



VISHNU PRAKASH R PUNGLIA LIMITED

ENGINEER, CONTRACTOR & DESIGNER

An ISO 9001: 2015 Certified Company

February 11, 2025

To, BSE Limited Phiroze Jeejeebhoy Towers, 21 st Floor, Dalal Street, Fort, Mumbai – 400 001 BSE Scrip Code: 543974	To, National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 NSE Scrip Symbol: VPRPL
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Sub: Transcript of earnings conference call held on Tuesday, 4th February 2025.

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/Madam,

Pursuant to clause 15 of Para A of Part A of Schedule III with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed transcript of earnings conference call held on Tuesday, 4th February 2025 at 4.00 PM (IST). It is also available on the website of the Company at www.vprp.co.in.

You are requested to take the same on record.

Thanking you

For VISHNU PRAKASH R PUNGLIA LIMITED

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Vishnu Prakash R. Punglia Limited
Q3 and 9 months FY25 Earnings Conference Call
February 04, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Vishnu Prakash R. Punglia Limited Q3 and 9 months FY25 Earnings Conference Call. As a reminder, all participant lines will be in 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 * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you ma'am.

Nupur Jainkunia: Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the investor relations of Vishnu Prakash R. Punglia Limited or VPRPL. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the third quarter and nine months ended financial year 2025.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any due reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Manohar Lal Punglia, Managing Director; Mr. Jayant Punglia, Project Coordinator and Mr. Sarfaraz Ahmed, Chief Financial Officer of the company.

Without any further delay, now I hand over the conference to Mr. Manohar Lal Punglia. Thank you and over to you, sir.

Manohar Lal Punglia: Thank you, ma'am. I welcome all present for this Q3 and nine months ended FY25 earnings conference call. For those who are not familiar with the company, I am starting with the most detailed description of the company. VPRPL was established in 1986. We are an infrastructure

development company which has presence in 10 states in India including Rajasthan, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Haryana, Gujarat, Maharashtra, Assam, Manipur and Goa and also in the union territory of Daman. We have wide experience of working on various projects under government, local companies, public sector companies, global banking institutions, and private institutions in the EPC model. 13 Punglia family members and more than 110 engineers and other experts are working together to improve the performance of the company with their efficiency, commitment and hard work. The company is helping the government in their various development progress of the nation with the help of the EPC model. We are working in different verticals. Through Drinking Water Supply Scheme the company has approximately 77% contribution of the company's revenue in the last year towards their contribution to implementation of various government projects. In this year in the 3rd Quarter this business has contributed 75% of work in the company's revenue. In these involves works like water storage tank, reservoir, water treatment plant, overhead tank, pump house, etc. are involved in making the pipeline, and installing machinery etc. In Railways, we had a contribution of 12%, that involves works like laying railway lines, making railway stations, Platform, bridges and similar works. In the southern area we had a contribution of 7% in company's revenue. In this year Q3 we had a contribution of 8%. That involves roads, highways, flyovers and aviation sector is also involved. In the sewage sector, sewage treatment plant, sewage line etc. are involved. Network, irrigation and other related work through which we are planning of expanding the irrigation business. For this we have construction related around 550 vehicles and all types of modern technology. Company turnover ending December 2024 quarter is Rs. 241 crores. The turnover of December 2023 quarter it was around Rs. 242 crores, the nine month of the financial year more than Rs. 825 crores was approximately 2% more than the total turnover of 816 crores. In the similar quarter 2023, the turnover of the same was Rs. 2crores, whereas in the same TMI,. In Q2 FY2024 the company's turnover was Rs. 825 crores, the turnover was Rs. 335 crore, where as in Q3 it was Rs. 241 crores. The reduction is mainly because of the delay in allocation by the water department. The program of Jal Jeevan Mission the Center Government has been increased it to 2028 in this budget and is now being provided to the central budget. In the coming time, chances have increased that the company will be able to complete the work. There also chances of increasing the turnover of the company.

The company's focus is currently on producing in-house manufacturing related materials through backward integration. There will be lot of savings in procuring the raw materials in this way in that especially ready mix plant, material testing laboratory and machine repair workshop. This types in-house capability of building without compromising the quality we are capable of reducing the capital expenditure for the project. problems had come before us earlier also and we have successfully overcome them. With the company's 38 years of experience, the development of its own machinery and the implementation of the latest technology we will overcome these challenges successfully. By December 2024, our order book was of Rs. 5,125 crore. In the meantime, this year as of December 2024, the company has

received a new order of Rs. 1,333 crore.. It will be implemented in next 24-25 months. In the new orders, the water supply is around Rs. 343 crores and railway is around 864 crores.

Our company is involved in new tenders in various areas. Road, sewerage and other civil works comes at around Rs. 126 crores. We company is fulfilling the tasks that are assigned by various agencies utilizing the human and machine resources to the utmost efficiency. I am confident that we will be able to fulfill our objectives with the help of our long-term experience and facilities and will live up to your expectations. Thank you all for believing in the company.

Now I invite our CFO Shri. Sarfaraz Ahmed to discuss the financial results.

Sarfaraz Ahmed:

Thank you, sir. Good afternoon, everyone. Starting with the third quarter of financial year 2025, our revenue from operation stood at Rs. 241 crores which decreased by around 0.5% year-on-year basis. The EBITDA is reported at around Rs. 28 crores which decreased by around 19% year-on-year with the EBITDA margin reported at 11.42%. The main reason the company incurred substantial upfront expenditure on new projects awarded on mobilizing resources procurement of materials and initial project execution. Since these projects are still in the early stage, the incurred cost impacts the current quarter's margin. However, the revenue from these projects are expected to materialize in the upcoming quarter, which will result in significant margin improvement.

Net profit for the quarter stood at around Rs. 4 crores, which has declined by 78% year-on-year basis. PAT margin for the quarter stood at 1.62%. Our main reason is delayed payments from the clients or departments resulted in companies to secure external financial support from bank or financial institution, leading to additional interest cost and affecting the profitability.

Now coming to the financial highlights for the nine months of the financial year 2025. Our revenue from operations is at Rs. 832 crores marking a year-on-year increase at approximately 2%. EBITDA was around Rs. 110 crores representing a year-on-year growth of around 5%. With EBITDA margin 13.19%, net profit for the 9 months was approximately Rs. 42 crores reflecting a 23% decline year-on-year basis. The PAT margin stood at 5.09%.

Now I request Mr. Jayant Punglia to provide the operational highlights for the quarter under review.

Jayant Punglia:

Thank you, sir. Good afternoon, everyone. The company has successfully secured new orders worth Rs. 1,333 crores during the current financial year, reflecting strong business growth and with that the total order which stand at approximately Rs. 5,125 crores as on 31st December, 2025. The company was granted legislation under the RDSO vendor directory for the fabrication of steel bridge girders which will enhance the company's network integration, reduce dependency on external vendors and improve operational efficiency. The company has a strong pipeline of new bidding opportunities. Potential orders worth around Rs. 4,500 crores

are expected to be finalized in the coming months positioning the company for the continued growth. The company remains committed to business expansion by actively bidding for new projects to sustain a healthy and growing order book, ensuring long-term business stability.

With this, we can now open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourselves from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue begins. The first question is from the line of Subhash B. from Value Investment. Please go ahead.

Subash B.: The FY24 revenue was Rs. 1,474 crores. And after the Q2 results came out in the investor call, the management guided that you would have about 10% to 15% of growth in FY25. So when I calculate 10% to 15% on FY24, the FY25 estimated revenue was Rs. 1,695 crores or Rs. 1,650 crores. So, in the Q2 call when I asked whether this is achievable the management was very confident and you guys said that this is definitely achievable considering you had to do Rs. 500 crore revenue in Q3 and also another 500 in Q4. But in Q3 you have done Rs. 200 odd crores now. So I went to your presentation, the presentation clearly gives the reason why the EBITDA margin is down. It is because of the upfront charges that you have incurred for the new projects. But there is no reason given for the revenue decline. So, could you explain the reason why the revenue is not recognized?

Sarfaraz Ahmed: It was not at that level. And the payment delayed by the department, the revenue has also declined, sir.

Subash B.: So, how much payments are delayed? So, if those payments were realized, what would have been the revenue? Could you give us at least a ballpark number?

Sarfaraz Ahmed: As you see that last month debtors level was around Rs. 800 crores in overall total. And besides that, WIP was Rs. 692 crores. So, as the revenue is realized, maybe sales got booked.

Subash B.: So you are saying Rs. 800 crore and Rs. 692 crore is not realized and if those were realized then you would have had another Rs. 1450 crores in this quarter? I did not understand the numbers, you said Rs. 800 crores and Rs. 690 crore, right, but this quarter number is only Rs. 200 odd crores.

Sarfaraz Ahmed: This is the 3-month data.

Subash B.: Okay, I will leave it at that. Maybe I will fall back in the queue for the to ask this again, but my next question, the second question is, so in the in the last quarter your receivables that is trade

receivables was Rs. 852 crores which I think all the analysts questioned you a lot about and you said that most of those receivables will be collected in October, right? You said that it is already, I mean material part of it is already collected and that would reflect in the Q3. But now in the Q3 we don't see the balance sheet. So could you give us the next trade receivables amount as on Q3?

Sarfaraz Ahmed: There was a lot of realization in that. But we didn't slow the momentum of work. So it has piled up again. The payment is not yet happened revenue wise from the department. So more or less, this is the current debtors level.

Subash B.: So what is the amount of trade receivables as of today?

Sarfaraz Ahmed: As of today, trade receivables is around Rs. 800 crores.

Subash B.: Okay. And could you give us debt levels as on Q3? This is my last question.

Sarfaraz Ahmed: Our debt level as on gross debt level is Rs. 608 crores, out of which working capital facilities are Rs. 200 crores, term loan is Rs. 100 crores, and other facilities are Rs. 250 crores.

Subash B.: Okay, sir. It was Rs. 668 during Q2, and now it is Rs. 600 odd crores.

Sarfaraz Ahmed: Yes.

Subash B.: Okay, so if you could explain what is the reason for revenue decline maybe after you answer other analyst questions that would be helpful. And also my suggestion would be I mean see when you are doing the Q2 investor call, we were already in Q3, right? So you would have had at least a slight or light picture of how your Q3 would look like but still you guided that Q3 would be very good. But the Q3 revenue is not at all good. I mean, we expected Rs. 500 crore and it is Rs. 200 odd crores. So, my position would be to not be too optimistic about the revenue and guide us with the realistic picture. Thank you.

Sarfaraz Ahmed: We are on the conservative side, sir.

Jayant Punglia: Actually, the thing was, even in the previous quarter, we were receiving like kind of part payments from different state governments. So, looking to that, we anticipate that payments might regularize in the coming quarters. But then the things didn't go out as we thought and looking to the previous budget, the central government officially announced our major segment, that is water supply. So now we are very much confident that in coming quarters, the backlog will be recovered.

Subash B.: Okay, I hope that trade receivables come down compared to Q2. Thank you.

Moderator: Thank you. The next question is from the line of Chandan Mishra from Finvester. Please go ahead.

Chandan Mishra: Good evening, sir. Thanks for the opportunity. My question regarding tax incurred, sir. Historically we have incurred 25% odd tax quarterly but this quarter we have incurred at approximately 49.48% tax, what is the reason, sir?

Manohar Lal Punglia: Sorry sir.

Chandan Mishra: Sir, historically we have incurred 25% odd tax quarterly, but this quarter we have given 49.48% tax. What is the reason for this hike in tax?

Sarfaraz Ahmed: Tax provision, right?

Chandan Mishra: Tax percent.

Sarfaraz Ahmed: I think it is at the same level.

Chandan Mishra: Quarterly you have paid 25% odd tax, but in this quarter it is 49.48%. Which is almost double? What is the reason?

Sarfaraz Ahmed: No double tax, our tax is only 25%.

Chandan Mishra: Balance sheet is showing double.

Sarfaraz Ahmed: No sir, I am seeing that it is around 25%.

Moderator: Thank you. The next question is from the line of Sahil Patani from Stockers Capital. Please go ahead.

Sahil Patani: My question is related to one of the previous participants. We can't identify the 15%...

Moderator: Sorry to interrupt, Mr. Sahil. I would request you to please use your handset.

Sahil Patani: Sorry for that. Yes, my question is very similar to one of the participant. We have given a **0:21:11** of 10% to 15% year-on-year. So, are we going to revise the guidance or what is the management outlook on that?

Sarfaraz Ahmed: Sir, it depends on the payment from the department. Rather on the conservative side, our levels will be same. But if we talk about increasing, then the payment release of the department, the amount released by the government, according to that, our level will increase. But as of now, on the conservative side, we will try to maintain it at an equal level.

Sahil Patani: So, we are saying that our last year will be similar without any further....

Sarfaraz Ahmed: If the payment position does not improve, then we expect the same will be there. And if the payment position improves from the department, then we can go further receivable.

Moderator: Okay. Sorry to interrupt, Mr. Sahil, your line is not very clear. I can hear background noise. Due to no response from the current participant, we will move on to the next participant. The next question is from the line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: Thank you sir for giving the chance. Sir, I have a similar question. I mean, where are you getting the confidence that the receivable issue of Rs. 800 crores, I mean, how it the payment going to correct? Last quarter also you were saying that the payment issue will be corrected and now also the government has revised it from 70,000 to 22,000 in the budget. So no visibility of project coming in this quarter, it has been extended to next year, but what is giving you confidence that our receivable situation will improve, number one and government will start giving payment? Second question, how much cash we have and let us say next quarter if we have to do an execution of Rs. 200 crores-Rs. 300 crores, then how much loan we have to take?

Jayant Punglia: Sir, I will answer the first question. You have talked about confidence. Like, sir, the official announcement has been made. Because the central government was not able to deliver timely revenues to the different state governments. Because of that, we had a lot of issues with funding. So, now, since it has been officially declared, so we are very much confident that this thing will be ready in coming time.

Tej Patel: But the budget is for next year is declared at Rs. 60,000, but this year it has been reduced to Rs. 12,000.

Sarfaraz Ahmed: The time period of the scheme originally was till 2024. It has been extended till 2028. So it is effective from now.

Tej Patel: Okay, my question is that the budget has been allocated for next year, but the payment of previous projects remaining this year, how much surety is there for that it will come down?

Jayant Punglia: The current projects' budget was held up, they have considered in this budget as well not only just next year's projects.

Tej Patel: And sir, how much loan will we have to take for the execution of the next quarter and according to the current situation?

Sarfaraz Ahmed: Sir, sufficient working capital we have and the loan we have taken is sufficient for further execution.

Tej Patel: Okay, no problem, sir. Thank you so much. That's all from my side.

Sarfraz Ahmed: Thank you. The next question is from the line of Harsh from Elegant Family Office. Please go ahead.

Harsh: Sir, I have one question that as you said that financial disbursement is not done by central government. So, do you have problem in Rajasthan state, UP or across the states?

Sarfraz Ahmed: Sir, this is basically overall complete, like the Jal Jeevan Mission is there, this scheme is run in the partnership of central and state. So, not just Rajasthan, all the states have this problem, MP, UP, Uttarakhand in all states.

Harsh: So, sir, it is Rajasthan and the center with 50%-50%. So, is the funding is dried up from the central or is the funding dried up from the state level too?

Jayant Punglia: Sir, only when center gives the 50%, then only state will give its share. So, if the center does not give its share, state too won't.

Harsh: So, it means that the problem is mainly going on the central government side, which you think should be normalized in the next 3 months-4 months?

Jayant Punglia: Exactly.

Harsh: Thank you. All the best.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Hello sir, so you said that the money is not coming, that is why the revenue is declining. So you are intentionally slowing down the project because the money is not coming for your old project and what is the reason for the delay in the execution?

Sarfraz Ahmed: The execution has slowed down because the fund is not coming. It didn't proceed as we thought, but we have continued the work with that momentum.

Dhananjay Mishra: Q4 will always show good performance, as we see in the last couple of years. So this year also will it be same?

Sarfraz Ahmed: Yes.

Dhananjay Mishra: You said central will give to state and then the state government will contribute and make the payment. So, the payment authority will be the state government finally for you. Right?

Sarfraz Ahmed: Yes, sir.

Dhananjay Mishra: And in this railway we have a order book of Rs. 1500 crores so our topline is around Rs. 100 crores if you look at annual. So, what will be the execution period?

Jayant Punglia: Sir, it takes around 24 to 36 months.

Dhananjay Mishra: So, same for railway?

Jayant Punglia: That it is little longer.

Dhananjay Mishra: So you will complete the Rs. 1500 crore order book in 3 years?

Jayant Punglia: Yes, it will take around 20 months to complete.

Dhananjay Mishra: And what is the difference between margins? Is railways margin less than water?

Manohar Lal Punglia: Margin is the same in all.

Dhananjay Mishra: Lastly, all these projects come under JJM, water projects? So some will be outside this? So the budget of Jal Jeevan also affect the outside projects?

Manohar Lal Punglia: Like in Uttarakhand we have a different project, in some others too.

Sarfaraz Ahmed: Uttarakhand is of Asian Development Bank and Assam we have projects and also from Oil India project so there are different projects except Jal Jeevan Mission.

Dhananjay Mishra: So, our of this Rs. 3,400 crore, how much is JJM and how much is outside which is world wide funded?

Jayant Punglia: Sir, 2000 crores are of Jal Jeevan, remaining others.

Dhananjay Mishra: So there is no payment issue in Rs. 1,400?

Jayant Punglia: No, there is no payment issue.

Dhananjay Mishra: Okay, thank you. All the best.

Moderator: Thank you. The next question is from the line of Vidhi from IndusInd Bank. Please go ahead.

Vidhi: Good evening, everybody. Sir, you said that debtors outstanding is around Rs. 800 crores and the outstanding basis of the last quarter, some recovery has been done in this quarter. So sir, can you give us a position of debtor aging position, more than 180 days or more than 365 days, how much is the debtors? On that basis, we will get an idea of how much recovery has been done in the previous quarter.

Sarfaraz Ahmed: Absolutely. Can I share it with you through our IR.

Vidhi: Okay. But in terms of percentage recovery, if we ask then what will be the recovery? How much percentage recovery has been done? So, on that basis we can estimate how much percentage more debtors have been added?

Sarfaraz Ahmed: Yes ma'am, there is a recovery between 50% and 60%.

Vidhi: Okay, sir. The second question is that if I see your quarter-on-quarter trend, then usually in the March quarter your sale is about 2 to 2.5 times of the previous quarter.

Sarfaraz Ahmed: Right.

Vidhi: So, usually government funds release in the last quarter, what is the trend and what is your expectation for the last quarter?

Sarfaraz Ahmed: This is the trend of infrastructure, whenever there is a budget allocation, after March the budget gets allocated. So, the department releases in the last quarter itself lot of things, so that is why the post quarter is always high.

Vidhi: Okay. So, sir, almost one month has passed after the last quarter. So, you are talking about after the budget. So, the results that you see now should be there in the next two months?

Sarfaraz Ahmed: Yes, ma'am.

Vidhi: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Subhash B. From Value Investments. Please go ahead.

Subash B: Sir, you said that due to the new work that you completed, there are, I mean, the trade receivables again increased, right? So how much of that amount is increased in this particular quarter?

Sarfaraz Ahmed: Because of the execution, the previous ones have been realized and the new ones are added.

Subash B: Can you give me the quantified number?

Sarfaraz Ahmed: I cannot tell you the exact number, but I can give you a tentative idea that the number which has been recovered and also new ones have increased.

Subash B: So, how do you recognize the revenue? Do you recognize the revenue? So, do you recognize the revenue only after you actually receive the payment or as soon as you complete the phase

of the project, do you recognize the revenue? Even though the payment is not received, would you recognize it?

Sarfaraz Ahmed: Yes sir. So, in stage completion, when the work is certified, then my revenue is recognized.

Subash B: So, as soon as the work is certified, the revenue is received. Okay. So, for this quarter, you made Rs. 240 crores revenue, right? So, out of 240 crores, how much is received actually and how much is receivable?

Sarfaraz Ahmed: How much is receivable?

Subash B: Yeah.

Sarfaraz Ahmed: About 60% to 70% is receivable.

Subash B: So that comes up to Rs. 144 crores, out of 240 you are saying 144 is receivable but you did say that out of Rs. 852 crores of receivables from last quarter, you said material amount of that was actually received by it.

Sarfaraz Ahmed: Yes.

Subash B: But I did not get that number as well.

Sarfaraz Ahmed: But you if you see the 853 bifurcation there is undue debtors also.

Subash B: Thank you.

Moderator: Thank you. The next question is from the line of Prateek Bhandari from Art Ventures. Please go ahead.

Prateek Bhandari: Sir, you told me that the debtors were worth Rs. 352 crores by the second quarter of FY25.

Sarfaraz Ahmed: Yes sir.

Prateek Bhandari: And now, what is the amount of debtors after Q3?

Sarfaraz Ahmed: Sir, it is the same level, around Rs. 800 crores.

Prateek Bhandari: Means, it has reduced around 50 crores.

Sarfaraz Ahmed: Some margins have reduced.

Prateek Bhandari: And just now you explained to a previous participant that the quarter sales in Q3, out of that 60%-70% money is still pending to come? So the total debtors that are due for recovery, how much recovery are you expecting to happen in quarter 4?

Sarfaraz Ahmed: As I have already told you, we will do bifurcation in this. So, there will be undue debtors will also be there per their availability. So, only when work gets completed on undue debtors then only it will come. But if I talk about new debtors, we hope that it should come by the end of this quarter because now the budgets and allocations are going on. And as soon as the department starts releasing, the debtors first release the pending amount.

Prateek Bhandari: So, sir, will you tell me the amount of undue and due debtors from 800 crores?

Sarfaraz Ahmed: Sir, the undue is of around Rs. 250 crores and the due is of around Rs. 600 crores.

Prateek Bhandari: So, you are saying that the full recovery of Rs. 600 crores will be done by the quarter 4?

Sarfaraz Ahmed: Sir, it depends on the budget allocation. I will talk to you later. Because this is in the hands of the government.

Prateek Bhandari: Sir, but you will not get visibility for the future, right? Because if you are not receiving due debtors, then your quarter 4 will be impacted again.

Sarfaraz Ahmed: No, there is visibility, sir. Because the budgets have been allocated and in the next budget also central government has given allocation for next year too. So obviously, water supply project....

Prateek Bhandari: So again, we will have to take a loan. We will incur finance costs again.

Sarfaraz Ahmed: Loan is not included in our plan now. We have enough working capital now.

Prateek Bhandari: But there is the burden of finance cost in this, so your bottomline will be affected, right sir?

Sarfaraz Ahmed: Right now, the finance cost is increasing, but it is a temporary case. As soon as the payment comes, it will automatically be returned. The finance cost will be reduced.

Prateek Bhandari: Sir, what are you expecting? What do you see in the direction?

Manohar Lal Punglia: Sir, we feel that this should happen.

Prateek Bhandari: By when?

Manohar Lal Punglia: Sir, the budget has happened just now, so it will happen after 15th – 20th February, possibility is there that it will happen soon. It will happen in the coming period.

Prateek Bhandari: And what guidance would you give for FY26, for revenue growth and margin?

Manohar Lal Punglia: Sir, if growth and everything is fine, then we will increase it little bit.

Prateek Bhandari: Can you tell us the numbers?

Sarfaraz Ahmed: We can't tell you the numbers now.

Prateek Bhandari: Sir, give some numbers sir.

Sarfaraz Ahmed: You can see the numbers of the last five years. You will get an idea of that. Because this phase is seen every five years. This time it has gone a little longer.

Manohar Lal Punglia: In our company, we have seen that this phase comes in every five years during the election. And along with this, the JJM has become a bit longer. So, this time has increased a bit. Normally, in the last five months, phase 3 should have ended.

Prateek Bhandari: So, sir, for quarter four, it will be right to believe that the margins will remain impacted as compared to quarter two and quarter one, which we delivered.

Sarfaraz Ahmed: I won't say the impacted one. It will be mitigated and normalized marginally.

Prateek Bhandari: I am asking about the quarter four.

Sarfaraz Ahmed: Yes, it is about the quarter four.

Prateek Bhandari: Okay, thank you.

Moderator: Thank you. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Namaskar sir. Sir, I am also from Jodhpur.

Manohar Lal Punglia: Yes, we know, sir.

Rajesh Bhandari: Sir, the results that have come this time are very disappointing.

Manohar Lal Punglia: Absolutely, sir.

Rajesh Bhandari: There is a reason for that. How much is the total order book we have now.

Sarfaraz Ahmed: Rs. 5,125 crores.

Rajesh Bhandari: Okay, the turnover you have shown in this, you have shown approximately Rs. 240 crores, Sir. It is equal to last year but much less than last quarter. But in this cost of material consumed and construction expenses are very high sir comparatively.

Sarfaraz Ahmed: Sir, overall if you see sir, cost of material consumed construction expenses and changes in inventory we will consider sir, so that is the reason sir. Now, margin has dipped due to increase in overhead. Like interest cost has increased, other overheads have increased.

Rajesh Bhandari: Yes, the finance cost is high, sir. The finance cost is around Rs. 3 crores-Rs. 4 crores. But profit reduced from Rs. 31 crores -Rs. 32 crores to Rs. 7 crores-Rs. 8 crores. Honestly speaking, it is very disappointing. We had so much hope from Vishnu Prakash from VPRPL...

Manohar Lal Punglia: We are doing it, we want to tell you that our 1-2 projects were completed, we took the cost. So, some of our payments haven't been passed yet. We couldn't allow it in this. So, we hope that you will give us such a result in future. There is no problem. If you have any doubts, we will get back home.

Rajesh Bhandari: Okay. Sir, there is one thing. Like, we have realized the payment. So, if the payment is realized this time, before March and in the quarter before March, then will the interest cost be reduced?

Sarfaraz Ahmed: Yes sir, absolutely, the interest cost will be reduced.

Rajesh Bhandari: Because many payments that are not realized. Okay, the payment is not realized but you have taken it in turn over.

Sarfaraz Ahmed: Sir, we have billed the certified ones.

Rajesh Bhandari: Okay. Even if the payment is received or not?

Sarfaraz Ahmed: Yes, sir.

Manohar Lal Punglia: The bill is already certified, right? That bill is taken.

Rajesh Bhandari: Sir the payment will be done I was myself in McNally Bharat the payment issues will arise and especially in state government. Sir, if we see on a 2-3 years basis, was there any impact of budget on us, in positive or negative way?

Manohar Lal Punglia: We have a positive impact on Jal Jeevan Mission time period is extended to 2028. It has been a good achievement. We hope that our payment will be passed.

Rajesh Bhandari: Yes. That has been extended and is there any scope in Jal Jeevan Mission, sir?

Manohar Lal Punglia: Yes, there is. We have the scope for another 3 years. And there will be more opportunities in Jal Jeevan Mission.

Rajesh Bhandari: Okay. I had heard that they are leaving canal and instead of that they are taking from pipe and all, something like that?

Manohar Lal Punglia: That is different sir.

Moderator: Sorry to interrupt, Mr. Rajesh. I would request you to please rejoin the queue for your follow up question. Thank you. The next question is from the line of Lokesh from **SMIFS Limited**. Please go ahead.

Lokesh: My question is more towards the revenue front for Q4F25. So, last year's revenue we need to generate the revenue of 650 crores. Now, the receivables are Rs. 850 crores. So, if we take a little bit of loan to do the activation, still we need to generate 500-550 crores receivables. So, do you think we are can generate revenue of Rs. 650 crores in quarter 4?

Sarfaraz Ahmed: Sir, please could you repeat the question. There was disturbance on call.

Lokesh: I was asking that in Q4 we have to achieve the revenue of the last quarter too, so we have to generate approximately Rs. 600 crores of revenue. So net-net we have to generate the revenue of 650 crores in Quarter 4 for the flat revenue growth in FY25. If we want to generate that, if our receivables are s Rs. 850 crores and the certified bill is also of Rs. 550 crores, then we can generate revenue by taking a small loan, because we will have so much cash to execute it. So, do you think receivables will come around Rs. 550 crores during Q4?

Sarfaraz Ahmed: Now since the budget has come, it will come for sure. The execution is still going on. We have not closed the execution yet. So, it is a continuous process. And if the payment starts coming, then our receivables plus the new bill will come. And obviously, we are thinking that it will be achieved.

Lokesh: I understand that. But if receivables didn't come around Rs. 550 crores then it will be difficult for us to achieve last year's revenue.....

Moderator: Sorry to interrupt, Mr. Lokesh, your line is not very clear, can you repeat your question again?

Lokesh: Am I audible now?

Moderator: Yes sir, but there is a lot of background noise from your end.

Lokesh: Now, is it clear?

Moderator: Yes, please continue with your question.

Lokesh: Sir, when you are talking to the authority, we have the visibility that we will have clear receivables of Rs. 500 crores-Rs. 550 crores in Q4. If we don't have that, it will be difficult for us to achieve in Q4.

Sarfaraz Ahmed: We expect that our previous receivables will be realized and we hope to achieve that level as the government fund flows in.

Lokesh: Okay, and for FY26, our 10% to 15% that we are expecting, if we get that flat revenue, can we expect it or will it increase?

Sarfaraz Ahmed: We are expecting for FY26. Because this year was specific for us, multiple things were there. The phase comes in 4-5 years, but this time it is a long period in this, there were budget issues, elections, everything got mixed. So, for the next FY26, we are hoping that it will be better.

Lokesh: On the margin front, sir, last question from my side. The expense incurred this time, because of which you said that the margin has been depleted to around 11%. When will the revenue be generated and the margin will be normalized?

Sarfaraz Ahmed: In two quarters, the revenue will be generated. The funds that we have invested in the new projects will be generated in the next 2-3 quarters.

Lokesh: But can we expect that the margin will be generated by the Quarter 4?

Sarfaraz Ahmed: I cannot tell that right now. But we are trying to recognize the revenue as soon as possible. And if the funds come from the department, then obviously the money will be realized. And the margin will also increase.

Lokesh: Okay. And sir, one last question. Sir, if you see our long-term growth plan, then the Jal Jeevan Mission is feeding our growth plan. We saw that Jal Jeevan has been extended to 2028 then if we the visibility, so which other segment are there in which Jal Jeevan Mission will give revenue for 2-3 years? What is our growth plan? If we want to diversify in some other segment.

Sarfaraz Ahmed: Sir, if I talk about the growth plan, we have been working for the last 38 years. The projects keep changing their name, Jal Jeevan Mission, Amrut. Now Amrut 2.0 is coming. So that name change happens, but it is all utility projects, and it will continue. And along with that we are looking for opportunities in Railways too as part of diversification. Like the project which has come 1300 crores, 854 crores of the projects we have from Railways in this current year.

Lokesh: Are we are trying for power sector so that our third segment or fourth pillar become strong.

Sarfaraz Ahmed: Sir our focus is on water supply, Railways projects as of now.

Lokesh: Thank you.

Moderator: Thank you. The next follow-up question is from the line of Prateek Bhandari from Art Ventures.

Prateek Bhandari: Sir, how many days of working capital are there in quarter 3?

Sarfaraz Ahmed: In quarter 3, working capital days are around 190 days.

Prateek Bhandari: So, sir, when things will start looking better, where should we sustain this back to normal? What range should we look at?

Sarfaraz Ahmed: Sir, the range is generally 150. And when the payments start coming, it will be rationalized.

Prateek Bhandari: So, the 190 will go to 150?

Sarfaraz Ahmed: Yes, sir. And sir, the finance cost has been elevated in this quarter because we have taken loans. So, what was the cost of borrowing?

Prateek Bhandari: Sir, the cost of borrowing was 9% to 12%, minimum 9 and maximum 12.

Moderator: Thank you. The next question is from the line of Shashin who is an Individual Investor. Please go ahead.

Shashin: My question is on the quarter four. The margin that has dropped in quarter three because we have booked the cost. And in the previous answers you said that its revenue will be recognized in the next 2-3 quarters. This means that the margins in quarter four will not be normalized. They will be reduced, that we will not recover this year.

Sarfaraz Ahmed: Sir, we are expecting that if payment comes, recovery will happen and the margin will be normalized, it will be better than before.

Shashin: And my accounting question is that in the presentation, it is written that we can recover...

Moderator: Sorry to interrupt sir, I would request you to please use your handset.

Shashin: I am on the handset, is it better now?

Moderator: Yes sir, please continue. Can you please repeat your question? Thank you.

Shashin: Sure. So, in the presentation we had written that one of the reasons for our EBITDA margins reduction was that we had booked costs for projects which we have not recognized the revenue yet. So, my accounting question was that why we could not defer the cost till revenue is not recognized?

Jayant Punglia: Sir, revenue is not recognized because it is in **0:51:40 WIP**.

Shashin: Okay. And my last question is that when it comes to receivables, if we recognize revenue in quarter four, and if we can collect the receivables also around Rs. 500 crores-Rs. 600 crores and roughly if we recognize the same revenue also then our overall receivables will be same, overall reduction may not be there in receivables, maybe DSO will be less?

Jayant Punglia: And going forward, there will be a reduction in the table.

Shashin: Okay. That's all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Prashanth Pani, who is an individual investor. Please go ahead.

Prashant Pani: So most of the questions got answered here. One question, so actually, as we have given the guidance of 10% to 15% growth in topline and bottomline, so until nine months so far, so our growth is just 2%-3%. So still it is in fact like we will be growing at the end of this financial year by 10% or 15%?

Sarfaraz Ahmed: Sir, as of now we are expecting that if the payments are regularized then we will achieve at the equal level.

Prashant Pani: And second question, so actually I have been hearing that your billing and the payment delay from the government, so, like other peer companies, I have not been hearing these kind of issues like payment issues. So, it is being like they are not projecting that kind of issues there. So, just understand whether it is because of that it depends upon the state government projects because of that it is having or something?

Sarfaraz Ahmed: Okay. So, sir basically if you look after the companies that are into like similar nature of our work which have like major portions into water supply. So everyone is facing these kind of issues.

Prashant Pani: Okay but that is not reflecting in their balance sheet. So that's okay.

Sarfaraz Ahmed: Yes.

Prashant Pani: That's from my side. Thanks.

Moderator: Thank you. The next follow up question is from the line of Vidhi from **0:54:36 Indus Bank**. Please go ahead.

Vidhi: So a follow up question to my previous question is that you have, you are saying that if you receive payments from the government which are stuck up, you would be able to match your FY24 revenues. If the payment from the government does not come, are we expecting a decline over FY24 revenue in FY25?

Sarfaraz Ahmed: No, we are not expecting the same. We are accepting that if the payment comes, we will be able to match it.

Vidhi: So, on a conservative side, if you are saying that if the payment does not come, which is being delayed, so what could be the impact?

Sarfaraz Ahmed: No, if it does not come, then our cost will increase a little. We have to continue the work, ma'am.

Vidhi: Okay, so basically you will not stop the order execution. Maybe your debtor position will increase even more?

Sarfaraz Ahmed: Yes.

Vidhi: Okay, and sir, what is the expected order execution for Q4FY25, if you could just give us a ballpark figure?

Sarfaraz Ahmed: How can I tell that ma'am?

Vidhi: But you must have planned something because we are about Rs. 650 crore short.

Sarfaraz Ahmed: We have of 2700 crores. So I have to do it in 24 months-36 months. As of now, my order is of Rs. 5000 crores. So I have to complete in the coming 2 years-3 years. On an average, you can analyze.

Vidhi: So basically, we are Rs. 650 crore short to match with FY24 numbers for now. So, about Rs. 650 crore revenue achievable, do you think right now?

Sarfaraz Ahmed: Absolutely, ma'am.

Vidhi: Okay, sir. And sir, how will you email me the debtor ageing or how will I get the copy?

Sarfaraz Ahmed: I will share it with you through IR.

Vidhi: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Prateek Bhandari from Art Ventures. Please go ahead.

Prateek Bhandari: Sir, the debtors you told me about the end of the third quarter of Rs. 800 crores.

Sarfaraz Ahmed: Yes sir.

Prateek Bhandari: How much recovery has been done in the January month, as January month has already passed?

Sarfraz Ahmed: Recovery has been done. I don't have the figures as of now, but recovery has been done.

Prateek Bhandari: How much?

Sarfraz Ahmed: Are you asking number or percent?

Prateek Bhandari: Percent sir, you said 650 is due out of 800 crores?

Sarfraz Ahmed: 20%-25%.

Prateek Bhandari: Means 250 crores is recovered?

Sarfraz Ahmed: I cannot tell the figures now. If you need ageing too, I will send it to you.

Moderator: Thank you. The next follow up question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Sir, my one request is that as the problem of our finance is happening and normally this problem happens in **0:58:04 turn key companies** because there are delays in the payment. And because of that, the interest burden increases and sometimes there is a delay in the work. So, sir, somehow, if we can somehow put together a couple of quarters and give a good result, then you can come out with QIP also.

Sarfraz Ahmed: Yes, sir.

Rajesh Bhandari: Nowadays, whoever you see is coming in QIP, your main problem, the finance one, will be solved, sir.

Manohar Lal Punglia: Absolutely, sir. If this payment comes, then there is no problem anyways.

Rajesh Bhandari: No, that's true, sir, but every time it happens hand to mouth.

Manohar Lal Punglia: Right, true.

Rajesh Bhandari: Bring and eat, so at least with QIP, there will be some money left, sir. I will just give an example, that too of my Jodhpur, Macro Tech Developer, Lodha ji.

Moderator: Sorry to interrupt Mr. Rajesh. I would request you to rejoin the queue for your follow-up questions. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Manohar Lal Punglia: Thank you all for participating in the earnings concall. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR managers at Valorem Advisors. Thank you.

Moderator: On behalf of Vishnu Prakash R. Punglia Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.