

Date: May 30, 2025

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol/Security ID: POWERMECH

To
Dept. of Corp. Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Security Code: 539302

Dear Sir/Madam,

Sub: Transcript of the Conference call with Investors / Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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With reference to the subject cited above, please find enclosed the transcript of the Conference Call with Investors / Analysts held on May 26, 2025, on the Q4 and FY25 performance of the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you.

Yours faithfully,

For Power Mech Projects Limited



M. Raghavendra Prasad
Company Secretary and Compliance Officer
ICSI M. no. A41798

Encl: as above

POWER MECH PROJECTS LIMITED

AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY

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“Power Mech Projects Limited
Q4 and FY25 Earnings Conference Call”
May 26, 2025



**MANAGEMENT: MR. N. NANI ARAVIND – CHIEF FINANCIAL
OFFICER, POWER MECH PROJECTS LIMITED**

**MR. S.K. RAMAIAH – DIRECTOR (BUSINESS
DEVELOPMENT) (NON-BOARD), POWER MECH
PROJECTS LIMITED**

**MODERATOR: MR. DIPAK SAHA – NIRMAL BANG INSTITUTIONAL
EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY25 Earnings Conference Call of Power Mech Projects Limited hosted by Nirmal Bang Equities Private Limited. 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.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company on the date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Dipak Saha from Nirmal Bang Institutional Equities. Thank you and over to you, sir.

Dipak Saha: Hi everyone, good morning. On behalf of Nirmal Bang Institutional Equities, I would like to welcome you all to the 4Q FY25 Earnings Call of Power Mech Projects Limited. The management today is represented by Mr. N. Nani Aravind, CFO of the company and Mr. S.K. Ramaiah, Director of Business Development. I will now hand over to the management for their opening remarks, after which we will open up the floor for Q&A. Thank you and hand over.

N. Nani Aravind: Thank you, Pooja and Dipak. Good morning, everyone. I am Nani Aravind, CFO of the company. I have with me Mr. S.K. Ramaiah, Director of Business Development. Unfortunately, Mr. Rohit, President of Business Development is unable to join us today due to an unexpected travel and meeting commitments. I take this opportunity to welcome you all to our Quarter 4 FY25 Earnings Call.

The performance for the fourth quarter and full financial year FY25 continued in line with our set targets. For Q4 FY25, we reported a total income of INR1,870 crores, marking a 43% increase over INR1,312 crores in Q4 FY24. EBITDA stood at INR233 crores, up by 46% from INR160 crores last year. And PAT came in at INR117 crores reaching 39% growth compared to INR84 crores in Q4 FY24. The EBITDA margin improved slightly from 12.2% to 12.5%, owing to better cost control, while PAT margin marginally decreased from 6.4% to 6.3% due to increased finance cost and higher minority interest cost.

In terms of revenue mix for quarter 4 FY25, the mechanical business contributed INR290 crores, a 65% increase over INR176 crores in Q4 FY24. The civil segment including railway and water distribution projects contributed INR980 crores, compared to INR725 crores in the same period last year, reflecting a 36% increase. O&M revenues rose to INR533 crores, up by 51% from INR354 crores. The electrical business saw a significant increase reaching INR25 crores versus INR6 crores during last year, marking a 315% jump.

The mining business contributed INR25 crores, lower than INR41 crores in Q4 FY24, showing a 40% decrease. Other incomes stood at INR17 crores compared to INR10 crores in the previous year. The revenue split for the quarter was 97% domestic and 3% international, while the contribution from power sector remained at 53% for the quarter, with non-power sector accounting for the remaining 47%.

For the full year of FY25, we reported a total income of INR5,279 crores, a 25% increase over INR4,234 crores in FY24. EBITDA for the year stood at INR649 crores, growing 24% from INR524 crores and PAT was INR327 crores, an increase of 32% over INR248 crores in the previous year. On a full year basis, EBITDA margin declined slightly from 12.4% to 12.3% due to increased overhead costs, whereas PAT margins improved from 5.9% to 6.2% driven by lower tax expenses and higher other income.

So, the revenue mix for the 12-month period, mechanical business contributed INR898 crores, showing a 30% growth over INR692 crores in FY24. The civil segment, including railway and waterworks contributed INR2,439 crores up by 6% from INR2,308 crores. O&M revenues rose significantly to INR1,746 crores from INR1,109 crores, recording 36% growth. Electrical business revenue stood at INR67 crores, up by 26% from INR53 crores.

Mining revenues were INR84 crores, a sharp increase from INR44 crores in FY24. Other income rose to INR45 crores from INR25 crores. So, the overall business split for FY25 was 95% domestic, 5% international with 59% of revenue coming from the power sector and 41% from the non-power sector.

The financial parameters of the company is concerned with better deployment of capital and improved operating margins. We have also witnessed an enhancement in our return on equity, which increased from 14.22% in FY24 to 16.26% in FY25. However, return on capital employed saw a marginal decline from 24.16% to 23.28%, primarily due to delays in receivables realization in the water division, which necessitated higher utilization of working capital borrowings. We expect this to be a temporary impact and with the anticipated normalization in collection and execution, return on capital employed is likely to improve significantly in the coming quarters.

Other key developments during the period include operating cash flow, which remained neutral, primarily due to the pending realization of receivables in the water division. We are actively engaging with the clients to expedite the certification and clearance processes and are confident of realizing the outstanding dues in the coming months, which will help to restore the positive operating cash flow.

Net current assets days excluding cash and cash equivalents have increased from 121 days in FY24 to 128 days in FY25, due to delays in certification of the waterworks and delays in realization of receivables. Resulted in the increase in the current assets of the company and on stabilization of the MDO business from 2027 onwards, we can expect a significant improvement in the net working capital days.

The gross debt and net debt remained controlled despite delays in certification of water bills and delays in realization of receivables. As on 31st March 2025, the gross debt is INR641 crores and the net debt stands at INR48 crores. The debt equity ratio as on 31st March 2025 stands at 0.33 times.

With reference to the order book is concerned, during FY25, the company secured orders worth INR6,437 crores. The order backlog as of 31st March stands at around INR58,258 crores after excluding FGD orders of INR4,264 crores, the backlog is around INR53,994 crores. Further excluding the two MDO projects, the executable order book is INR14,387 crores.

We continue to actively pursue tenders and are targeting to secure INR10,000 crores of new orders by March 26. During FY26, we anticipate a significant increase in ordering flow, particularly from the power sector across segments such as O&M, mechanical, civil construction and BOP, EPC.

As on date, we have already secured orders worth INR972 crores during Q1. Our strategic focus will remain on high potential areas including industrial plant operations and maintenance, railway and water infrastructure as well as MDO projects.

All our existing projects are progressing well and are on track as per the planned schedule. For FY26, we have set a revenue target of INR6,500 crores which is subject to the pace of traction in MDO business. EBITDA margins expected to remain consistent with FY25 levels. We are confident of achieving 25% year-on-year revenue growth. Margins are expected to remain stable with a potential upside depending on the contribution from the mining segment.

The order book outlook for the current financial year also appears comfortable. Supporting our growth trajectory, Power Mech is well positioned to demonstrate execution and conversion in the range of 40% of its opening order book annually. Additionally, the MDO business is ramping up steadily and we expect both O&M and MDO segments to drive significant growth in the coming years.

With reference to our MDO business is concerned, our MDO business is progressing steadily. At the KBP Mining, Kotre Basantpur project, we achieved a key milestone with the

release of 564.16 hectares of notified forest land by the State Forest Department in July 24. Tree cutting for the first year was completed by March 2015. Equipment mobilization has been completed and mining operations begin on 15th April 25. As of now, approximately 1.7 lakh cubic meter of overburden removal has been completed and coal production is expected to commence from Q2 FY26.

At the Kalyaneswari Tasra project, OB removal and coal dispatch operations have been ongoing since January 24 with approximately 6.41 lakh tons of coal dispatched to sale as on 30th April, 25. The project received environmental clearance for 3.5 million tons washery in October 2024. Design consultants have been appointed for railway slidings and washery development. Engineering and vendor finalization activities are in progress. Site mobilization is underway. The phase 1 R&R colony construction on 4.5 acres is completed and handover to project affected families is in progress. Approvals for phase 2 colony construction over 41.11 acres are currently under review.

While SAIL's current coal offtake is below the plan due to limited external washery capacity available outside, we are actively working to resolve these constraints and ramp up the mining production.

With this, I now request Mr. Ramaiah to update us on the key business development initiatives and future outlook of the company.

S.K. Ramaiah:

Thank you Aravind and thank you for investor community. I think Aravind has given key features of the company's operations for the finance and then the order backlog and then the revenue and all. Some of the key aspects I would like to dwell upon is that in the quarter 4 particularly, there were some key important orders we have secured. Adani Power, Mirzapur about INR424 crores for the civil and structural portion of 2 x 800 megawatt units.

Then Koderma, another 2 x 800 megawatt project implemented up by DVC. BHEL is the EPC contractor, INR579 crores for the civil and structural work. Then there was a major breakthrough in NHAI for the Deoghar Bypass, a 49 kilometers of HAM project, INR972 crores. Then there was a scope expansion of the government medical college scope which we are doing in Uttarakhand, that is about INR231 crores.

Then other major jobs which we have secured Kaiga Nuclear Power Corporation, first time we have taken the 2 x 700 megawatt 5 and 6 unit stage, INR563 crores. Then South Central Railways, INR107 crores. Then Nigeria, Dangote, first time we have taken a major O&M job, a two-year long-term O&M contract for the plant which we have commissioned a captive power plant for INR109 crores.

Then Coastal Energy, Tuticorin, O&M, 1,200 megawatt, INR114 crores. Then GMDC, Akrimota, O&M, 2 x 125, INR227 crores. Then Vedanta, Talwandi, 3 x 660 megawatt a 5-year O&M. This is one of the major contracts we have secured in O&M, INR951 crores. Now as far as the business outlook is concerned, there have been key breakthroughs in the major orders which were secured in the O&M and other areas particularly with Vedanta, Adani NPCIL, BHEL GMDC, Dangote(Nigeria).

The new investments are making up for the huge power sector investments, Nuclear Power Corporation which is coming with new projects. Then significant improvement in the export orders, particularly in the O&M side and the maintenance side of the jobs which were taken in Middle East and Nigeria, that is INR324 crores. There is an improvement over the last year, whatever we have done.

Then the BHEL also comes with a lot of EPC contracts and there are obviously opportunities to come with BHEL power sector. Then roads investments at a fast pace and then steel and mineral segments will come up. Then the major features are the O&M that seems to be an uptick in our operations both in ordering and as well as in revenue.

In fact, the order backlog on the O&M has gone up significantly from INR2,197 crores to INR2,749 crores compared to last year and this year. Then, of course, there is an adjustment on the FGD jobs which are slow moving, it is not taking shape because of various factors

involved in that, that is about INR4,263 crores from the Adani side. And then the civil side, there is a significant improvement in the order backlog from INR7,814 crores to INR8,472 crores.

And then O&M I have mentioned, electrical, of course, their business is slowly coming down for the obvious reasons we have taken a business call. And the major part of the business is continued to be driven by the domestic sector with 98% of the work international is about 2%. Then the power sector is about 60% and non-power sector is 40%.

Then with MDO the backlog is now at INR 53,994 crores from INR57,053 crores after adjusting INR53,994 crores because of the FGD order adjustment. Then, of course, there are certain aspects on the market side we have to understand is that some impact on little bit order backlog growth last year was due to many elections process which was there, the general elections and the state elections that was why many of the tenders were postponed and later on it has picked up in the second, third and fourth quarters.

But as far as the general business environment is concerned is that power sector is taking big shape with about ongoing contracts of INR2 lakh crores and new investments are expected about INR4.5 lakh crores because of the ramping up the capacity from 220 gigawatts to almost 300 gigawatts.

Then railways as usual and then roads, the investments continue to go at the same pace and there is an improved opportunity for new investment in the case of Middle East and then in the West Africa, that is where we are trying to give attention for the new investments coming in the power sector there in a big way.

We are at present looking at a total opportunity for the current year at about INR30,000 crores and that should be a combination of the power sector because in the case of power sector I would like to bring out certain key features. If you look at it overall for the last 1.5 years to 2 years, total ordering which has been done is about 32,420 megawatts worth a value of INR1,96,705 crores.

This is a significant order input into the system, EPC orders and then BTG supply orders and then certain other miscellaneous orders which have been placed by various customers. And then major customers which have placed orders on BHEL and also L&T are Adani about 10,920 megawatts and then NTPC is about 11,580 megawatts and then DVC 3,200 megawatts.

Other orders from NLC 2,400 megawatts and the orders also have come to BHEL and L&T from Mahagenco, Koradi 1,600 megawatts, Singareni 800 megawatts, Ukai GSECL (Gujarat State Electric Corporation Limited) 800 megawatts and then Chhattisgarh State Power Generation Company 1,320 megawatts.

Therefore, BHEL is flush with orders, that is one of the positive things obviously. On the total orders placed in the last 1.5 to 2 years BHEL has got a total ordering of something like 29,420 megawatts for INR1,69,182 crores. L&T has secured two major orders at Nabinagar and Gadarwara, 4,000 megawatts about INR27,523 crores. Total Adani orders on BHEL is about INR31,270 crores, mainly BTG supplies for about 10,920 megawatts and then total NTPC orders on BHEL is 7580 megawatts for INR58,090 crores.

Therefore, total NTPC and BHEL orders on BHEL is INR89,360 crores and BHEL for the last year has secured INR92,535 crores of order and with a backlog of INR1.95 lakh crores. Therefore L&T and BHEL are the major power sector players for the main power plant equipment supply and also associated services including EPC works.

Therefore, if you look at the present and future the annual capacity addition should go up to 8,000 to 10,000 megawatts, offering significant opportunities. Then O&M opportunities will increase about INR1,200 crores to INR1,500 crores per year only for the new capacity additions which can come up, and CEA, Central Electricity Authority has planned a commissioning program of 16,760 megawatts in the current year 2025-26.

Of course, last year there was a setback in commissioning, all those projects are going to be commissioned this year and then plants under construction is more than 33,000 megawatts. Therefore, apart from that because of the impetus on the capacity addition of thermal power to manage the grid stability, there are ongoing plans and development plans from various power developers for up to 43,000 to 44,000 megawatts that can entail a future investment of nearly INR4 lakh crores. Therefore, the power sector is really booming. It will go up for another 3 or 4 years in terms of ordering and then in terms of capacity addition it will go to 2030 to 2032.

As part of the national infrastructure pipeline, we have seen the continued focus on the roads, railways, infrastructure, metro jobs, water systems etc. That is how we look for our growth. The opportunities will continue to be more and more available for the company and then the O&M segment of business is a new shining aspect in our operations. That is what I would like to say. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: Yes sir. Couple of questions on the FY '25 number first. So, if you see the mix has improved in favour of O&M and civil hasn't grown less than the company growth. So, I think there should be some level of margin expansion, but we don't see it coming. If you could highlight the reason?

Second is on water projects and the receivable expansion. This is called out by a lot of companies. So, if you could tell us exactly what is the problem in the water sector and what the due course of correction will be there? And then I have another two questions which I will take up.

N. Nani Aravind: Thank you, sir. With reference to the EBITDA margin even though revenue O&M and other operations increased, there is no positive movement in the EBITDA margin. During the year we received major orders from the power side. So, we started operations in new projects. Establishment cost will be more at the initial stage of project which will be normalized in the subsequent period.

And in water division we anticipated more turnover. We planned INR678 cores of turnover whereas we achieved only 70% of the targeted number mainly because of delays in certification of the Jal Jeevan Mission projects in UP Government. The project timelines for Jal Jeevan Mission has expired in November 2024.

And project is funded by 50% from the Central Government and 50% from the State Government. State Government and both central and state they have not allocated any funds during the Q4.

We are hopeful that this quarter we are getting the funds so there is a realization pending from receivable of around INR210 cores of water division. This WIP uncertified portion of around INR215 cores. Total around INR415 cores value is pending from the certification as well as the receivable from the UP Government is concerned.

So, we are hoping that this quarter we will expecting some allocation of funds from the Central Government and the State Government, allowing for recovery of these amounts in this quarter.

Pritesh Chheda: So, to the first question then why are you not calling out margin expansion in FY '26?

N. Nani Aravind: FY '26 also we are expecting new orders from the power sector. So EBITDA Margins more or less we are maintaining at the same level as the MDO business operations have just started and once we reach the peak rated capacity only there is a jump in the improvement in the margins are concerned.

there is a possibility of increasing the margins but initial establishment cost will be there for the new projects to start in the current year also. So, in my remarks I mentioned that margins

are expected to remain stable but there is a potential upside depending on the contribution mix from the mining segment.

Pritesh Chheda: Sir in the 29,000-megawatt order to BHEL and 4000 to L&T so that's a 32,000, 33,000 megawatts. In these 33,000 megawatts how much of civil and balance of plant will be retained by BHEL and L&T and how much has been ordered out so that we come to know what is left to be ordered out?

S.K. Ramaiah: There are two aspects of BHEL outsourcing it. Now they have got some plans because they've got a huge order backlog and they see that limitation on capacities what is available which they are using it in a way. The old and finishing projects are also the old projects to be completed.

Perhaps 3/4 projects they are planning to do the BOP as a subcontracting the key areas in the balance of plant that is coal handling, ash handling, civil works, balance of civil works and some of the water packages and all. That is going to be there on a sub-EPC basis that is expected to give a significant opportunity of about INR8,000 crores to INR10,000 crores in the market. We are also looking at that opportunity.

The second aspect as you rightly asked is the normal subcontracting outsourcing, they do for the entire execution that is the civil, structural, mechanical all those areas. Based on the available market order what BHEL & L&T have got we anticipate an opportunity of about INR30,210 crores in ETC orders, civil orders and then structural work orders and L&T also has to subcontract main plant execution works and balance of plant and then some of the balance of plant works in civil, structural and mechanical works.

Therefore, from the power sector itself as far as our type of operations are concerned there are two opportunities. One is the traditional business what we are doing in civil, structural, mechanical works that around comes to INR30,000 plus crores including L&T and the new BOP concept, sub-BOP concept which BHEL is going to implement it in a couple of projects that is expected to feature an opportunity of about INR10,000 crores.

That is what we are aiming it and that is one of the reasons perhaps we will be bullish for the more ordering in the power sector this year and that will also lead to more opportunities in the O&M sector also.

Pritesh Chheda: How much is ordered out or this is yet to be ordered out?

S.K. Ramaiah: I think it is a progressive phenomenon what I can say is that at least about 70%.

Pritesh Chheda: And my last question is what is the scope of work in Kaiga 2 x 700 MW nuclear?

S.K. Ramaiah: Yes, Kaiga it is the 2 x 700 MW this one, the main work is in the plant, civil and structural works for the turbine island.

Pritesh Chheda: Okay and who has given you this order?

S.K. Ramaiah: NPCL, Nuclear Power Corporation Limited, is the Developer. Nuclear Power Corporation has given to BHEL, BHEL is the main supply and execution agency has give this order.

Pritesh Chheda: Turbine island and BHEL gave you outsourced orders and this is the first time order, right?

S.K. Ramaiah: Sir, first time we are taking nuclear because the type of work what is in the non-reactor side of the work that is on the turbine side, turbine island is similar to a power sector coal fired plant, the same turbine island features are there. Therefore, we are quite familiar with doing the structural, civil and then the turbine foundations and all those associated works.

Pritesh Chheda: Thank you very much.

Moderator: Thank you. The next question is from the line of Jainam Jain from ICICI Securities. Please go ahead.

- Jainam Jain:** Congratulation and great set of numbers. Sir, firstly I have made a couple of data points starting with unbilled revenue, mobilization advance and advances to subcontractors agreeing to work as of March 25?
- N. Nani Aravind:** Okay, you want the numbers, sir, breakup?
- Jainam Jain:** Yes.
- N. Nani Aravind:** Working progress is INR890 crores as of March 25. Mobilization given to subcontractors is INR20 crores and advance to subcontractors is INR200 crores.
- Jainam Jain:** Advance to subcontractors, sorry?
- N. Nani Aravind:** INR200 crores.
- Jainam Jain:** INR200 crores. And unbilled revenue is INR895 crores, right?
- N. Nani Aravind:** INR890 crores.
- Jainam Jain:** INR890 crores. And mobilization advance?
- N. Nani Aravind:** Mobilization advance given to subcontractors from the clients you are asking?
- Jainam Jain:** From the clients.
- N. Nani Aravind:** INR240 crores.
- Jainam Jain:** Okay, sir. And so, in terms of capex guidance for April 26, like last quarter, we are guided for INR750 crores of capex in coming 2 years. So, how much are we looking to spend in FY '26?
- N. Nani Aravind:** FY '26, maybe around INR500 crores we are planning, sir, both for washery and the regular capexes together.
- Jainam Jain:** Okay, so we will be raising that for that purpose. You are guided for INR500 crores of that addition in the last 2 years, right? For the next 2 years?
- N. Nani Aravind:** We have raised the QIP of INR240 crores earmarked for the equity, for the washery. Initially, we will use this money for the capex, and the debt will be added only limited, and Majority of the debt will be added next year. INR150 crore will be added in this year.
- Jainam Jain:** Okay. And, sir, initially, we had an order inflow guidance of INR12,000 crores for FY '25, and right now, as far as I understand, we have an order inflow of INR6,400 crores. So, can you highlight something on that part? Like, why have we missed out on that process?
- N. Nani Aravind:** So, this year, we are targeting around INR10,000 crores order inflow. We have a opening order value of 14,387, so another INR10,000 crores we are proposing for, order inflow during the year. So, around 25% of the revenue growth we are projecting for the current year, so, which is roughly around 42% of existing order,
- Jainam Jain:** Okay, sir. And, is there any update on the mining business side, on the KBP mining?
- N. Nani Aravind:** KBP mining, the mining equipment mobilization has been completed, sir, and OB removal also started from 15th of April. So, they're likely to generate the coal production from Q2 onwards.
- Jainam Jain:** Okay, sir, that answers my question. Thank you so much, and all the best.
- Moderator:** Thank you. The next question is from the line of Vinay from Hathway Investments Please go ahead.

- Vinay:** Just wanted to know, the waterworks problem that you're saying, receivables, is that localized to only UP Government, or is it a much larger problem?
- N. Nani Aravind:** Sir, all these UP-water projects are given under the Jal Jeevan Mission, 50% of the funds are supported by the Central Government, 50% by State Government. UP Government diverted funds to Kumbh Mela works, So, State was not able to allocate any funds during Q3& Q4 .
- And Central Government said Jal Jeevan Mission, initially, they have given timelines for 5 years to complete these projects, and which expired in November 24. During last budget, again, they extended for till 29, these timelines. So, the allocation of funds supposed to happen in April, May, due to this present ongoing situations in India issues with PAK and other things.
- There may be a delay in terms of allocation of Jal Jeevan Mission funds by central Govt. So, probably both central and state will allocate funds now. We are hoping that these funds will be collected during this next month.
- Vinay:** Yes, my question was, is this only with UP? Or do you have waterworks projects outstanding receivables from other places also?
- N. Nani Aravind:** **we are executing UP JJM** we are not operating JJM works in other states.
- Vinay:** So, it is the central fund that is spending, not the state fund?
- N. Nani Aravind:** State also, under JJM scheme, 50% fund supported by Central and 50% by State,
- Vinay:** So, if you can just tell us, from the unbilled revenue of INR890 crores, how much is pending due to waterworks? You said INR215 crores is for UP, for others, how many more?
- N. Nani Aravind:** No, we are executing waterworks only in UP...
- Vinay:** So, INR215 crores out of INR819 crores is for UP, for the waterworks? Secondly, your order book for the year, last year was how much? 17,000 something, right?
- N. Nani Aravind:** Yes, because there is a FGD non-moving order, which we removed it from the order flow and after removing that, it is 14,264, we have adjusted in the current order. And then after adjusting, 14,387 is the actual running closing order.
- Vinay:** That has reduced from 17,446 of last year. Or what was the figure last year? Similar figure.
- S.K. Ramaiah:** Yes, 17,362 to 14,387. Exactly.
- Vinay:** Okay. And what percentage of your total revenue comes from waterworks?
- N. Nani Aravind:** Waterworks approximately around 10%. Last year, it was 20%, sir. This year, we achieved around 9%.
- S.K. Ramaiah:** The total order value is INR2723 crores and then there is another additional order of INR699 crores on the O&M side. Now, O&M has to pick up once more connections are given out of and the INR273 crores, that is based on which yearly flow comes and we have completed around 1864 crores for the last three years.
- N. Nani Aravind:** So, this year, we achieved around 9% of the total turnover.
- Vinay:** Okay. Thanks a lot, sir. Thank you very much.
- Moderator:** Thank you. We will take our next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.
- Ankur Kumar:** Congrats for a good set of numbers. Sir, I wanted to harp upon the guidance for the next year. So, earlier, our guidance was INR7000 crores. Now, you are saying INR6500 crores.

Am I right, sir? And what is the, basically, is it like the Jal Jeevan which is causing us to reduce these estimates?

N. Nani Aravind: r. Actually, we actually planned last year around INR10,000 crores order inflow. We could not able to get the order inflow as expected due to general elections and other issues. Jal Jeevan mission water division side also there is no progress in allocation of funds due to various reasons,

And now, previous track record of the company is that we are executing 40% to 45% on the opening order value. So, based on that, we revised the value to 6500 level. And moreover, mining also, the off-tech arrangement is not happening at Tasra because of the outside washery capacities are not available.

So, we are conservatively considering this growth of 25% in line with last year growth of 25% So, the same range of growth we have projected.

Ankur Kumar: What is the order backlog right now, sir?

N. Nani Aravind: 14,387, sir, without MDO.

Ankur Kumar: Without MDO, okay.

N. Nani Aravind: Yes, plus INR972 crores value of orders we received during Q1. So, around 15,200 is right now orders in hand as of today.

Ankur Kumar: But this total order book that we have INR53,994 crores, when will this be executed, the rest part?

N. Nani Aravind: The remaining is the MDO order, sir. This is 25 to 28 years of period is there for the execution of that entire order.

S.K. Ramaiah: Actually, there are two aspects of this backlog order. One is the traditional business, what we are doing, that backlog is about INR14,387 crores. That cycle time will be -- the pending order cycle time will be somewhere between two to more than three years, generally. That's why 40% ratio comes from the revenue. Whereas, as Aravind has rightly said on the MDO orders, the two MDO orders, that have got a long duration period as a matter of mining and then selling the mine products for the coal, coking coal to the customers. That has got a longer period.

Ankur Kumar: Sir, this year we expect INR10,000 crores order inflow?

S.K. Ramaiah: That is based on the couple of developments. One is the huge order flow which has gone into BHEL and L&T and further orders are expected on the power sector because the government is keen to ramp up the thermal capacity to avoid the grid problems. Second is the perhaps expected this offtake which will come up in the infrastructure in railways and roads and then some of the private sector investments also is expected to come.

For example, Adani is making huge investments in power sector also and then JSW is making investments, JSPL is coming with the investment and then infrastructure, we expect the continued progress will be there. That is why because we had achieved, if you look at it, in 2023-24, almost INR7,850 crores. Therefore, the company has got that wherewithal to manage those types of orders.

That is why we have fixed order target of INR10,000 crores. Last year was an exception because of so many other factors.

Ankur Kumar: Sir, in terms of next year, that is FY27, what kind of execution do we expect to hear?

N. Nani Aravind: We are targeting 20%-25% of growth, sir, next year also. Roughly around INR7,800 crores-INR8,000 crores, we can expect to execute.

- Ankur Kumar:** Sure, sir. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Mudit Bhandari from IIFL Capital. Please go ahead.
- Mudit Bhandari:** Hi, sir. In terms of our MDO project, so firstly, whether our wash day which we earlier expected to complete in September '26, so whether that is on track? And secondly, for FY26, what amount of revenue for both MDO projects would we be able to get? So, I think earlier we said around INR300-INR400 crores. So, whether we will be able to achieve that?
- N. Nani Aravind:** Yes, sir. We are on track and we are targeting to complete the washery by September '26. So far, we have placed an order for INR120 crores of worth of machinery which we placed an order and the balance also we are following. So, the washery, major equipment designing completed and LOI already issued to the vendors. We are targeting to invest INR500 crores during the current year itself so that we can complete the washery by September '26.
- Mudit Bhandari:** Okay, got it, sir. And secondly, in terms of our debt, so you said we will not increase any net debt or from FY26, 25 levels to FY26. So, we can expect that net debt to remain stable. Is that right, on an overall basis?
- N. Nani Aravind:** Yes, sir. We are focusing on the realization of receivables from the water division and we want to reduce working capital utilization. This year already our utilization of debt is more than the last year and we will avail the term loan for the washery. utilization will be in next year, we will use QIP funds for the current year washery capex.
- Mudit Bhandari:** Got it, sir. And last one from my side, we said about sub-BOP work, which we expected to be an opportunity of around INR10,000 crores. So, I think earlier you were talking about core BOP project, which had around 50% of the total thermal power capex opportunity. So, roughly, would you be able to give rent that what this INR10,000 crores is what percentage of total thermal power capex?
- S.K. Ramaiah:** No, see, I told you, as the traditional part of the business, both L&T and BHEL comes to INR30,210 crores. And then, there is going to be some sub-BOP opportunities, which I am expecting at the, as of today, the reading can be a couple of, two, three projects can be there, because they have called the tenders for the Singareni also. Ukai projects, they have already awarded for the 800 megawatt BOP.
- And now the Korba West has come, which BHEL has taken a value of INR11,800 crores recently for 1,320 megawatt. And that is where we are expecting another INR10,000 crores from the sub-BOP opportunities and it can go up also based on what the BHEL can be on the same.
- But whatever is the balance, which has been already taken up -- and then the Adani portion of the orders, there is no construction which is done under the BHEL. It will be done by Adani directly, and we are working on that. We are, for about 4,800 megawatts of various ordering is in the process, and we have already taken orders from Adani for the new orders for their place on BHEL as a construction part of it.
- Therefore, L&T, they have to start the subcontracting work for their INR27,523 crores of ordering. That should be expected in a couple of months, it should start. Therefore, BHEL, it depends, one is on the BOP, I told you, and then on the traditional business, about INR30,210 crores. That is what as on today we are keeping a track.
- Mudit Bhandari:** Okay, got it, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Krupa Desai from Electrum Capital. Please go ahead.
- Krupa Desai:** My questions are already answered. Yes, thank you.

- Moderator:** Thank you, ma'am. The next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.
- Maitri Shah:** Yes, congratulations on the great result. I just have one question. For the MDO project, what kind of projections are we giving for the revenue for next year? Previously, we said around INR300 crores to INR400 crores of revenue. Are we still sticking to that guidance?
- N. Nani Aravind:** This year, we are planning around INR208 crores from the Tasra mine and INR64 crores from KBP mine. Both together, INR272 crores we are projecting.
- Maitri Shah:** And this will be over the INR6,500 crores of guidance that you've given?
- N. Nani Aravind:** Yes, yes.
- Maitri Shah:** Okay. Thank you so much.
- N. Nani Aravind:** It is a part of INR6,500 crores only, ma'am.
- Maitri Shah:** It is a part of INR6,500 crores. Anything over this will be added to the guidance?
- N. Nani Aravind:** Yes.
- Maitri Shah:** Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Vinay Nadkarni from Hathway Investments. Please go ahead.
- Vinay Nadkarni:** Just one question on this. You are saying there's some ongoing order in Bangladesh. What is the size of this order? And is there any issue on that because of the disruptions there? And how much have we executed already?
- S.K. Ramaiah:** No. Bangladesh, more or less, most of the jobs we have closed. There is not much to be done. And as of today, we are taking another look and looking at the situation. It's not so much of prospects to go into Bangladesh based on the present condition.
- Vinay Nadkarni:** So, no receivables outstanding there?
- N. Nani Aravind:** Around USD5 lakh receivables is there. The final bills are under process. So, we are expecting to receive these bills also by next couple of weeks.
- Vinay Nadkarni:** Okay. And these are unsecured receivables, no LC backing or anything?
- N. Nani Aravind:** Nothing, sir. It's a regular construction receivables
- Vinay Nadkarni:** And just one observation. If you can just look at your India map on your slide 11, I think you should correct it.
- N. Nani Aravind:** Okay.
- Moderator:** Thank you. The next follow-up question is from the line of Jainam Jain from ICICI Securities. Please go ahead.
- Jainam Jain:** Thank you for the opportunity again. Sir, on the page 27 of PPT, you have excluded FGD order value of 43 billion. Can you please help me with understanding why have you done that?
- N. Nani Aravind:** The implementation timelines for these FGD systems were revised by the Government of India time to time and regulatory approvals were also delayed. And the Ministry of Power issued recently also some directives that -- they extended the deadlines for FGD implementation to the year 2029. Because there is no non-movement of these FGD orders

and clients are also taking delay in terms of giving directions to us for execution of these projects.

So, we have taken adjustment of non moving FGD orders– after discussion and negotiations with the client. So, mutually we decided to remove the order book to the extent of non-moving orders are concerned. So, around INR4,264 crores order value of this Kawai, Tiroda and Mundra projects, we excluded from the order values.

Jainam Jain: Okay, sir. I got it. Thank you very much.

S.K. Ramaiah: Yes. Basically, Supreme Court has taken a decision because so many factors were there because of the complexity of issues in implementing new FGD orders. And one is the retrofitting space issues, then power purchase agreement amendments, all these things are there, and then technology issues, outsource, then supply chain.

Therefore, they have not extended the first time, many extensions have taken place up to November 2029. And obviously, the developers were having uncertainty on the power purchase agreement amendments because DISCOMS have to pay higher tariffs.

Jainam Jain: So, the order has not been cancelled, but it has been delayed for the next few years, after next few years, right?

S.K. Ramaiah: Yes. It can be revived, but as on today it is not in our books. And we are all trying to settle whatever work we have done. One project we are doing at Udupi, that work is going on INR936 crores. We have done about 40% of the work that will be done. But the rest of the projects, as Aravind said, that is not there.

Jainam Jain: Okay, sir. I got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Dinesh Kulkarni from Finsight. Please go ahead.

Dinesh Kulkarni: Sir, thank you for taking my question. So, my question is, as you mentioned, we are facing some issues with the water division. Do you think this is something like, I mean, it is going to impact the industry as such in terms of receivables or there are, in terms of like order, not enough orders that you were expecting earlier and this is going to persist for the next few years, or this is like a temporary phenomenon? What is your view on that?

N. Nani Aravind: It is a temporary phenomenon, sir, because the JJM timelines expired. So, the last budget has extended the timelines and but due to ongoing war issues with Pakistan there was delay in allocating funds by Central Government share of funds.

So, we are executing the projects and almost around INR425 crores worth of works already executed and pending for different stages of certification. Once the allocation of funds happens from both Central and State government, they will release the funds. It is a temporary phenomenon.

Dinesh Kulkarni: Okay, sir, that sounds great. So, but I would like to know more about in terms of the next three, four years, what is your view like will the allocation of funds will be there to execute these projects or do you expect a decline in the funds allocation itself in terms of like, what is your -- in terms of division or in terms of industry, what is your take on that?

N. Nani Aravind: So, this is a UP project specific issue and these projects almost we completed in we completed INR1,864 crores out of INR3000 Crores. And within a year, we can complete the balance works. Once they allocate the funds, we can speed up the works and we can complete this in a year time.

S.K. Ramaiah: But overall Jal Jeevan Mission this one status is that they have reached almost 80% of the outreach of the functional house staff connections required for about INR19.3 crores of households. Therefore, it is taken a good shape of that was UP was a specific issue, balance

20%. I think this government is determined to complete it, maybe another one or two years maximum.

Dinesh Kulkarni: Okay, but so we expect more work to come in this division or like this will be a stable, there is no growth you expect in the specific division for our company itself?

S.K. Ramaiah: As on today, there can be some opportunities because Southern states there is some backlog of house connectivity for the drinking water that we are looking at in some of the Southern states and also Maharashtra, Andhra Pradesh, Madhya Pradesh and then Tamil Nadu, that we will see to it as it is and when it comes we will take it up based on our experience.

Dinesh Kulkarni: Okay, sounds good. So, my next question is in terms of the capex, which you just mentioned that we'll be having some around INR500 crores for this year. So, but how do you expect for the next three, four years? Will it be this level or expected to come down once we have the MDO in place?

N. Nani Aravind: No, the regular capex will be around INR80 crores to INR100 crores year-on-year for regular business and for the capex for specific activity where we are planning to raise around INR450 crores term loan, The INR450 crores debt addition will happen in next couple of years.

Dinesh Kulkarni: Okay, sounds good. And my last question, maybe like I just want to know, like what in terms of management, are we expecting any succession planning in terms of increasing the bandwidth of the management? Because I know we're doing a lot of work. So, anything on those aspects?

N. Nani Aravind: The MD son Mr. Rohit, who is handling the operations of the company and also heading the business development and admin and HR functions of the company. Management wants to induct him into the board, during the current year.

S.K. Ramaiah: More than that we are also strengthening our organization, overall organization, of course, that is on the main thing what Rohit has taken the, lead role and is already doing substantial work on operations, business development, overseas operation is completely looking at it. And he's looking at the routine aspects also and supporting to the CMD, with the organization growth initiative also is there.

Because of the new opportunities that come in the infrastructure and power sector, we have taken some senior level people also. And there is a substantial augmentation in our manpower resources, both in our own regular manpower and the subcontracting manpower. What was about 34,335 headcount, including Power Mech and then the subcontracting labor has gone up to 37,295 by April 25, an increase of 8.6%.

And then O&M, there is because of the improved order backlog and all, the manpower headcount in O&M has gone from 14,069 to 18,296. Therefore, parallelly the organization strengthening is also going, some reorganization also is going to keep up to meet the specific customer requirements.

Dinesh Kulkarni: Okay, so that sounds great, sir. Maybe last question from my end, sir. See, we are seeing a lot of, things happening on the defense front in India, with whatever we have witnessed in the last couple of weeks. So, do we expect to do anything on this, in this industry, in this segment, from the company's perspective?

S.K. Ramaiah: I think defense is a little bit of, it's a high-end technology and a lot of technology input is required. And that focus is not there. What we are now focusing is the new energy businesses like battery energy storage and solar power. Certain projects, we are looking at it.

Third, battery energy storage, the government's plan is to ramp up the capacity to 50,000 megawatts by 2030, '32. There, we want to see as a developer and certain opportunities, we are also looking. And solar power also, we are looking at as an opportunity, as an investment also. That is our present plans.

- Dinesh Kulkarni:** Okay, so any, yes, inorganic path we are looking at, any acquisitions and stuff like this?
- N. Nani Aravind:** No, right now, there are no opportunities, sir. But non-power O&M side also, we are looking at. As of now, we are more concentrating on the power O&M. Large conglomerates and PSUs are also outsourcing O&M of metros, material handling systems, process industries, and airports, creating a more high. Potential opportunities are there. We are looking at this phase also to get more O&M.
- Dinesh Kulkarni:** Okay, so you expect next phase of growth from O&M itself, right?
- N. Nani Aravind:** Yes, O&M from non-power side also, we are majorly concentrating.
- S.K. Ramaiah:** Non-power, we are already working in certain sector division, like NMDC, JSPL, RIL and GMDC. And then water project, for example, UB water project also has got a, it is a non-power segment. It is also has got a 10 years O&M, which is built into the system, which we have started, as and when it gets commissioned.
- And then one of the areas we have entered is the township construction also. Recently, we have taken a INR972 crores from the Telangana generation company for the project in Telangana. Therefore, that is a new initiative we have taken.
- N. Nani Aravind:** And there are a lot of international infra opportunities also there. Middle East, particularly Middle East, Africa infra investments, they open up overseas ETC and O&M project potential, especially through local JVs, we can look at those international opportunities.
- Dinesh Kulkarni:** Okay, sir. That sounds great really. Thank you very much and all the best.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- S.K. Ramaiah:** Yes, thanks for the investment team and also our team here. I think the key takeaways are that, Company is looking for expanding the business in the O&M Infrastructure and then the new opportunities come in the Power sector, both for the new installation, BOP. And one of our new initiatives is in undertaking the Balance of Plants and doing complete job, that is because of the in-house strengths we are having in execution, substantial value to the company's operations.
- And then to focus more on the Middle East, because the investments are expected to come up in Middle East for the energy sector, which was down. Now, particularly in Saudi Arabia and then UAE and other Middle East countries, a lot of opportunities are coming up.
- And we are also looking at some opportunities along with Thyssen Group in the mineral and material processing, with the new investments coming from the Vedanta side and then NMDC and then many other developers.
- Therefore, overall, the growth momentum should be there except for the last year's, this one we had, and INR10,000 crores of order booking should be reasonably targeted in the current year, with more than INR30,000 crores of specific opportunities we are targeting as of date.
- Moderator:** Thank you. On behalf of Nirmal Bang Equities Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.