Date: May 5, 2025

The Manager
Corporate Relationship Department
BSE Limited
1st Floor, New Trading Wing,
Rotunda Building,
P J Towers, Dalal Street, Fort,
Mumbai – 400001
BSE Security Code: 531279
ISIN: INE238C01022

The Company Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata-700001
CSE Scrip Code: 10030166

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call held on April 29, 2025 to discuss the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2025

In continuation to our letter dated April 29, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Conference Call held on April 29, 2025, to discuss the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2025.

The same will also be made available on the Company's website.

Kindly acknowledge and take the same on records.

Thanking You,

Yours Faithfully,
For **Trishakti Industries Limited**

KIRAN JOSHI DAS
Digitally signed by KIRAN JOSHI DAS
Date: 2025.05.05 15:36:30 +05'30'

Kiran Joshi Das
Company Secretary & Compliance Officer

Trishakti Industries Limited
Q4FY25 Results Conference call

Event Date / Time: 29/04/2025, 16:00 Hrs.
Event Duration: 48 mins 08 secs

CORPORATE PARTICIPANTS:

Mr. Dhruv Jhanwar
Chief Executive Officer

Mr. Rajnish Mishra
Associate

Moderator

Ladies and gentlemen, good day and welcome to Trishakti Industries Limited Q4 FY '25 Results Conference Call hosted by Ventura Securities 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 * and then 0 on your touchtone phone. Please note that this conference is being recorded.

Before we begin, I would like to point out that this conference call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

I would now like to hand over the floor to Mr. Kaushal from ConfideLeap Partner. Thank you, and over to you, sir.

Kaushal Shinde

Thank you, and good day, ladies and gentlemen. My name is Kaushal Shinde from ConfideLeap Partner. We represent the Investor Relation for Trishakti Industries Limited. On behalf of Ventura Securities and ConfideLeap Partner, I warmly welcome you all to Trishakti Industries Limited Q4 FY '25 Earning Conference Call. The company is today represented by Dhruv Jhanwar, the CEO of the company.

I would now like to hand over the call to Mr. Dhruv for his opening remarks. Thank you and over to you, sir.

Dhruv Jhanwar

Thank you, Kaushal. So hi, everyone, this is Dhruv Jhanwar here, the Chief Executive Officer of Trishakti Industries Limited. So, first of all, I would like to warmly welcome you all to Trishakti Industries Limited's Q4 FY '25 earnings conference call. Today marks another important milestone in our journey, and I want to take a moment to reflect on the progress we have achieved together. As many of you know, Trishakti received commenced a strategic transition at the start of FY '25 when we shifted our focus entirely towards the heavy equipment hiring services business, a segment we believe who offers sustainable high margin and high growth opportunities aligned with India's booming infrastructure sector.

So, I'm pleased to share that in Q4, FY '25, we delivered another strong operational and financial performance demonstrating the robustness of our strategy and our execution capabilities. Our standalone revenue stood at INR 3.3 crores representing a quarter-on-quarter growth of 82.61% whereas our EBITDA came in at INR 2.28 crores maintaining a healthy margin of 68.99%. Most notably, our PAT grew significantly by over 1247% quarter-on-quarter to INR 1.79 crores, highlighting the high profitability of our heavy equipment rental operations.

During the quarter, we successfully achieved over 97% of our FY '25 CapEx target, investing more than INR 48.8 crores to expand and strengthen our equipment fleet. This investment not only enhances our operational capabilities, but also ensures high asset utilization and strong margins in the coming years. We continue to see full utilization of our fleet and with high quality planes, van lifters and other earthmoving equipment sourced from globally reputed brands. We are confident of sustaining superior performances.

We are also proud to have secured additional marquee contracts in Q4 further building on the trust reposed on us by leading corporates across sectors such as steel, railroads, construction and energy. Our strategy client relationships including those with Tata Steel, L&T, RVNL, the Jindal Group, KEC International, NCC and some more customers remain a key pillar of our growth story.

Looking ahead, India's infrastructure sector remains a powerful tailwind for our business.
With large scale investments in transportation, urban development, power and ports, we believe the shifting industries is perfectly positioned to capture the expanding opportunities. In FY 2026, we plan an even more aggressive CapEx of over INR 100 crores aiming to significantly expand our fleet size and widen our sectoral footprint across ports and coastal infrastructure.

We remain focused on delivering consistent revenue and EBITDA growth while maintaining high asset utilization and strong returns on capital employed, targeting an ROCE of in between 22% to 25%. Our ambition is to scale through revenues in between INR 90 to INR 100 crores by FY 2028, which is backed by robust operating profit margins.

In closing, I would like to sincerely thank all our stakeholders, investors, clients, employees and partners for their continued trust and support. The journey we have embarked on is just the beginning and we are excited about the tremendous potential that lies ahead for Trishakti Industries Limited.

With that, I conclude my remarks and open the floor for questions. Thank you, everyone.

Question & Answers

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

We will wait for a moment while the questions assemble.

The first question comes from Jayesh Shah from Shah Investments. Please go ahead.

Jayesh Shah

So, congratulations on a good set of numbers. I have a few questions. The first one is, sir, despite your 100% utilization on FY '25, how do you plan to ensure similar utilization rates after doubling your CapEx to 1,000 million in FY ‘26, especially given project ramp up timelines?

Dhruv Jhanwar

Okay. So, basically what we are planning is that we are not focusing on the lower tonnage machines. The market is extremely saturated for the lower tonnage machines where there are thousands and thousands of equipment’s which anyone can buy because the ticket size is very small. So, we tend to only buy those machines which are anywhere between 100 to 250 ton for the very start. So that is something where the entry is not very easily possible for majority of the players because the machine cost is more. So, to do further CapEx also and to keep our fleet utilization at 100% is easier for us if we are dealing with higher tunnel machines.

So by using this strategy, we believe that it is easier for us to first of all maintain the manpower, which is a very significant thing in this business, because you have to consistently talk with the operators, labor, the helpers, everyone. So, it is easier to do the man management as well if you are going for higher tunnel machines. Because 20-ton, 30-ton machine, you will have to employ 4 people, 5 people and even in a 250-ton machine you will have to employ 4 to 5 people. So this is the reason why we are expecting good fleet utilization because our business strategy is specifically to go for medium and high connection.

Jayesh Shah

Okay. And the next question is what proportion of the 1,000 million CapEx in FY '26 committed versus exploratory or contingent on future orders? Could you break it down into green types or customer segments?

Dhruv Jhanwar

See, I cannot break it down to customer segments because we are currently serving two very large machines in the Jindal Group with KEC International, with ITD Cementation, with Adani Power, NCC. So it's very tough for me to segregate those groups. But in the coming years, right now, we are only focusing on the blue-chip companies. So it is very easier for us to maintain relationships with the blue-chip companies, but they mostly take 250 ton, 300, 500 ton machines. So that is the reason why we want to stick with them only. This is how we are planning our CapEx in the coming few quarters.

In H1, we are planning around 25% to 30% and the remaining in H2, but no such thing like we'll be referring to one single or just a few clients. We are continuously getting multiple RFUs every single day. We, on an average, we are able to get around INR 20 to INR 25 crores worth of RFUs every single day from our existing clients. So until and unless we are able to fulfill those, we don't want to go outside our current client.

Jayesh Shah

Okay. Sure. Makes sense. Thank you. And my next question is like the consultancy and commission business grew significantly in this financial year. So what's the revenue contribution target from this vertical in FY '26, FY '27? And how strategic is it to your core rental business?

Dhruv Jhanwar

Yes. So basically, as everyone knows in the previous quarter itself and the previous con-call, we had stated that we are hoping that the decline in our revenue will stop from Q3 onwards because all the other segments we have faded it off. So now if you see in this quarter segmental results as well, we will be able to see that we are only focusing on the equipment iron business, the heavy equipment iron business. So, everything else has been stopped from our side because the previous management was different because management is different, the company is totally restructured with an infrastructure phase on earth. So, in FY 2026, we are only focusing on heavy equipment and not only FY 2026, all the coming quarters from here, be it five years down the line, seven years down the line.

Jayesh Shah

Okay, sure. And one last question. So, can you provide visibility on Autobot cost, signed contracts supporting FY '26 and FY '27 revenue forecast? So specifically, how much of FY '26 revenue was already locked in? And talking about your partnerships with L&T, Adani and Tata Steel, what is the client retention rate and are you moving from transactional to annuity style revenue?

Dhruv Jhanwar

Right now, we are at an ARR of around INR 22 to INR 24 crores already. So, we have that much revenue locked in with us, but this is something which the contract sizes are very medieval. Some companies give us a 3-month contract, some give us a 6-month contract, some give us a 12-month contract. So in our books right now, we are at an ARR of around INR 22 to INR 24 crores. So, like this is the revenue which we already booked for the next year. Now, it is up to us that when and where we do more CapEx. So, this business has a lead time of around 1 to 1.5 months. So generally, if you go for higher tunnel machines, you have to import those machines. So those machines also take around 1 - 1.5 months to actually reach India and then it takes another two weeks to get delivered to the client side and then all the small things like TPI and everything is done in the next three to four days.

So generally, it takes 1.5 to 2 months is the lead time for this business. So if we are able to do more CapEx in H1, then obviously we can expect the revenues to go up significantly higher in the overall FY 2026 P&L. But it all depends on when the machine reach and when it is actually transported to the clients. So this is a very variable thing, so I cannot comment more on this. But just to give you a good outline picture, this is how this industry is working as of now.

Jayesh Shah

Okay. Sure. That answers my questions. Once again congratulations on the good set of numbers and all the best for the coming financial years.

Dhruv Jhanwar

Thank you so much Mr. Shah, thank you.

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

Next question comes from Rahul Arya from Tyche Capital. Please go ahead.

Rahul Arya

Sir congratulations on a good set of numbers, Mr. Dhruv. I had just one question to ask from the management. Sir, can you give a broader perspective of the company 3 years to 5 years down the line? How are we going to plan out? Because we just started building on assets and all. And, can you just give highlight something on that part?

Dhruv Jhanwar

Yes. Yes. Of course. So, see, basically, our payback period for the machine which we purchase is around 3 to 3.5 years. So, if I'm doing CapEx in FY '25, I'll actually be able to generate good cash flows and everything in FY '28. So that is the time when our company will be a turnaround thing. Right now, although we are doing a lot of CapEx, but the real fruits will be with us in FY '28, '29, and '30. So that time we are expecting our cash flows and part to significantly increase. So, this industry is like that to the very CapEx heavy industry, you have to invest a lot of funds and for the first 2, 3 years, the payback takes time to come, it takes 3, 3.5 years. So once that payback actually starts coming into your books, that is when you can do an insane amount of CapEx in FY '28, FY '29, FY '30, everywhere.

So, like if you make a manufacturing plant or if you want to set up a factory. So it is obviously it is not possible that the day you think and the day you start, you will be able to, earn money from that very day. So, in our industry also, right after the payback period is done and the machine is free of financing from the banks, then the real thing starts. So, in FY '28, '29, when we'll be able to generate that amount of cash flow, then we will be having many kinds of avenues like if we want to do the efficiency, excellent commissioning work by us only. So that time, our plan will actually help us to take those kinds of big contracts as well. It will also help us to enter into machineries where the tonnage of our crane is 1,600 metric tons, which is 1,200 metric tons, 1,000 metric tons cranes. Those single cranes are worth INR 50 to INR 100 crores. So, once we are able to get ourselves into that kind of our, like, get ourselves into those tools, then it will be easier for us to work.

Rahul Arya

So just another thing that's only done. So how are you planning the next cycle of growth with the public financially?

Dhruv Jhanwar

When it comes to the total CapEx, right now, we have already booked as I said in the previous answer, we have already booked INR 22 crores to INR 24 crores worth of revenue for this year. So, if you actually see, we will be able to generate around INR 8 crores to INR 9 crores or maybe INR 10 crores of cash flow from this particular revenue. So that will be reinvested into the business to purchase further machines. Right now, if you see, we just recently started taking debt, so we don't even have much credit limits as of today. It's even been funded by ourselves only.

So, this is also now coming to the future, we'll be able to maximize our debt and that will actually help us to buy more and more machines and this is how we are planning to get it done in the next 2 to 3 years. In now, we have not taken a lot of debt, so slowly and steadily we'll be going forward with it.

Rahul Arya

Ok sir, thank you sir.

Moderator

Next question comes from Yashovardhan Banka from Tiger Assets. Please go ahead.

Yashovardhan Banka

Thank you for the opportunity. Sir, I wanted to ask if you're looking for any kind of inorganic growth led by acquisitions?

Dhruv Jhanwar

Can you please repeat your question once again?

Yashovardhan Banka

Are we looking for any sort of inorganic growth like acquisition led inorganic growth?

Dhruv Jhanwar

Oh, no, no. Not as of now. Because we firstly, as I told you that all these things will come into the picture in FY '28, '29 and at least for the first 2 years of CapEx. So, the first two years of CapEx, which we do, when those machines are actually financed free and the full cash flow comes into our books only, then is the time we will do all these kinds of things which you're saying, because those things actually need liquidity like you need a lot of liquidity for that. We will surely, we will be thinking about it, but right now is not the time.

Yashovardhan Banka

Right. Okay. And sir, in the PPT, I have which is going through and I found, I mean, financial targets that were developed pretty aggressive. So, these must be backed by demand that is seen at your end. So, can you just price of where we are seeing major demand as to the geographical mix as well?

Dhruv Jhanwar

Right now, we are seeing an insane amount of demand, but the demand is not in our hands obviously. And geographically, if you want to know them, Odisha is the biggest hub, because in Odisha, it is the manufacturing hub of India and Gujarat as well. So, if you want to give me an I'll give an example on Odisha. So, Tata Steel, Jindal all of them have extremely big plants in Odisha, in Kalinga Nagar and Angul, so those plants are having capacity expansions. So I'll be giving you an example that one capacity expansion needs more than 200 to 300 machines of all high tunnel machines.

So the demand is not the issue for us right now. The issue is that we get payment on time and we are able to buy newer machines to get more CapEx done. So that is a good issue to have, which we have right now. So, demand is obviously not an issue from our side. And we are already seeing that all the metal, all the steel industries, they are having the capacity expansion of more than 200%, 300%, 400%. So, everyone has started their first phase of expansion in FY '26. So obviously these expansions will take around 35 to 38 months if you want to build a new SMS plant or something like that. On an average, they will be taking 40 months to end with their expansion. If you see then the demand for the next three years is insane. So this is how we are looking at the picture right now.

Yashovardhan Banka

Got it, sir. Thank you. So, one last question. So, we are expanding our fleet size to say about 150 in the next 2 financial years. So, when do we expect utilization to reach around 90%, 95%?

Dhruv Jhanwar

See, this is something which is very variable. This is something which I cannot comment on right now, because 90%, 95%, percentage utilization we hope that it never comes, but, right now, we already have contracts signed till December. Right now, we will be seeing 100% field utilization. But in future, maybe 3 years, 4 years down the line, I don't know how the market is going to be that time. But we are hoping that if we only stick to our strategy of being in a hybridized machine, then it will be easier for us to maintain a good fleet utilization.

If I go for very small escort machines and all, this is like 20 tons, 13 tons machine, then obviously it's very difficult for me to get contracts over the door and for taxi jobs. So, if we focus on the medium and high tunneling machine, then the fleet utilization should be nice.

Yashovardhan Banka

Got it, thank you sir.

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

The next question comes from Raj from Arjav Partners. Please go ahead.

Raj

Sir, you have said on your PPT that you are doing a CapEx of around INR 400 crores from FY '25 to FY '27. How are you going to fund this?

Dhruv Jhanwar

We are majorly landing on the internal accruals of this. In the first year of business, we had more than 50% ownership in our machines. So, we have a very heavily cash flow auditor. So, for us, we are depending on the internal accruals as of now. So, this will help us to do CapEx consistently rather than doing it just in one single month. And another thing is that we have not used any banking limits or anything like that. Everything has been extremely organic. So we will be monetizing those things as well in the upcoming quarters or maybe the upcoming few months.

Raj

Okay. So how much effect would be from debt? Can we expect 50-50?

Dhruv Jhanwar

Fifty-fifty is a not actually, because like, having 50% equity in the machines from day one is not easy, because once you block your fund, you are getting it back after 3 years.
If you see on a technical basis, say in the industry generally people try to put only 10% to 15% of equity in the machine. We generally put around 30% equity in our machine so that we are cash flow positive, because we don't want to do something to first quarter when we are doing all the CapEx and then slowly, we are able to do CapEx. So, what we tried and we want to go for positive progression that in the first quarter, whatever cash flow I'm getting, I'll be reinvesting that cash flow only.

For second quarter, I'll be getting a little bit more cash flow. So that cash flow again we reinvested into the business by taking or like by doing tech. So, if you keep doing this on a compounding business, then it will be easier for us to show good linear growth, consistent growth.

Raj

All right. So out of INR 400 crores you are expecting INR 300 plus will be from that, right?

Dhruv Jhanwar

Yes. Approximately, 13% is something which we are starting to, but of course if you see on a technical basis, INR 400 crores CapEx, what exactly happens, but when you suppose if I buy a

250-ton machine right now, obviously by the end of the year, the repayment is already done around 20%. Right? Yeah. So, getting the exact rate number is on technical terms is not possible. Because once our sales grow to that very level, our monthly repayment of the debt will be significantly higher than what we are going through right now. So, it's very difficult to give a exact proper answer in the future.

Raj

Understood. And sir, who will be our biggest client?

Dhruv Jhanwar

See, we try to keep our revenue in a very good mixture. So, we have got Jindal gives around 20% or 15% of our revenues. KBC gives around 30%. Adani gives around 10%. L&T gives around 6%, 7%. So, these are numbers which is, and I'll have to check, but this is the rough estimates. So, we try to keep a good mix where we don't want more than 25% revenue coming from one single client. But since in this industry, that is also not a bad thing because if I'm getting a extremely huge contract from one company itself, then the whole plant is supposed to be made by me. Then it is not a bad thing. But on a broader perspective, we still try to keep it under 25% for one particular client.

Raj

Understood. And, sir, which part of India do we majorly operate?

Dhruv Jhanwar

Right now, we are operating majorly in Orissa and, in Punjab, Haryana as well. These are our major sites. We operate pan India business, but these are the few major sites which are going on right now.

Raj

And sir, we have a plant property and equipment of around INR 36 crores, right? Can you give me the composition of this?

Dhruv Jhanwar

Yes, around INR 26, INR 25 crores are in hydraulic cranes and, sorry, crawler cranes and truck mounted cranes. We have around INR 15 crores, INR 13 to INR 15 crores of AWP as well. And, actually, a lot of our money is logged in GST right now. So once that money also starts kicking in, that will be easier for us to do more CapEx.

Raj

Alright. So, I just skipped the part on the INR 25 crore composition. INR 25 crore composition is for hydraulic cranes and crawler cranes. Right?

Dhruv Jhanwar

Yeah. Both of them, so INR 25 crores are for the crawler cranes and hydraulic cranes and the remaining are AWPs, the aerial work platform. We are very aggressively purchasing these two machines a day, like these two segments only. And in the upcoming quarters, you'll be able to see drastic change in these values as well.

Raj

Alright. And sir, how much money is logged in GST?

Dhruv Jhanwar

It's around INR 7 crores or so. That money is also logged in GST, so we are getting it only on a monthly rate. I believe that rough estimates, but it should be around that only, plus minus INR 50 lakhs or so.

Raj

Yes. And sir, as we do the CapEx and as we get good core contracts, are we expecting EBITDA margin to sustain at this point?

Dhruv Jhanwar

See, in our guidance also we had said that right now the machines are brand new machines. So, it's easier for us to get 70% - 75% EBITDA margins. But eventually, when our machines will require maintenance, which is a long time, it is a minimum 3 to 4 years down the line. So that time, the EBITDA margins on those machines will come down to around 65%. And now it is easier for us to calculate the EBITDA margin since it's brand-new machine, but in future 3 years, 4 years down the line, it will come to 65%.

Raj

Thank you, sir, all the best.

Moderator

Thank you. Next question comes from Tanisha Yadav from Keynote Capital. Please go ahead.

Tanisha Yadav

Yeah. So, my question here is, the presentation mentioned a shift towards equipment leasing and an equipment rental market growth growing. At 16% to 18% CAGR, how is Trishakti positioning itself to dominate this trend?

Dhruv Jhanwar

Right now, equipment rental business in India, recently I was reading an article on LinkedIn, it was around $4.1 billion only in India. So right now, it is a very unorganized market. So there is room for everyone as of now because the number of requirements we are generating every single day, not even every single quarter, every single day, we are not able to fulfill those requirements. So, if we are only not able to fulfill the requirements and penetrating the market is a different thing altogether. So, for us, right now, it is like as much demand is coming to us, we are trying to fulfill as much as possible. But it's a very big market and there is room for other players as well.

But we are trying to make a niche in this market that the medium and the higher demand machine, we are trying to penetrate those markets in which not many players are there currently. Okay. So this is something which I feel that will be a positive thing which we are trying to do on this particular aspect.

Tanisha Yadav

Okay. No worries. Okay. So then my second question is what are the key differentiators in your equipment quality, services, model or technology adoption that justify premium pricing or higher utilization?

Dhruv Jhanwar

Yes. So, see, there are a few different brands, of machines, few different OEMs. So now if you see the best machines possible to buy in the European machines, but those are not very much possible to buy in India because their cost is so much that the Indian clients are not willing to give that much amount of premium. I think for some machine to buy, right now is I feel it's Seni is a very good brand, Seni India. So, their machine's cost is little bit more, but the quality is very nice. They are generally if my machine is hypothetically, if my machine is weighing 50 tons, then their competitors' machines are weighing anywhere between 40 to 42 tons.

So if you see logically, they are charging you 20% to 25% more premium, but people, the blue-chip clients like Tata, Jindal and all, they want those machines only because for them it is very important like the site safety is very important for them. So that is the reason why we feel that the machine we are purchasing is very is the differentiating factor for us and thus all our machines are absolutely brand new, 2024 and 2025 made machines. So those machines are way more advanced than the previous generation machines.

Like the AWPs we are buying that has got all these kinds of ultrasonic sensors and all which 5 years down the line, like no AWP hardware kind of things. So these are those things which actually differentiate us. In future, hybrid cranes are also coming in. We are looking to purchase both also in future. So these are the few things that we are trying to make a differentiating factor from our competitors or peers.

Tanisha Yadav

Ok. Thank you so much for answering my questions.

Dhruv Jhanwar

Sure.

Moderator

Thank you. Next question comes from Nikhil Gala, an Individual Investor. Please go ahead.

Nikhil Gala

Congratulations, sir, on the good set of numbers. I just wanted to know about the EBITDA margin that we have just posted that we will have 70% to 75% of EBITDA margin and we did not reach there. So what's the problem coming to reach that EBITDA margins?

Dhruv Jhanwar

There is no problem coming in honestly. Like these things take a bit of time actually because in the when you buy new machines, then in that particular quarter, there is a few cost also involved to get the machine from one place to another. And these are a few things which even I cannot help. But in future, like in the coming quarters, we will be able to get into that range. So right now, this will be, this is why our operating profit margins are short of 1%. That is something which we will be in the next few quarters.

Nikhil Gala

So in FY 26, can we see this margin coming live 70%-75% of the margins?

Dhruv Jhanwar

Yes, of course. We'll try our best and we are hoping that it will be done.

Nikhil Gala

And sir, I just missed out on the utilization percentage. Can you just repeat it?

Dhruv Jhanwar

We are at 100% free utilization as of now.

Nikhil Gala

Ok sir, that’s it my questions was.

Moderator

The next question comes from Kajal Shah from Arora Fintech. Please go ahead.

Kajal Shah

So, my question is that, you have completed 97% of the FY '25 CapEx target, which is 400 million. So, could you provide clarity on the pattern and composition of the planned 1,000 million CapEx for FY '26? And how exactly this will be utilized for business?

Dhruv Jhanwar

Can you please repeat your question once again with a bit more clarity? Are you asking that, how this CapEx of INR 100 crores is good to reach? Like, how will we be able to do it?

Kajal Shah

Yeah. Like, how exactly this will be utilized?

Dhruv Jhanwar

Okay. Yeah. So, basically, right now, I've heard, I think I answered this question, I think 2, 3 questions before me. So, basically, our logic is that already we have moved around INR 22 crores to INR 23 crores worth of revenue for FY 2026. So as and when we keep getting those revenues, we'll be able to generate around INR 8 crores to INR 10 crores worth of cash flow from these activities and this will actually help us to do further CapEx. Again, and one more thing is that right now we don't have any kind of credit limits or anything, but in the next few months we'll be getting those things with the bank as well and that is how we'll be able to reach a ticket of INR 100 crores. So right now, we are very under leveraged, but slowly and gradually, we are taking on debt as well, and we are trying to max out our debt. Because as everyone knows that this is a very debt heavy business, so the payback period is 3 and 3.5 years. So we have to maintain a certain amount of debt as well so that in 3, 3.5 years, we are able to generate, like, make our machines totally bank finance free and then we can enjoy those cash flow and then further expand.

Kajal Shah

Okay. And with 100% fleet utilization in Q4, are you currently turning our business due to capacity constraints? And if so, how are we driving fleet expansion?

Dhruv Jhanwar

How are we? Can you please repeat the last part again? You're also -- it's breaking, I think. What was the last part of your question?

Kajal Shah

Okay. I was not audible. I'll repeat. I mean, just now 100% fleet utilization in Q4, are you currently turning our business due to capacity constraints?

Dhruv Jhanwar

Yes. See, right now, our priority is to fulfill the current orders that we have. So right now, we are in 100% field utilization. In future also, we want to be at 100% field utilization because at this point of time, we are trying to go for a larger duration of the contract so that the revenue growth is consistent in our company. So, this is one more thing which I wanted to mention that if we are able to get the longer-term contracts, it actually helps us a lot to grow from quarter-on-quarter perspective.

Kajal Shah

Thank you for answering.

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

We have a follow-up question from Jayesh Shah from Shah Investments. Please go ahead.

Jayesh Shah

Yes. Another a couple of questions. So, given the strong relationships with our marquee clients like L&T, Adani and ONGC, are there any new large contracts in the pipeline for FY '26?

Dhruv Jhanwar

Yes. But actually, we cannot disclose those contracts which are already working on because those contracts are not on paper yet. But we do have global discussions with a few market clients where, we are working on a few sites where we can get single vendor sites. So like, suppose, hypothetically, a large client comes to me, like a 50-50 company comes to me and they tell me that they are doing a very big capacity expansion in one of their plants. So we want all the equipment's from you only because everyone likes it when there will be one person to contact in regards to one particular segment. So we are currently working on these things, but we cannot disclose those things as of now. But, yes, of course, in future, when we are able to get those on, we all will surely know about it.

Jayesh Shah

Okay. So, and one more. With the stated focus on ports and coastal infrastructure, so what's your plan for entering in these verticals? Any only traction in the same?

Dhruv Jhanwar

Yes. So, see, right now, ports are doing very well, like, very, very well. There are new ports, being created across India. So right now, we have already started working in ports. Around, 4-5 of our machines are working on ports right now. So, we have already entered this segment. And in next few months, we are expecting a huge requirement from the port companies as well. So, we have already started working, but as and when we keep on expanding, you all will get to know about it.

Jayesh Shah

Okay. So, and last question is, how are we like, doing with respect to our peers, if any, if there is any apple-to-apple peer, if I may ask, in terms of margins?

Dhruv Jhanwar

See our margins as of now is better than our peers because our peers have not been doing a lot of CapEx recently. But, in this one, like our machines are absolutely brand new, so that actually helps us to keep good and healthy EBITDA margins. But in the future, as I told you that, there is a very unorganized market. There are very, like, there is a very large market. It's very unorganized. It's very difficult for us to track our peers. But, yes, of course, we feel that, our EBITDA margin there of now is at a very good healthy level. So, it should scale like that and we are trying to improve on it as much as possible every single day.

Jayesh Shah

Okay. Sure. Thank you. That’s it from my side. All the best Once again

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

We have a follow-up question from Raj from Arjav Partners. Please go ahead.

Raj

I just want to understand the economics of the business. So how much is the cost of one crane, for example, if we take a hydraulic crane?

Dhruv Jhanwar

See, the cost is very variable. I cannot disclose the cost because every person gets a different cost. So, on social, like on platforms like on call and all, I cannot disclose every machine's cost. Maybe one of my competitors can be getting it at maybe 1 lakh and I'm getting it at 95,000. And this is something which is a very sensitive thing which we cannot disclose. But when it comes to margin, I can tell you that on the gross block, whichever we do, is we are able to generate a blended deal of 2.2% to 2.3% on the gross block.

So, if I'm buying INR 10 crores worth of crawler crane or hydraulic crane, I'm able to generate INR 22 lakhs of EBITDA every single month and on a revenue basis I'm able to generate around INR 31 lakh to INR 32 lakhs of revenue every single month.

Raj

Every month. Alright. Okay. Once you buy a crane and give it on rent, what is the major cost? What is the major cost?

Dhruv Jhanwar

Yes, major cost or dealer cost, I cannot hear you.

Raj

Major cost.

Dhruv Jhanwar

Okay, major cost. Okay. So major cost is only the salaried of the operators who are actually running the machine. Those are the major costs and some of the maintenance also. So that 30% of the cost, which is like we have 70% margin, then the 30% of the cost is actually the salary of the operators and the helpers and the safety guys we put on the side and little bit of the maintenance like the engine oil, the oil filters, all those kinds of things. So that 30% breakdown is decent.

Raj

Alright. Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

Moderator

Thank you. There are no further questions. Now, I hand over the floor to Mr. Dhruv for closing comments.

Dhruv Jhanwar

So, thank you everyone for joining the con-call today. So probably in the coming weeks, I will be traveling to Mumbai for a few meetings. So, if, anyone of you all want to meet or anything like that, then you can, then you can communicate with our IR team who can find you partners, and we can schedule an in-person meeting as well.

So, I would like to thank you all for staying connected with us, and it really means a lot that a lot of people have showed up for the con-call today. And this means a lot to a company like ours who are going into good transitioning. So, this shows like this gives us great confidence to work even harder for our shareholders. Thank you so much, everyone.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation. You may now disconnect your lines. Thank you, and have a good day.

Note:
1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.