company which are still in efficiency and desperately need our services to optimally budget capacity investment in setting up their own distributed infrastructure. Now the second sector is the different sector which we are working. Techlab is the prominent player in the market for a space-like solution for the system level design in electronics, mechanical engineering, and multi-physics.

Techlab enables its clients to design high-precision, fail-proof electronics and mechanical engineering systems which find us a various technology segment ranging from electronic warfare and space research to automotive and industrial systems. In relation to the high-end tool for verification and performance at the design space, Techlab offers trained engineering workforce for outside development to fill up the skill gap which may otherwise frustrate clients to design and develop tangible products which meet the letdown technical specification and quality standards.

Techlab has a history of more than two decades of working with the defense and aerospace establishment in India, offering them the space-like system design and services. With the Indian defense establishment's never-ending need to improve the state of technology, Techlab has been working with their scientists to verify the performance of the system they design.

The development of these systems which work on electronic, mechanical, robotics, and similar technology require electronic design automation that's called EDA techniques offered by Techlab to attain completion in a system, their time frame, and to ensure that the systems so developed live up to the higher standard of the reliability. Therefore, we are being approached by the growing number of the defense establishment to also the designing of the new subsystems.

Going beyond the DRDO, Techlab is now in the serious negotiation with the Indian defense forces too, who seek the indigenization and modernization of their battle system. We have recently owned our first contract from the Indian Navy for providing the subservices. In order to build up the capacity to wider set of the clientele and to gain the capability in simulation

simultaneously, execute the multiple projects, Techlab is currently in process to hiring the required talent and has significantly increased the strength of design engineers' manpower in the first half of this year.

Growing forward, as the business operation at our Dubai office gets stabilized, we will begin to pursue the opportunity for our design services in European market. We are currently in talks with some of our technology and the business partner to identify avenues to gain the wider visibility in that market and to understand what all we need to do to upgrade our quality standard accordingly.

Third sector, we are working with the semiconductor electronics. The world of electronics has witnessed a huge shift of integrated circuits and now they're visible in our daily use gadgets. Realizing its importance in the advanced electronic system, a new ecosystem has emerged in India in the last decade, which includes the company's offering design services at different scale in India and majority overseas for the majority of overseas clientele. We have been active in this technology area from nearly 25 years and we have enabled many of our clientele to learn and master the technology before they went into an era of the global presence.

The time has arrived for us to gain a direct market presence in the semiconductor technology. Our decision too motivated by the ambitious program of the scheme of government of India to promote the semiconductor industry to scale the witness till now only in G8 countries. In addition to general shift of electronics industry towards a much wider adoption of electric microconductors, government of India too has launched a multi-year subsystem to stimulate manifold growth in their technology.

The scheme modified program for semiconductor and display scheme presents significant opportunity for a specialized design services. We are established ourselves in the semiconductor business through a 100% subsidiary. We are in advanced stage to acquire and establish design house, which serve a global clientele and have all the capability to ramp up our revenue by earning.

TechLab is a sizable share in the market for design services in Indian semiconductor industry and notable presence in North American market. One of the major target market for TechLab is the Indian defense sector, which is wholeheartedly adopted Make in India program of government of India and so a strong presence of homegrown semiconductor. We are in process for appointing some of the eminent semiconductor industry professionals to lead our business in this domain.

These senior management managers would include both technology and technical sales specialists who has sizable network for the conduct a senior position in this industry and shall help us to find early not only the initial business but also a growth in the top line on sustainable basis. The fourth sector is the cyber security. While the world moving more and more online in the Internet area, the business establishment and more so the defense and space research industries need to secure their data communication infrastructure.

In the wake of the recent hack of their IT infrastructure by the adversary countries, the defense and space research industries in India have begun to keep their specific budget for creating and maintaining the necessary safety system. TechLab intend to establish a relatively early player in this market segment and has recently carried out a pilot project for the defense establishment in India. The clientele feedback has been positive and based on their development, we are pursuing the opportunity to enter a formal agreement with the third establishment and similar establishment elsewhere for a specialized R&D resources and services that we offer.

Everything whatever I have spoken to you, it is not possible with the good management strength. The new business initiative at TechLab is taking the company into new places and new customers with the relatively bigger and more complicated requirement to align its efforts with the expectation of the market. TechLab has made a substantial investment in acquiring the human resources that fetches the market intelligence, acquired previous skills and built new domain of expertise to gain a positive visibility in the targeted market.

To have the faithful engagement with the potential customers and to acquire the capability to deliver product and services which match the quality promise to the client, TechLab has made the new inclusion of its management team which now have the scientists of the international eminence, senior marketing professional with the decade of experience of working on the national and global market and the armed forces veterans with the decade-long association with the technical being of the Indian Navy and Indian Air Force.

Among them is Dr. S.J. Satti who has been the DD Naval DRDO and has led their product design and engineering projects for Indian Navy and Air Force. Beside we have brought on the Board, Mr. Joe Basker who is the industry veteran in the electrical power sector and experience of working in the country head and CEO for the various multinational and large EPC companies. In addition to them, we have now a team of consultants whose work with eminent PSUs like Bell, BML and Indian Navy is very senior management position before joining us.

So now I hope you people have already gone through the half yearly financial performance of the company. I would like to highlight a few key points regarding our performance. We have sales for the first half FY '24-'25 has increased over 150% compared to the same period FY '23-'24. The company has reported a profit margin of 22% in the first half FY '24-'25, a significant turnaround from the loss incurred during the corresponding period of FY '23-'24.

The company is proud to announce the outstanding order books value INR69 crores as the end of the first half year '24-'25 of which the sale order amounting INR23.66 crores has already been materialized to date. The company's current asset including the deferred expense amounting INR10.13 crores which has been directly contributed towards the sale of INR30.35 crores in the first week of November '24. As a result, the company's total sale has raised INR52.79 crores as of today.

We are pleased to announce that incorporation of wholly-owned subsidiary in Dubai which will play a key role in supporting the company's expansion efforts across the various international markets. So growth path ahead is the coming years hold a lot of promises for us as a business

house. The business domain in which we are currently active or are venturing into the high priority area of government of India and would attract significant investment in the near future.

Besides the credential and the strong reference built by the TechLab in the recent year would yield repeat business from the existing client of the regular basis. Finally, a sizable and even the growing installation base of software solution provides by TechLab would fetch is an assured and significant business for its annual maintenance year-after-year.

Talking to ongoing year, there is a healthy population of prospective business contract with the current order pipeline amounting more than INR500 crores. Based on the business outlook today, we can expect a closer of current financial year is approximately INR250 crores with approximate that of INR40 crores.

Finally, before I conclude this address, I would like to express that I am really delighted to have this first given opportunity to interact with you all going beyond obligation of sticking to guidelines of the NFC. This interaction provide me a good opportunity to share with you my vision for TechLab on a journey to attain the better and still better top line and bottom line in the oncoming years. It is also a valuable opportunity for me to learn from you how we can go about doing our job better. Our question-and-answer session today may serve this objective very well. This is end of my speech. Thank you very much. Now we can move to the question and answers.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question comes from Rajesh from RK Capital. Please go ahead.

**Rajesh:** I wanted to understand the revenue profile of your company. Can you give a split between consulting versus training versus software license sales that you do and what is the AMC component of the license field? So how has been the revenue profile in the past and how will it change in the future?

**Sukesh Naithani:** I believe which I understand your question, you are asking the segmentation of how much the consulting, how much the software, how much the training, right?

**Rajesh:** Yes.

**Sukesh Naithani:** But generally the contracts are not like that.

**Rajesh:** Okay. But you do provide -- I mean, you do supply the software licenses to your clients, right?

**Sukesh Naithani:** No, no. That's because, you know, these are the high-end softwares, right? So it's a technology-based software. So one is the software. Secondly, we calculate how many man-months we are going to provide the handholding training to those people. So that we club because this is the entire one contract. We cannot segregate that this part is the training, this part is the software, this part is the handholding. It's a complete contract for that. We have not -- these kind of segmentation has not been done so far.



- Rajesh:** Okay. And sir, what are the different demand drivers for the expanding target market in India and in other regions like you mentioned in your presentation, China, Bangladesh, Nepal, Middle East. So are the demand drivers same or different in the different regions?
- Sukesh Naithani:** Well, I will put it to Mr. Praveen Kapoor for that.
- Rajesh:** I would like to attend to your call.
- Sukesh Naithani:** I am Praveen Kapoor. Good afternoon to you all. In fact, the contracts or the business opportunities as we look for in these market segments, those opportunities are driven by different factors, especially when it comes to, you know, specific domains like electrical power. The requirements are driven largely by the poor performance of the state-owned government distribution companies. They are seeking to improve their energy efficiency.
- So that is a major, you know, driver for these customers to contemplate the case of our software and our services. But looking at other markets, may that be the ones in the Middle East, those people, they have different considerations.
- Those people are looking essentially for modernization of the systems. And if you look at likewise the market in Africa, those countries, they are still in the process of setting up their basic infrastructure. So their requirements are not driven by, you know, the concept of quality or efficiency.
- They are more interested in giving out green field projects to the consultants. So as you mentioned, cutting across different geographies, the different factors are at work when it comes to the client choosing our products and services.
- Rajesh:** Okay. So in the cyber security area, what are your company's skill sets? What work do you do in the cyber security?
- Sukesh Naithani:** Those details, certainly you can see our website, right? We are putting it. But right now, the major cyber security we are working with are defense forces. We are not coming to the commercial client right now, because that is the bigger market right now we are addressing.
- Rajesh:** Yes. So within cyber security, like what are the specific areas that you address? And for that, what skill sets you have in the company? I mean, just a little bit more detail will be helpful.
- Sukesh Naithani:** That we will let you know. You please send your mail. I will answer my technical people to send it to you.
- Rajesh:** Okay, sir. Okay. I have a few more questions. I'll fall back in the queue and I'll ask them again. Thank you.
- Moderator:** Thank you. The next question comes from Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Good afternoon, sir. Sir, thank you very much for holding the conference call and congratulations on great numbers. Sir, I have attended the AGM and the AGM was sadly lacking

in any detail. This was the kind of discussion we were looking for in the AGM. But again, sir, I have no complaints left. You covered almost every aspect of the business.

So thank you very much for doing this. Sir, I have first a clarification. Towards the end of your speech, you mentioned about a revenue number. Sir, is that a year-end order book, year-end closing order book number? Or is it the revenue target for this year, the INR250 crores number?

**Sukesh Naithani:** That is the revenue target which we are eyeing on.

**Agastya Dave:** For FY25?

**Sukesh Naithani:** Yes.

**Agastya Dave:** Great. Sir, second question is that given all that you said about the three verticals of the business, and obviously all three of them can grow exponentially and continue to grow exponentially for some time. So I am very clear about the capabilities of the company now, but what about the capacity? I mean, in terms of management bandwidth, in terms of people who are working in your organization, in terms of fixed assets, how much capital would be required over the next, let's say, two to three years for you to execute and reach the levels that you envisage as of today?

**Sukesh Naithani:** Yes, certainly the capital is the backbone for any business growth, right? So that is our financial experts is working, that how much the capital is required by the fourth quarter, how much the capital required by the next year, half yearly, so that we are working on it, okay? So that figure, they will certainly present it to the board and we will inform all of you that how much capital we are looking for. As far as the business concern for this quarter, I think that we have sufficient cash flow.

**Agastya Dave:** Great, sir. And sir, do you require a lot of fixed assets here in this business, or is it completely working capital, which is required?

**Sukesh Naithani:** No, working capital, because you know that our majority, especially the semiconductor, semiconductor, yes, fixed assets, because fixed assets in terms of the software and these kind of things happen. But as far as the software, that's why we say it's a knowledge-based company, right? So our finance is more on the working capital rather than the fixed assets. Yes, our biggest assets are our people, our experts.

**Agastya Dave:** Right, right. So one hypothetical question. So let's say there will be, I'm looking at the opportunity set, there will be a year where we will be approaching INR1,000 crores revenue. So if we have to reset INR1,000 crores revenues, what kind of working capital requirements should we have? What is the ballpark should we take?

Because as of now, you're growing so fast that it's very difficult to really realize the requirements. So can you give some sort of an estimate that at a substantially larger size, when we are approaching steady state growth numbers, what kind of working capital cycles are we looking at?

**Sukesh Naithani:** There are two questions in one question. One is that how much fund is required, number one. Second is how we do, we structure the deal in such a way that at least the cash flow will not become a problem, right?

Because just one example, government generally say that we need, if you want the payment in advance, then you have to give the bank guarantee, right? So we structure the deal that we don't need the advance, but the definition of our product is as soon as we deliver the service, you please keep it said, deliver the service, then you pay the money, right? So then we don't need the bank guarantee for advance.

Then only when we calculate in that, then we do our cash flow. But as far as the working capital is concerned, I think the 40%, 50% is the maximum working capital is needed for any kind of growth. This is the maximum which I'm talking about.

**Agastya Dave:** Okay, maximum. Okay. Because when I looked at last year's numbers, the receivables were at INR60 crores for a revenue base of INR72 crores. So that was pretty high. But I also like, I appreciate the fact that the second half is very, very heavy for us. So obviously, it is not as bad as it looks.

And it's a much smaller number. That's why I asked, sir, what is the maximum like receivable cycle number of days in terms of number of days what is needed for working capital? So my last question is on the margin side.

So again, the three verticals and as you grow going forward, are the margin profiles of the three businesses substantially different from each other? Or broadly, we can take them as like an average of what we are reporting as of now. So around 30% is give or take a few percentage points here or there. Is that a good estimate? Or are the three businesses substantially different in their margin profiles?

**Sukesh Naithani:** Yes, basically, we do the business very intelligently, right? When the margin drip, when we don't understand what the customer is looking for. So we create the case, we create that if any customer by any distribution company says my loss is so much, how we can do it. So we structure the deal from start from scratch. And we say that, okay, this is the money is required. And these are the services is to be provided.

Because you see that some of the cases where we have gone on the trending stage, we own the case, despite of the higher price, because we that everything was crafted by we people. So we do the business very intelligently, that this way, this is the margin which we are looking for. So that's why the margin 30% plus minus 2%, 4%, 2%, 4% is there and there is fine. But all the three verticals, we have that margin. This we try to keep it.

**Agastya Dave:** Okay, so are there any competitive pressures in the in any of the verticals again, which could put pressure on your pricing power or your margins?

**Sukesh Naithani:** Actually, frankly speaking that I said now we do the business very intelligently. Number one, number two is pressures come only when a peer company is like that, because whatever we do

in power sector, no other company is doing there. Because other the companies are very big, ABB has found they are very big company, they will never come to this particular domain.

And other is very small, they will never come to this domain, this kind of contract. So idea is that we don't find the competition in the market, but only we find the convincing is slightly tough, which is becoming very easy because of the various government schemes.

**Agastya Dave:** Right. Sorry, I said last question, but this is my last question. So in terms of growth beyond this year, so how do you see next two, three years spanning out?

**Sukesh Naithani:** That's why I say that within five years, I want to go to this particular enterprise should be a INR1,000 crores enterprise. I think last meeting, the same thing I told the people that this is my vision for the company.

**Agastya Dave:** Great, sir. I've been a shareholder for some time now. And the growth is astounding. And sir, I wish you all the best. So I just worry about the capital constraints, because the working capital cycle is slightly on the higher side. But I'm sure you will be able to manage it. So thank you very much for the opportunity. So I really appreciate the conference call. Thank you.

**Sukesh Naithani:** Thank you very much, sir. Thanks.

**Moderator:** Thank you. The next question comes from Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar:** Thank you very much for this opportunity. So first of all, I just wanted to understand because I mean, a lot of new businesses are coming up for us. I mean, in terms of cyber securities or semiconductors, in the defense sector, we are we are doing good progress. So just wanted to understand in terms of revenue mix, how do you see it now? So what's the mix right now, in terms of various segment versus how do we see that in three years?

**Sukesh Naithani:** Especially you are talking about the semiconductor or you're talking about the cyber security?

**Deepak Poddar:** At the company level, the revenue mix, not semiconductor per se, but at the company level, what sort of mix we are looking at right now?

**Sukesh Naithani:** And Yes, so idea is that when you start the new business, initial certainly is going to be 10% to 15% percent. But next year onward, it is going to be more percentage. Right. This year, you will see more businesses in the power and defense and very, very less on the cyber security and semiconductor. It is since we are still on the final stage for acquiring a company to some revenue will certainly you will see in this final year too. But that will be small this year. But next year onward, it is going to be bigger.

**Deepak Poddar:** So this new business in three years can form how much percentage of revenue?

**Sukesh Naithani:** Pardon?

**Deepak Poddar:** In three years, this new business segment can form how much percentage of your revenue?

- Sukesh Naithani:** No, because if you see the total growth, so you can see that 20%, 20%, 25% each vertical is going to grow.
- Deepak Poddar:** Okay. Yes, but new market vertical will grow much faster, right? Because there is no base actually.
- Sukesh Naithani:** New vertical will certainly grow, but old vertical because there is a huge scope. If you see in the power sector right now, we are only we are getting only one or two distribution companies and 50 plus is still need our services. So huge business is there, right? So that those business is a bigger business. Semiconductor and cyber security will slowly pick up to that level.
- Deepak Poddar:** Correct. I got it. And can you just reiterate your guidance for this year, FY25, what sort of revenue or PAT margins you are looking at?
- Sukesh Naithani:** So that's why we said that approximately this is my visibility because we have pipeline of INR500 crores that we feel that we can do INR250 crores this year and approximately INR40 crores PAT on this year.
- Deepak Poddar:** INR40 crores PAT on this year at INR250 crores. But I mean, generally your second half is much heavier, right? Because first I've got INR20 crores out, right?
- Sukesh Naithani:** Yes, Yes. It is always it is it is the history of the company.
- Deepak Poddar:** And from INR250 crores to a journey of INR1000 crores ideally would mean a very high CAGR, right? So can you throw some light on your I mean, how do we how would we want to achieve that? In five years?
- Sukesh Naithani:** No, listen, that if you see the PAN India basis, whatever the services we are providing, this services is and the additional services which is on the pipeline, that market size is more than INR10,000 crores. Okay, only in the power sector I'm talking about. And the difference is also the same way. So the pie is very big. And qualified people are very less. So it is totally depend because this is the human resource is also the issue.
- So if the bigger size is there, but and bigger opportunities there, but we have to build up the human resources, then certainly totally depend upon how much the capital in your hand, then you can build up that kind of capability and grow it faster.
- Deepak Poddar:** Understood, understood. Fair enough. And just one last final bookkeeping question. So in terms of training workforce, what sort of absolute revenue we had, I mean, or currently we are having?
- Sukesh Naithani:** So training, we don't, we have not put the separate training revenue. That is not known to me whether it is being listed in this is not clear. I will find out from finance and let you know. You can send me the mail. I can answer to this.
- Moderator:** Thank you. The next question comes from Chirag Dash from Mintbox Advisory. Please go ahead.

- Chirag:** Yes, good afternoon, sir. Myself Chirag, Individual Investor. Sir, we look to INR1000 crores revenue. Do we need external funds?
- Sukesh Naithani:** Yes, certainly we need that.
- Chirag:** So how much will be the requirement...
- Sukesh Naithani:** That we are working on it. That's why I already answered this question. My finance people are working on it and then they will certainly come up if any fund is required, how we can do it, we will come up to the market.
- Chirag:** So then the second question is how easy or difficult it is for the competition to challenge in all of our domains because we are doing extremely niche work in defense, cybersecurity, semiconductor, electrical power in all domains. So how easy or difficult it will be the competition to challenge us?
- Sukesh Naithani:** That's why I just answered this. Competition is very less. There is no competition. In the power sector, we don't have any competition. Defense, we do the very intelligently, we do the job. So when the specification is built up by you -- by ourselves, then it is easy to get the contract. And secondly, from last 25 years, our reputation in that segment is very, very high, that these people, whatever they say, they deliver.
- So that's why these are the things. So I never found any kind of competition because competition will happen when somebody has made a tender and you go and bid it, then the competition will come into the picture. So we never go to compete the bid for other person who made it. We make our own tender, we bid it, and we work. We always get that.
- Chirag:** Thank you, sir. Sir, any peers in international which we can benchmark with?
- Sukesh Naithani:** Right now, we have opened the office in Dubai, especially for more on the power sector, right? And surely we will go for the design, especially on the European market. Right now in Dubai, there's a lot of consultancy work is available. We are changing it, and I think after six months, we will certainly show you some results on that.
- Moderator:** Thank you. The next question comes from Gary from RRR.
- Garry:** Sir, if you could throw some light on the EDA part, right? How big is our lab being set up, sir? How many engineers do you have on board?
- Sukesh Naithani:** Yes, your voice is not clear. What is your question?
- Garry:** Yes, I would like to know more about your EDA division, sir. So what kind of R&D lab setup do you have in place? How many test engineers do you have on board, sir?
- Sukesh Naithani:** Our headcount is 145. Out of this, approximately 50-55 people are in our EDA sector, right?
- Garry:** Okay. So have we designed our own chip? Any chips in the past, sir? Anything? No.

- Sukesh Naithani:** That chip design, that is our aim, that we want to go our own chip design. That is the process. If you know the EDA, you know the FPGA, you know the SA. So right now, we are building this entire set of people, right? So strategically, we are going, acquiring some of the knowledge-based companies, and then building that. Our aim is that one day, we want to have our own chip design. But that will take time.
- Garry:** The reason I say this, actually, many companies have started their own chip design OEMs, correct? So how are we going to be differentiated in terms of analog and digital chip? Or what, how do I say, what market we're looking at? Is it going to be only defense-oriented, or what market we're looking at?
- Sukesh Naithani:** So chip design is, you can, because there are two kinds of things. What way you are specialized. Defense, there is a big opportunity for designing. So idea is whether we, you are talking about whether we can go up to the fabrication, or you are only talking about the design part?
- Garry:** Only design, using...
- Sukesh Naithani:** Design, we can, we have a capability to design, even for defense, even for the private market, and we are going for it.
- Garry:** So in terms of revenue mix, what percentage you see revenue mix contribution coming from EDA part in FI 26 or 27, sir? 20. FI 26, 27, right? What kind of a revenue mix you see coming from the EDA vertical?
- Sukesh Naithani:** That is too early to predict right now.
- Garry:** Okay, got it. So now that we have about 40 to 50, you know, test engineers, designers on board, right? Can we start to do some consulting work, sir? For other companies, because there's so much of demand for this design, right? There are a lot of OEMs trying to, you know, you could even do a professional services part in lending this to people, to other OEMs, so where they get, their knowledge acceleration is also faster.
- Sukesh Naithani:** Yes, we are working on it, and shortly you will see some of the news on that part also.
- Moderator:** Thank you. The next question comes from Rajesh from RK Capital. Please go ahead.
- Rajesh:** Thank you. I wanted to know about the seasonality and the variations in your business. So, you said that usually H2 is very heavy for your business, but in FY23, you had significant losses in H2. So, going forward, when will the lumpiness and variations in business change? Will it always be H2 very strong and H1, one-fourth of H2 or one-sixth of H2 in that trajectory? Or going forward, both of them will start contributing more or less similar?
- Sukesh Naithani:** Within three years down the line, you will see that all quarter is going to be equal. Because we have changed the strategy, because just now you, if you go through over my address, I said the annual maintenance contract, right? Annual maintenance is going to increase. That is going to be the maximum business for the company, right? We are signing up with a long-term

maintenance contract with all these distribution companies or even the DRDO and all the things. So, maintenance contract is going to be longer.

So, you will see that this particular second half and first half is going to increase three years down the line. Maybe the next day you will see but third year you will see a total change on this entire business.

**Rajesh:** Okay. So, why in financial year 23 you had losses? Was it because of a small scale in H2? In second half of financial year '23, you had posted losses. So, was it just because of a small scale of operations or was there some other reason?

**Sukesh Naithani:** I will just check up and let you know. Please send me your mail. I will revert back to you on this.

**Rajesh:** Okay. So, to which email ID we should send? There are two email IDs mentioned in your presentation. One is palak@28consulting.com and the other is corporate@tridenttechlabs.com. To which email ID we should send our question?

**Sukesh Naithani:** You can put it on Palak and she will certainly send it to me.

**Rajesh:** Okay. So, I have two more questions. In your presentation, you mentioned about a key contract with the Indian Navy and you have also mentioned that you do some work in indigenization of advanced defense systems. So, can you throw some more light on that on both the Indian Navy?

**Sukesh Naithani:** These are the confidential. I cannot reveal it because our NDA is signed with those particular departments.

**Rajesh:** Okay. Sure. No issues. And whenever you do decide to do fundraise, would you prefer the debt route or the preferential route?

**Sukesh Naithani:** Both.

**Rajesh:** Okay. And sir you mentioned about a new acquisition or you are looking to acquire or in advanced stages of talks for acquiring a company. So, when are you likely to conclude that and that company, what is their revenue and PAT profile?

**Sukesh Naithani:** That you will shortly know. We are going to have a press release for that because we are in advanced stage. Right now, revealing any information is not good.

**Rajesh:** Okay. So, the numbers that you have projected for H2 or for the full year 2025 is including the company to be acquired, is it?

**Sukesh Naithani:** Yes.

**Rajesh:** Okay. And sir last thing, when will the Semicon segment start contributing to your revenues?

**Sukesh Naithani:** I think by the first quarter of next year.



- Rajesh:** Okay. Thank you so much.
- Moderator:** Thank you. The next question comes from Ameya Pimpalgaonkar an Individual Investor. Please go ahead.
- Ameya Pimpalgaonkar:** Hello, sir. Thank you so much for the opportunity and it is a pleasure to connect with you. I have been looking for this opportunity for quite a long time. I have quite a few questions purely from the business perspective since I have already answered questions on the rest of the topics.
- Sir, I understand specifically talking about the Semiconductor segment. So, typically in the value chain of PCB design to manufacture, you sit at the top where the EDA is and you cover quite a broad EDA platform. You have a broad association with quite a lot of EDA platform providers.
- So, the question which I have is typically how does business operate in your case? Typically, a client comes to you for EDA design services. We do the design. It's a one-time project. The customer pays for the design and then eventually the customer becomes ready for the manufacturing and that continues. The question I have is, do we have a potential of recurrence of the revenue in this space with the same customers and do we plan to grow beyond the design services maybe covering some of the additional value areas within the entire value chain?
- Sukesh Naithani:** You see the design services is a very big portfolio because the manufacturing is a large investment kind of business, but design services is very big because you need the design services everywhere. And this technology is moving so fast that design is every month is changing. So, that dependency on you or the customer is always there because you want to change the design.
- So, he will again come back to you. So, the idea is that we right now are only going to concentrate for at least 1 year or 2 years down the line with the design services because we have the deep knowledge of all the technologies. So, later on, if we feel that we can go for manufacturing or we can put some manufacturing kind of thing, then later on we will go ahead, but not right now.
- Ameya Pimpalgaonkar:** So, on the design, I have a follow-up question. So, in your services, you have also mentioned that we offer design reuse rights. So, typically, it's like we as a company, when we work on various designs for various customers, we get an understanding of the technical subject. And typically, we create kind of IP blocks, for example.
- And in order to save the time and ensure the reliability and the quicker go-to-market for the customers, do we design our own IP blocks within this design framework which helps us kind of get a little bit more margin compared to a design which is we are starting from scratch? Do we do something of this sort, sir?
- Sukesh Naithani:** IP block design takes a long time, number one. Secondly, the IP block design is any customer don't want to give any other party to design because that is the big financial loss for him because if any person is going to steal the IP, then nothing will be on his hand. We are going to, because we have the idea that we should have our own IP development, but that's a big investment because even if you develop 10 IP and one successful, so you become the billion-dollar corporation from only one or two IP.

So that is right now in our mind, but still we are discussing, we are examining market, what all is possible, what is we can do, what is our strength, how is our manpower, what is the financial ability for that. So that will take some time for us to design.

**Ameya Pimpalgaonkar:** Okay. Understood. Sir, also on your PPT, you have mentioned an association with ESI group and I've been following your association with them since quite a long time. You were also invited in Germany where they basically awarded you for good work. And since you have mentioned this in the PPT that on ESI platform, you cover various technical domains such as the propulsion systems and the airflow simulations, noise cancellation for the aircraft.

So my next question is, are you targeting the domestic aircraft or probably the domestic defense aircraft manufacturing space here by any chance, since you already have an association with various defense entities?

**Sukesh Naithani:** Yes, that's why we said that we have got recently first of our direct defense contract. So in the future also, we are going to work on that kind of design services.

**Ameya Pimpalgaonkar:** Okay. And sir, one last question before I join the queue is recently DRDO made an announcement that they have developed an indigenous process for growing and manufacturing a 4-inch diameter silicon carbide wafers, which is basically based on the gallium nitride. So it essentially is a very high electron mobility transistors.

And especially when it comes to the transistors, essentially going to PCBs. So we have a capability on a high-speed design, which you deliver through Siemens EDA and Hyperlink platform. Is there a potential for us to tap this market, if at all possible, since we have an association with DRDO?

**Sukesh Naithani:** Yes, in fact, the TOT is available with the DRDO. And we have to show that what kind of value chain, what kind of value proposition we can give to DRDO. And we are already in touch with the directorate of transfer technology. So we are still examining which kind of products, which kind of transform technology we can work with them. If it is good potential growth area for us, we will certainly go ahead with it.

**Ameya Pimpalgaonkar:** Okay. And one small question, if I can squeeze, sir you also do structural analysis. And I think you do that through your association with Bentley Systems. Is that an active area for you? Does this interest you because we see a lot of growth in Indian domestic power markets, where the infrastructure is laid out, the grids are modernized, the transmission towers and the telecom towers.

So these industries require a lot of structural analysis as well. Are we doing anything in this space, or it's just a capability that we probably commercialize down the line?

**Sukesh Naithani:** No, structural analysis we don't do and we don't have that being in our company.

**Ameya Pimpalgaonkar:** Okay. Thank you so much, sir. I will come back in the queue.

- Moderator:** Thank you. The next question comes from Venkata Gurvayakarna, Individual Investor. Please go ahead.
- Venkata Gurvayakarna:** Thanks for the opportunity. The extension to what and the design services in Semicon industry is what we are going to focus in the next.
- Moderator:** Your voice is very low. Can you speak slightly louder near the mic?
- Venkata Gurvayakarna:** Yes. So I have a question regarding your semiconductor business, what you are planning. So the design services is what you said you will be focusing on in next 1 year, right? Is it going to be resource augmentation or any turnkey kind of projects?
- Sukesh Naithani:** Both. It is going to be both. When we are talking about the design, then certainly both the things go hand in hand because the bigger companies need the people, so certainly we have to provide. The same people give us the design. We have to put our people for design. So that is the process right now.
- Venkata Gurvayakarna:** The question is, is there any past experience in the turnkey solutions as of now, or it's only the resource supplying?
- Sukesh Naithani:** We do have. We have done some of the projects for DRDO.
- Venkata Gurvayakarna:** Okay. For DRDO, turnkey is done and not the chip manufacturing, only the designing part, right?
- Sukesh Naithani:** We are only on designing part. Let me have a clarity again. We are only on designing part. We are not right now in manufacturing.
- Venkata Gurvayakarna:** Okay. On the turnkey side, it's a fixed price model or is there any different pricing model?
- Sukesh Naithani:** Pardon?
- Venkata Gurvayakarna:** Pricing of the turnkey projects.
- Sukesh Naithani:** Pricing is - because the system level we have done it and we have taken the price based on what is the requirement on that.
- Venkata Gurvayakarna:** And it's end-to-end, start from designing to the GDS2 or any design areas.
- Sukesh Naithani:** Well, those are technology questions. We would appreciate if you can put them through an email. We would ask our technology experts to come back to you.
- Venkata Gurvayakarna:** Okay, sure. Thank you. I'm done.
- Moderator:** Thank you. The next question comes from Anurag Agrawal from Multifly Wealth. Please go ahead.
- Anurag Agrawal:** Hi, sir. Thank you for the opportunity. Sir basically, I wanted to ask, we've been in this business the power business for so long. And I understand there is an external change in the environment

of the power business, but could you also help us understand what has been the internal change in the business which is leading to such high growth maybe in terms of culture, maybe in terms of hiring, maybe in terms of acquisition?

What is making us so confident that we can grow this fast internally and apart from that, the second question was how do we see the money recovering from the Bangladesh project?

**Sukesh Naithani:**

Yes one thing is the cultural changes you have seen - you have noticed in the various departments in India. So there is a change and we are noticing it. So as well as if you are referring to the power distribution company, they are hard pressed for their balance sheet to improve.

So if they have to improve their balance sheet, certainly they need to get rid of the losses. And the losses means that certainly they have to plan properly. And we are there for planning. But as far as the culture is concerned, your question for the culture, culture has changed and we have noticed it.

And I'm very hopeful that coming here, it is going to change more better. In addition to that, I would like to tell you that right now a countrywide scheme is on, which is being funded by the Union Ministry of Power, under which they are going to install energy meters at all vantage points in the power network.

The basic idea of going about this exercise is to do energy auditing. So what it would lead to basically is a very high level of transparency with regard to energy efficiency of the power networks. So the kind of cover-up operations that you were witnessing in the past, the people used to fabricate figures in order to just cover up the things, that would no more be possible.

Everybody is now required to set his house in order. And those people would definitely need our services to bring down the energy loss level in their networks.

**Anurag Agrawal:**

Got it, sir. Sir, when I meant culture, I wanted to understand the internal culture of the organization rather than the industry level culture?

**Sukesh Naithani:**

You are talking about the Techlab?

**Anurag Agrawal:**

Yes, Trident Techlab. Yes.

**Sukesh Naithani:**

We are very disciplined kind of company. Our people work 24 hours a day. When you have to submit the report to the power ministry, then sometimes our people don't go at home at night also. So our culture is very, very clear. Dedicatedly, people are working. And I'm really proud to announce, and I'm very happy with the team. And we don't have any issue on the culture.

**Anurag Agrawal:**

Okay. So has there been a change in the culture? That is the part I wanted to ask. Because I think you've been in this business for decades, I guess. And there is an influx right now. You guys are shifting axis and you guys are planning to grow very fast. And that should obviously be supported through manpower, right? And the culture of the organization to scale up that big.

**Sukesh Naithani:**

So listen, there are two issues in any organization. The culture is going to change with the time, right? And which is gradually happening from last so many years it is happening. When I started

the company in 2002, the culture was different. Now the culture is different. That's the process. So we are not facing any issue on that.

**Anurag Agrawal:** Got it. What about the pending payments from the Bangladesh project, sir?

**Sukesh Naithani:** Bangladesh, we are working on it because right now there is a political difference there. But we are working on it and they have assured they are going to clear the payment. So we are working, our people are talking because it is difficult to go right now that country because of the turbulence. But we are very hopeful to get it this month.

**Anurag Agrawal:** Got it. So last question, how do you plan to retain employees? Because what I can see is that you are planning to hire high quality experienced professionals in each of your verticals. And retention of those employees would be a very key aspect for long term growth. Are there measures to, safeguards to take ensure that?

**Sukesh Naithani:** There are important thing in the organization. Why the people work for the organization? That we have to see. Right. People work with the organization is the leadership. What they see in the leader. Secondly, they see what the manager is going to give them the culture, how they can grow in the organization.

So in our organization, there are approximately 40%, 45% people who is working with this organization for the last 17 years. And they have seen the path that this company is going. They are they have it. They are working with the conviction. So when the new people join and they see so many people is working for so many years.

So their confidence level is very high. So I guess the process that how you retain the people. Right. Money is important. I know. But money is not only important. I'm in this field from last 40 years and work with so many so many good people, leaders in the country. So I personally feel that it is very important that how you motivate the people with the work, with the culture. So that we have in the Techlab.

**Anurag Agrawal:** Got it. Thank you, sir. That was heartening to hear. Thank you.

**Sukesh Naithani:** Thank you very much.

**Moderator:** Thank you. We'll take one last question from Ameya Pimpalgaonkar, an Individual Investor. Please go ahead.

**Ameya Pimpalgaonkar:** Thank you so much, sir. So I just wanted to clarify one more thing from you is that you mentioned that you already gave kind of a guidance on your sales for the FI '25. And the question was asked that the FI '25 revenue and the PAT is including the company that you will be acquiring?

So I just wanted to verify that. Is that what you wanted to say? That the PAT and the revenues for the FI '25 will be including the acquisition that you're doing, considering that acquisition?

**Sukesh Naithani:** Yes.

**Ameya Pimpalgaonkar:** Yes. Okay. Thank you so much. And I have just two more questions, sir. In your PPT, you have mentioned about the DFT Audits, which typically, you know, the OSACs do right for the virtual prototyping and the design flow. And we have announced in the past couple of orders, specifically in this domain, in the design flow systems, in the design flow, right?

Just wanted to understand, are you actively working with any of the existing OSACs for this? And if yes, if you can give some color to that?

**Sukesh Naithani:** You send me the email. I will send you the detail on that.

**Ameya Pimpalgaonkar:** Okay. Sure. And one last question. So this EDA space that we are so focused about, right? And almost everybody is now talking about EDA...

**Sukesh Naithani:** Which one?

**Moderator:** Sir, the line for Mr. Pimpalgaonkar has dropped. So ladies and gentlemen, I would now like to hand the conference over to Mr. Sukesh Naithani for closing comments.

**Sukesh Naithani:** So once again, I am on behalf of Techlabs Management and thank you very much for all of you to join this conference. And I hope after sometime again, we will get back to you as soon as the new things happen to this company. Thank you very much. Have a nice day. Bye-bye.

**Moderator:** Thank you. On behalf of Trident Techlabs Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.