



OM INFRA LIMITED

(Formerly known as OM METALS INFRAPROJECTS LIMITED)

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To,

Corporate Service Department, Bombay Stock Exchange, Phiroze Jeejeebhy Towers, Dalal Street, Mumbai-400001 Fax No. 022- 22723121/3027/2039/2061/2041 Scrip code: 531092	Listing Department, National Stock Exchange Of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E), Mumbai Fax No. 022- 26598237/38;66418126 NSE Symbol: OMINFRAL
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Sub: Transcripts of the Analysts Earnings call

Dear sir/madam,

In compliance with the provisions of Regulation 30 of SEBI (LODR) Regulations 2015, please find enclosed the transcripts of the Analysts earnings call held by Om Infra Limited ("The Company") on November 8, 2024 to discuss the results of the Company for the Second quarter and half year ended September 30, 2024.

This information is also hosted on the Company's website, at <http://www.ommetals.com/#/concall>

You are requested to take the same on your records.

Thanking you

For Om Infra Limited

VIKAS
KOTHARI

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VIKAS KOTHARI
Date: 2024.11.11
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Vikas Kothari

Managing Director & CEO

DIN : 00223868



“Om Infra Limited Q2 FY’25 Earnings Conference Call”

November 08, 2024



**MANAGEMENT: MR. VIKAS KOTHARI – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER, OM INFRA LIMITED
MR. SUNIL KUMAR JAIN – CHIEF FINANCIAL OFFICER,
OM INFRA LIMITED**

MODERATOR: MR. PARIDHI JAGNANI– GO INDIA ADVISORS

Moderator: Ladies and Gentlemen, Good day and welcome to the Om Infra Limited Q2 FY25 Earnings Conference Call hosted by Go India Advisors.

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 the conference is being recorded.

I now hand the conference over to Ms. Paridhi Jagnani from Go India Advisors. Thank you and over to you.

Paridhi Jagnani: Thank you Steve. Good afternoon everyone, and welcome to Om Infra Limited Earnings Call to discuss the Q2 and H1 FY25 Results.

We have on the call with us today, Mr. Vikas Kothari – MD and CEO and Mr. S. K. Jain– CFO. We must remind you that the discussion on today’s call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the Company faces.

May I now request Mr. S. K. Jain to take us through the Company’s “Business Outlook” subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

S. K. Jain: Hello everyone. Thanks for joining the Conference Call of Shareholders and Analysts Meet at Conference Call on Q2 of the Company's Financials which concluded on 7th of November.

We clocked a turnover of Rs. 238 crores on a standalone basis with an PBT of Rs. 13 crores. We have this as compared to June Results of Rs. 164 crores with a profit of Rs. 12 crores.

We have distributed a dividend of 50 paise per share and it must have reached all the accounts by 25th of October in every account of the shareholder.

The recent award of Kwar Hydro project for Rs. 410 crores including taxes has been secured from Chenab Power Project Limited and that has been announced in BSE and we are going to execute this project in the next 3 and 3.5 years as per tender guideline which will give us additional revenue of Rs. 100 crores per year as presented to you all in our presentation.

The Presentation has been uploaded in the BSE website which you must have read by this time now.

Now I invite Vikasji to say on company's outlook.

Vikas Kothari: Thank you very much Jain Sahab and I welcome everyone on this investor call.

As Mr. S.K. Jain has already explained we have been successful.

As you all already know that hydromechanical equipment is our core strength and is literally a monopolistic business where we are the market leaders and after a long gap this has been a very significant win for us for our hydromechanical business itself. This is a 540-megawatt project in J&K.

This also goes in favor of proving what we have been propagating saying that the Central Government is quite keen on development of infrastructure in the bordering areas on the West as well as the East parts of India and the Northern parts of India where development of hydropower is being used to enhance the infrastructure in the bordering area. So, this is just the beginning, a lot of new projects are coming up in the future. This is a good win and with a very handsome margin in this project.

Other than that, the company is expecting to monetize on the Jaipur and Kota assets hopefully in the next 2-3 years generating almost Rs. 300-400 crores in the company. The company also is awaiting court verdicts from various courts on arbitration awards which could yield a good reward to the company in the next 2-3 years.

In terms of operational updates for the First Half of 2025 our order book as of September 24 stands at Rs. 2,140 crores. With strong presence across 18 plus states, the order book is diversified with hydro power generation and water segment and also Jal Jeevan Mission and also Pumped Storage Project where we are doing our first project in Tamil Nadu. Notable progress has been achieved in our ongoing projects Shapurkandi in Punjab which is a hydropower project which is Rs. 267 crores. Then Amravati Irrigation Project in Maharashtra Rs. 123 crores. Then Kawar Project of course we have received which is Rs. 347 crores. So, the water inflow for the year is expected to be anywhere between Rs. 500-800 crores and the bid pipeline is fairly strong where we are in the process of bidding for almost Rs. 1000 crores in a new tender.

Our scope is also into river interlinking, water supply, irrigation, water treatment and all these efforts that we are making will lead in positive results going forward. The company plans to bid in all of these sectors related to water.

Moving on to Financial Highlights for Q2 H1 FY'25:

FY'25 experienced a sluggish beginning due to extended state and central elections. Then prolonged monsoons and prolonged heat wave which kind of delayed budgetary allocations by the state governments and also release of funds by the Central Government. This has a cascading effect on a lot of other things also which includes decision making because in many states undergoing elections the decision making becomes very sluggish and therefore results in a lot of these approvals taking prolonged time. So, this has had an impact on our Q1, Q2 Results.

Our consolidated revenue for Q2 FY'25 stands at Rs. 238 crores with an EBITDA of Rs. 17 crores and an EBITDA margin of 7.3%. PAT for the quarter stands at Rs. 4 crores with a PAT margin of 1.7%. So, that's largely resulting in this. Resulting from the fact that some decisions which have not been taken, which should have been taken relating to time extension which leads to additional retention against the normal retention which leads to such issues including payment of escalation, including other issues like this.

On a standalone level:

Revenue from Q2 FY'25 touched Rs. 221 crores with an EBITDA of Rs. 16 crores and an EBITDA margin of 7.2% and PAT for the quarter stands at Rs. 4 crores minus with a PAT margin. This is largely driven by the deferred income tax which S. K. Jain will explain in a short while.

Moving on to half yearly Results:

Our consolidated revenues for H1 FY'25 stand at Rs. 408 crores with an EBITDA of Rs. 35 crores, an EBITDA margin of 8.5%. PAT for half yearly stands at Rs. 16 crores with a PAT margin of 4%.

On a standalone level:

Revenue for H1 FY'25 stands at Rs. 385 crores with an EBITDA of Rs. 35 crores, an EBITDA margin of 9% and half yearly ended at Rs. 10 crores with a PAT margin of 2.6%. The cash in hand stands at Rs. 69 crores.

Priority remains operational excellence and profitability where we are strategically focusing on projects that line with our margin target of 10%-12%.

This quarter was an exceptional quarter because as I explained already there has been a deferment I would say of the margin because of the retention amounts from the projects. Even though the revenues have been recognized there has been additional retention on account of time extension and resulting in penalties being withheld which will be released eventually once the time extension files are approved at the appropriate level in the government. This is quite a standard feature but just because this became a little exceptional in this quarter because of the revenue coming specifically from those projects which required these clearances at the earliest. Because the clearances have not come in this quarter, therefore, this has resulted in such skewed numbers in terms of margins. But the projects are the same, margins are secured. As I keep saying in the past also and I repeat it again that project margins should be seen either on a consolidated annual level or on a project completion basis. The margins are secured but these quarter-on-quarter numbers are always skewed. So, we should not get carried away by these quarter-on-quarter numbers.

Now let's move to government's focus on infrastructure sectors and then the hydro infrastructure:

The government's push on infrastructure is of course very well-known where infrastructure spending is 11% of the GDP. There is enormous focus on renewable sector. The world's third largest power producer with 429 gigawatts of installed capacity including 182 gigawatts of renewable capacity. The union budget allocated Rs19,100 crores to MNRE which is 143% increase from last year.

Hydro projects worth Rs3 lakh crore are in the pipeline. They take a long time to reach the tendering stage and therefore it is not predictable as to how many orders and how many projects can be added in a particular quarter. But the pipeline is very strong and the focus by the central government especially is very strong in terms of development of hydropower. So, with almost Rs12,500 crores worth of investment in hydropower and almost 31,000 megawatts of additional capacity, which is being planned. Hydro capacity overall is expected to rise from 42,000 megawatts to 67,000 megawatts by 2031-32.

Then pump storage project also there is a big, big, big focus for the pump storage project. We have added slides in our presentation which is self-explanatory. We have an ambitious plan of increasing our pump storage capacity to 55,000 megawatts by 2032 and this is all under pipeline and it is being implemented. Of course, the gestation period is long because by the time these projects come up for bidding it will take a while. But certainly, the pipeline is strong and we will see results in the future. Likewise, there has been a lot of announcements by Ministry of Jal Shakti where they have been allocated Rs 98,000 crores in 2025 under the Jal Jeevan Mission. Then there is a lot of focus by the government on all the other water related projects as well which is including river interlinking, irrigation, and water supply. So, water is actually a big focus area by the central government. So, the future is bright, and I think the company is well placed to capture a major chunk of that bright future.

I think I will hand it over to S.K. Jain or maybe we can start Q&A.

Moderator:

Thank you very much. The first question is from the line of Tej from Niveshaay. Please go ahead.

Tej:

I know you already touched upon this point, but I think your voice was a bit slow to me. I am really sorry. If you could just repeat why our margins were low because of the retention? There is a follow-up question on this on a more-broader side. We have always guided for a double-digit margins even in the last 2 financial years and much higher for the hydro-mechanical projects, but somehow due to execution or some other reason, we have not been able to clock those margins. Especially if I see there is a sharp decline in gross margins post-COVID. What I understand is majority of the government projects have been passed through in their contracts.

I am not able to understand why our margins, especially the gross level, decreased from 35-40%, which we were making pre-COVID to around 15-20%. What is the reason for this decline in gross margins and specific reason for decline which you mentioned regarding retention if you could repeat that. Thank you.

Vikas Kothari:

One is of course the project margins are locked when the project is secured because most projects we have escalation also. Sometimes the margins vary on quarter-on-quarter basis for exceptional. See there is always a lag with which escalation is processed and paid. So, quarter-on-quarter there is a lag because of that and the second thing is that I will give you a short example. I am not specifically talking about one particular contract but if the time extension, there are always delays in the project execution and delays are most of the time not attributable to the company and if the delay is not attributable to the company, the government has to give time extension and the time extension is approved at the appropriate level by the appropriate authority which in every project varies from state to state. So, because of elections or because of other reasons, those time extension approvals keep getting delayed and if they are delayed, the project executing authorities, they still take time, and they cannot go beyond the contract. So, they deduct or they retain amounts and since those amounts are retained, the cash flows get affected and therefore it has an impact on P&L. So, therefore in this particular quarter, we had revenues coming largely from 2 significant projects, which is Rajasthan, and the other one is Punjab and the same situation happened in both these projects. Both projects' time extensions are pending at certain levels in the entire hierarchy of the government departments and once these time extensions are approved, then we will get the release of the retention amount and that will then correct the situation. So, that is a broad answer to your question.

Tej:

Okay, got it. But then on the gross margin, margins have declined compared to let's say pre-COVID. I mean it has declined drastically at the gross level. I am just trying to understand what is the reason for it. Because most of the, let's say, the retention was the issue of this quarter, right? But then if I look at the year's comparison, then margin at the gross level has decreased drastically.

Vikas Kothari:

So, one of the reasons for that is that earlier we were doing monopolistic works of hydro-mechanical equipment. Hydro-mechanical equipment is highly profitable and a major contribution of revenues was coming from hydro-mechanical execution itself. Now that is not the case. Now we are doing Jal Jeevan projects also. Now we are doing irrigation projects also. Now we are doing turnkey ,civil and hydro-mechanical projects also. So, therefore, the revenues are increasing but the margins are of course not monopolistic margins as we used to enjoy in the pre-COVID times where we were only focused on hydro-mechanical.

Hydro-mechanical is niche and therefore has limitation to how much we can grow. But going backward integration and forward integration, we have expanded our horizon. We have expanded our scope of work. We have expanded the market size that we can address and that of course will come with its own fair share of competition.

Tej: Got it and again on specific question on execution, I mean, as you say, there are always delays on execution. Maybe not because of from your side, but I mean, if I look at your specific projects, especially the Arun and the Kundah, which was supposed to let's say in 2-3 years back, but still, I have not seen much execution, especially the Arun projects of Nepal. So, I just wanted to understand why is there a delay in execution there and what has changed now that you are confident that the recent projects which you have got in Jammu would see probably a timeline. It probably would be executed within 3 years. I mean, what is the risk that things are not repeated again?

Vikas Kothari: I would not say that. See, one of the reasons is that the focus of government has changed. There earlier, nothing used to matter if the project of 3 years is getting completed in 10 years also. Now the focus of the government has changed because of border reasons, because of focus by the central government, now the central government wants that we should tap the water resources. You may have read about the Indus Water Treaty. Now the government of India is very focused on tapping the water resources that are available to India compared to our neighboring country. So, therefore, the focus by the central government has increased tremendously where they want to implement these projects as early as possible.

But nevertheless, there are still delays that happen. So, earlier, if the 3-year or 4-year project used to get completed in 10 years, now it may not still happen in 3 years, 4 years, but it will happen in 4 years, 5 years. Not 10 years.

Tej: And any idea on the Arun Project? I mean, this quarter did not have any execution and past few quarters. So, what is the issue there and when we can see the execution from Arun coming in?

Vikas Kothari: Hydromechanical is kind of like this only. What happens in hydromechanical is we are equipment suppliers and installation happen in hydromechanical. So, the quarter in which we will do excessive supply of equipment will have significant revenue from that project. But the next quarter, we may not have any supply to that project. So, there will be no revenues. Now the next batch of revenue will start only when the installation starts and installation also, because the project is so spread out, there are 10 different, 20 different types of gates in every project. So, in one quarter, we will do installation of one type of gate and then next quarter, we may not do any installation activity at all at that project. So, therefore, the revenues are never steady in hydromechanical business. It is not like Jal Jeevan Mission. It is not like an irrigation project. Hydromechanical is like this. It is nature. It is the salient nature of the project.

Tej: Got it and one more question was on the tendering side. So, how much time does a project take to, let's say, come to the tendering stage from, let's say, when projects are conquered by CA once and that is one type of projection. How much time do projects which are under, let's say, SI, survey and investigation stage, how much time does they take to come to the tendering stage?

- Vikas Kothari:** It can take anywhere between 2 to 3 years. Sometimes it takes 2 to 3 years by the time it comes for tendering. Because there are a lot of clearances that are required, CPA clearance, PID clearance, MOEF clearance, financial closure. All those things, by the time they happen, it takes almost 2 to 3 years by the time it comes up for tendering. Earlier, it used to be that, they used to float tenders even before all these clearances were happening and therefore, that tender, the projects used to take a long time to complete. Now, the government finalizes these tenders only once all these clearances have taken place.
- Tej:** Okay. Great and what are our plans, we are monetizing our other land estates, approximately about 50,000 square meters, which we have in Kota/Jaipur. So, are we planning to develop a project there or what are our plans? Are we planning to sell it or something?
- Vikas Kothari:** No, we have completed the real estate projects already. Now, the price, now it is only the time it takes to sell it. We are making extra efforts. We have appointed an agency to help us in advertising and marketing. So, I think the result of that will be seen in the next 2 financial years, where we will see the entire inventory getting sold off.
- Tej:** Okay. So, that the other land bank also, which we have, on those only we have built the real estate project.
- Vikas Kothari:** No, in Jaipur and Kota we have built already.
- Tej:** Yeah, because we have 2 lands in Jaipur, right, if I am not wrong.
- Vikas Kothari:** No, we have only one which has already been completed.
- Moderator:** Thank you. The next question is from the line of Akshita Janan, an individual investor. Please go ahead.
- Akshita Janan:** I have one question. What would be our guidance for the second half and for the entire year with bid pipeline?
- Vikas Kothari:** Guidance has already been explained in our presentation. Outlook is positive. I mean, may not be as significant growth as we have done in FY'23-24. But certainly, it is better than what we had anticipated. We had anticipated a big washout because of elections and prolonged monsoon and prolonged heat wave. But certainly, now it has picked up again and the next 2 quarters, we will see a better number. The guidance is positive for the next 2 quarters. We had expected it to be a washout here. But fortunately, now the run rate that we are getting from these 2 projects, I think it will be a good jump from the last 2 quarters.
- On a year-on-year basis, we may still not be able to meet the last year's growth number. But we will still have decent revenue.

- Akshita Janan:** Any Marquee projects which we could see, where we would be bidding or any guidance on that side?
- Vikas Kothari:** I would highly welcome you to visit. If you are close to Jaipur, then we have a project called Isarda Dam, which is 2 hours from Jaipur city. If you are close to the North, then near Amritsar, 2 hours from Amritsar, we are doing a significantly large project of 300 megawatts, where we are doing the complete Turnkey Project, which is including civil, hydro-mechanical, everything, canal. So, it's a very gigantic project, which we would love to welcome you to show you that project.
- Akshita Janan:** Sure, sir. I will get in touch with your team for the same. Thank you.
- Moderator:** Thank you. The next question is from the line of Anoushka Roy from Trade Brains. Please go ahead.
- Anoushka Roy:** So, I just, like the previous participant asked, I also wanted to ask a similar question that are we going to see any project completion in the next half of the year or say FY'26 or 27, which can, add some kind of lead or revenue inflows for the company? Are we going to see any, like, so we have multiple ongoing projects. So, are we going to see the completion of any of these ongoing projects in the next half of the year or say FY'26?
- Vikas Kothari:** I would say not in this financial year, certainly in the next financial year. We will see the completion of Isarda, we will see completion of shapurkandi. We will see nearing completion, I would say, 95% of the revenue would be recognized from Isarda, Shahpur Kandi, UP Jal Jeevan Mission, and also Rajasthan.
- So, not in this financial year, but in the next financial year, we will see a lot of completion of projects. FY'25-26.
- Anoushka Roy:** Okay, and if you could give an estimate of what kind of revenue inflows and margins are you expecting from those?
- Vikas Kothari:** All are double digit margins, anywhere ranging between 8 to 12% of the revenue. So, all of these projects are in that range and those margins are secured even till date.
- Anoushka Roy:** Okay, I have one more question. So, I read in the presentation that the company is planning to monetize its real estate sector in the coming quarters. So, I just wanted to understand, are there any expansion plans in the pipeline?
- Vikas Kothari:** No expansion plans in real estate. No, that is not our core business. We are very clear. We want to focus on our core business.
- Moderator:** Thank you. The next question is from the line Tej from Niveshaay. Please go ahead.

- Tej:** So, since I just use it 2-3 years, probably it would take those tenders to come out on the tendering stage, right? So, just wanted to get an idea on, if I look at data, is it correct to assume that probably about 6-7 gigawatts of PSP tenders will come out in let's say, in the next 3-4 years and about 6 gigawatts of tender in hydro projects?
- Vikas Kothari:** Yeah, safely, I mean, there will be, see, the hydro projects are very bulky in the sense that in one year there may be 4-5 projects, in the next year there may not be. So, it is safe to assume at least 5,000 to 10,000 megawatts will be implemented at least in the next 2-3 years.
- Tej:** This is for both right, PSP and hydro?
- Vikas Kothari:** I am talking about 10,000 of hydro and 10,000 of PSPs. Roughly around 20,000 megawatts
- Tej:** Okay, so you are talking about 20 gigawatts in the next 5-6 years.
- Vikas Kothari:** No, no, not 5-6 years, next 2-3 years.
- Tej:** Oh, so you are talking about 20 gigawatts of tender coming out in the next 2 years only?
- Vikas Kothari:** Three years. Let me also explain you further. Now, let's say NHPC, for example, has signed up MoUs for 10,000 megawatts. They will not take all the 10,000 megawatts at one go. They will take 2,000 megawatts first, then they will take another 2,000 megawatts, then they will take another 2,000 megawatts. Same way with private sector also.
- Tej:** Okay, got it and 1 more question was on the scope of work. I mean, essentially you are doing EPC installing the gates, right? So, are we supplying gates to other EPC players or is it in the requirement that the player who is doing the, let's say, the installation work of the hydromechanical work should have the capability to manufacture the equipment also?
- Vikas Kothari:** See, sometimes the tenders are invited on EPC basis where it includes civil and hydromechanical work. So, in that case, we tie up with the civil company and if that civil company wins the job, then we supply to the civil company. But the entire scope is done practically on a back-to-back basis where we are responsible for doing the entire design up to erection, and installation of hydromechanical equipment. So, we are contracted by that civil company, but it is practically a direct contract from the..(inaudible 31:06-31:10)
- Tej:** Okay, so you are saying the tenders are probably a complete whole package, but the civil companies, let's say HCC or Patel Engineering, would probably make a tie-up with you or subcontract you for installation and erection of the gates, right?
- Vikas Kothari:** Yes, for design, manufacturing, installation, everything. We do everything in-house.
- Tej:** Got it. But the installation of the gates on the site is not done by you, right?

- Vikas Kothari:** It is done by us. Everything is done by us. Design and manufacturing also is being done by us in-house. So, design, manufacturing, installation, everything is done by us in-house, but for the civil company, for the client, through the civil company. Civil company does not do anything.
- Tej:** Got it. Okay, and so probably we were thinking of about Rs300 crores of, let's say, still cash collection is left for the 2 of our projects, right? So, is it on the timeline, I mean, how much do we expect in, let's say, this remaining financial year and how much do we expect it to be, let's say, get in the other, I mean, the FY'26? I mean, what are the timelines of the cash collections are we expecting? How is the booking status and by what time do we expect the projects to close there?
- S.K. Jain:** The real estate projects?
- Tej:** Yes.
- S.K. Jain:** There are 2 projects going on right now. One is Pallacia in Jaipur, and one is Om Green Meadows in Kota. Both the projects are complete, and the unsold inventory is lying with us, which we are selling slowly and slowly in both cities. We are hopeful that in both the projects we will completely exit by next 2 years.
- Tej:** Whole Rs 300 crores we are expecting in the next 2 years only, right?
- S.K. Jain:** Yeah, some bigger units might remain unsold. There are some bigger units like 10,000 square feet that may remain unsold, but the rest of the units will be sold completely in the next 2 years.
- Tej:** Got it and sir, one more question to you only on the accounting side of the real estate. If I am not wrong, we book our revenues when we sell those units. I mean when we have a sell deal, right and then expenses are capitalized in the inventory. So, expenses are also recognized when we sell, right? Only those administrative expenses which are probably not capitalized are booked quarter on quarter, right? Is it the correct understanding?
- S.K. Jain:** Correct.
- Tej:** Okay, got it and just one more question. I mean probably now you said about 8 to 12% has a range for EBITDA margin. In the last concall you were saying upwards of 11%. So, I just wanted to know where can we settle on? Probably can we achieve double digit margin from here or probably with this new projects coming in or how much time would it take us to probably let's say clock double digit margin?
- S.K. Jain:** One thing I would like to explain very clearly that all our projects, if you take independent basis, it's all double digit margin projects, 12% or 15%. But when we go on quarter to quarter, there may be some mismatch. Some revenues, which are highly profitable today, will be booked in this quarter. Some revenue which are less profitable may be booked in next quarter.

The mismatch can happen quarter to quarter. But overall, one project is definitely worth 12% to 15% EBITDA margin. But every project has a different kind of payment mechanism and suppose in one project there is a margin of 20%, but we are not able to clock the revenue for this quarter, then we take this money spent in the project as work-in-progress or UBR, unbilled revenue, where we don't book the profit. This can happen in quarter to quarter, but overall, every project is 12% to 15% margin profit.

Tej: Got it and sir, are we experiencing any receivable issues because of this delayed budgetary decision? Especially in water, we have seen that there has been, slowdown of funds coming from the departments. So, are we facing those issues on our side? I mean, of course, I have seen, I mean, the receivables haven't increased much, but are we seeing any delayed payments kind of issue?

S.K. Jain: It was in Rajasthan definitely because of elections, the new government and the new CM, but this is slowly improving. I thought Rajasthan we have funds stuck up because of March elections, but these are coming up slowly, slowly. So, that will improve by March or June, by June '25.

Tej: Got it and what are, I mean, going forward, looking at, again, hydro power projects and PSPs coming back into the opportunity. Are we planning to bid for more projects into, let's say, towards, let's say, sewage or, into Jal Jeevan? Are we planning to go more towards water? What are your thoughts on it? Are we just sticking to the hydro power projects for prospects?

S.K. Jain: We are open definitely for all the water-related and sewage projects and that is why we have made in the presentation that the opportunity is huge. Earlier, 3 years, we were doing only hydro-mechanical components or a civil construction of dam, like in Rajasthan, we did the Kalisindh Project. But now the floor is open in many, many sectors. Jal Jeevan Pipeline, water pipeline, irrigation pipeline, water treatment plant, powerhouse construction, dam construction, the river leaking project, PSP project. So, opportunity is huge, and we are going to increase it slowly. If the margin is good, we will definitely bid for the bigger projects.

Tej: And, sir, how much would be our bid pipeline right now? Have you bid for any projects?

S.K. Jain: Today, as of today, our bid pipeline is worth Rs. 2000 crores. Rs.1000 crores in UP and Rs. 1000 crores separately. Rs. 2000 crores we have already bid and many more we are going to bid in the next 2 months.

Tej: That is for all hydro or, I mean, is there some Jal Jeevan Mission or let say Amrut or ?

S.K. Jain: No, it's combined.

Tej: It is combined. Okay and, sir what would be our bank guarantee limits and how much have we utilized?

- S.K. Jain:** Right now, we have a bank guarantee limit of Rs. 632 crores. Out of this, Rs. 280 crores is utilized.
- Tej:** Okay and what about the MHADA Project? I mean, how is rehabilitation started and what is the status there?
- Vikas Kothari:** This thing has started. The construction of rehab tenements has been going on and will get completed, I think, in the next 6 months. Once the rehab tenements are completed, then shifting will start and once the shifting happens only then this project see the light of the day. So, as of now, the timelines are not predictable. But certainly, there is some progress happening on a regular basis.
- Tej:** Got it. Okay, sir and just one last question. I just wanted to get your thoughts on you said 20 gigawatts of tender will probably come in the next 2 to 3 years. What are we targeting? I mean, what are the tenders?
- Vikas Kothari:** We will target everything. But what comes our way is completely unpredictable. We are, as I said, hoping to get anywhere between Rs500 to Rs1000 crores in this financial year. Of which Rs400 crores we have already got. I am expecting another few hundred crores of additional order book addition will happen within this financial year.
- Moderator:** Thank you. The next question is from the line of J.P. Mundhra, an individual investor. Please go ahead.
- J.P. Mundhra:** So, first is Bandra Project Vikasji was telling that shifting is going on, I got the answer.
- Vikas Kothari:** Shifting is not going on, construction is going on.
- J.P. Mundhra:** Yes construction is going on shifting will happen afterwards. So, after completing construction in November-December will shifting start?
- Vikas Kothari:** No, construction will finish till March, after March shifting will start. Hopefully within 6 months shifting will be done. Shifting has different challenge, so it is not predictable when will it happen.
- J.P. Mundhra:** So, at least some unit has been constructed. It is not like half will be started, it is not like that.
- Vikas Kothari:** This our partner will decide that slowly he will start as the unit completes or will do in one go. I think will do in one go.
- J.P. Mundhra:** So, full work will be done till March 2025.
- Vikas Kothari:** Yes construction will be done.

- J.P. Mundhra:** After that negotiation and joined visit will progress. Till now we are occupied in construction and shifting after that only we will consult developer. For this year, we should understand that it will be construction only.
- Vikas Kothari:** Yes.
- J.P. Mundhra:** Secondly, for Pallacia Project there is no top line or bottom-line contribution in our balance sheet. Is there nothing happened this year. So, in 2025 ending nothing will be coming in our balance sheet.
- Vikas Kothari:** No it will come in 2025 ending. We have started making efforts. We hired advertisement and marketing agencies, so revenue will come in 2025 but how much is no predictable, but it will come definitely.
- J.P. Mundhra:** Dhanteras we have done Rs 20 crores registry of flats.
- S.K. Jain:** No it was of old flat which were sold out earlier, it is registry of that. Rs 20 crores revenue we got in October another Rs 30-40 crores will come by March so Rs 60-70 crores will be new and 20 old so in total will get around Rs 80 crores from Pallacia.
- J.P. Mundhra:** So, we understand that Rs 7 to 8 crores contribution be there. It is okay the old sold-out unit, the low-rate unit, how much will you charge? Because I think the rate has increased by 30-40% the booking amount which was 5 years ago. It used to be Rs 7-8-10,000. Now it should be Rs 17,000. So, they have to pay.
- S.K. Jain:** In the case of Rs 12,000 we take it as safe side, Rs12,000-13,000, we can get a good booking.
- But the units that are left now, the big ones are left. So, for the big unit, the demand is not the same as it used to be for the small unit. So, there is still demand.
- J.P. Mundhra:** Isn't it or not? How much is the big unit? 4,000-5,000 sq ft?
- S.K. Jain:** Yes.
- J.P. Mundhra:** Okay. And the small ones, 2,200-2,500 sq ft all are sold?
- S.K. Jain:** Yes, everything is over. Okay. Only the big ones, the duplex-sized units are left. Yes.
- J.P. Mundhra:** Okay, you are trying. The third thing is, what is the progress of the two arbitrations that are going on?
- Vikas Kothari:** There is no prediction for that, Mr. Mundhra. It can take 2-3 years. Because there are court matters. No prediction works in court matters.

- J.P. Mundhra:** The small one, the Rs 50-55 crore one, I used to think..
- Vikas Kothari:** No, that is also pending. That is also pending in the courts.
- J.P. Mundhra:** It is pending in the Supreme Court.
- Vikas Kothari:** It is pending in the Supreme Court.
- J.P. Mundhra:** It has gone to the Supreme Court.
- Vikas Kothari:** Yes, it has gone to the Supreme Court.
- J.P. Mundhra:** The Supreme Court is a full and final decision-maker.
- Vikas Kothari:** Sometimes it happens immediately, sometimes it takes time.
- J.P. Mundhra:** Yes, that is fine. For example, Bhilwara Jaipur is still in the Supreme Court. We are thinking that if it goes to the Supreme Court next year that may take time. But the small one, the Rs 50-55 crore one, I think...
- Vikas Kothari:** Yes, it can go.
- J.P. Mundhra:** I was giving a suggestion that it is in the power sector. Why don't we diversify? For example, solar energy, panel manufacturing, Warea Energy, a company IPO that came. You know all this, we don't have to say anything.
- Vikas Kothari:** The panel is a very competitive line, Mr. Mundhra. We don't want to go to the manufacturing panel. We can definitely go to the solar EPC. We are exploring the solar EPC in that as well.
- J.P. Mundhra:** What does solar EPC mean?
- Vikas Kothari:** To do EPC of Solar. The scope that we have now
- J.P. Mundhra:** To do installation.
- Vikas Kothari:** Yes. We do solar in that as well. We have a lot of solar projects in our current projects as well. There is a lot of solar work.
- J.P. Mundhra:** Have you taken anything of your own?
- Vikas Kothari:** No, not yet. But it is in the bidding pipeline.
- J.P. Mundhra:** You mean in the factory roof panel?

- Vikas Kothari:** No, no. We will not install a factory. That is not our core business. There are already a lot of factories installed.
- J.P. Mundhra:** No, no. Where do you want to do your EPC work? Factory or rooftop of home?
- Vikas Kothari:** No, no. In our projects, there are many projects. For example, there is a scope to install a solar plant like in Jal Jeevan.
- J.P. Mundhra:** Okay, okay. Instead of electricity, we will take power from solar.
- Vikas Kothari:** Yes, yes. We will take power from solar. We are already doing that work.
- J.P. Mundhra:** Okay. Apart from that, in the other line, the factories will be small. There will not be much solar work in our project.
- Vikas Kothari:** There is so much scope in our line right now. There is no need to see any other diversification. There is a lot of scope in our line right now. It has just started.
- J.P. Mundhra:** Okay. There is a lot of scope in the project as well.
- Vikas Kothari:** There is a lot of scope. There is a lot of scope in our line as well. It has just started.
- J.P. Mundhra:** Looking at this, I think it has a very bright future. You are seeing solar. In the manufacturing, you say that competition is rising. It is rising very fast. The share price has gone from Rs. 3500 to Rs.3700 in 10 days. Rs 1705 was issue price. So, the profitability is very good. So, this company is making more. So, this is one thing, and your manufacturing is hydromechanical, how to make an equipment, you have a plant, a factory, a place. So, in that, you must be thinking, explore it, if this happens, then it will be a very big profitable job, I think, or joint venture somewhere else. You are sitting in one thing, if you diversify to other, then do it. Do it in your own power. Do wind energy, do solar.
- Vikas Kothari:** Sure, sure, Mr. Mundhra, your suggestion we will consider.
- J.P. Mundhra:** No, because I think it will come a little ahead of hydro, because there was another very big government, focus is on other energy sector too. Hydro is there, solar and wind is also very big. Take a loan or something. So, this is what I have to say.
- S.K. Jain:** Mr. Mundhra, we are exploring 25-50 megawatts of solar park in Rajasthan, in UP. 25-50 megawatts on land lease
- J.P. Mundhra:** 25 megawatts.
- S.K. Jain:** Yes, this is a government project, a government scheme, a KUSUM Project, we want to build in it, so that we can build a solar park of 25-50 megawatts. What will happen in this is that we

will take land lease from the farmer and build our own park, so that we get depreciation benefit and get regular income. Okay.

J.P. Mundhra: We will also build panels in it?

S.K. Jain: No, no, we will not install it. Yes, we will buy panels. We will build a solar park of our own.

J.P. Mundhra: Okay, okay. Will you install it in the park or in people's houses?

S.K. Jain: No, no, solar park, on the farm field, on the farmer's land. Okay. We will install solar on the farm field. There are barren lands.

S.K. Jain: Yes there are barren lands, we see the panels are lying there. You can see, there is a lot of wind. Okay. Yes, so look at that. It will be a little easier.

Moderator: As there are no further questions from the participants, I would like to hand the conference over to the management for their closing comments.

Vikas Kothari: Thank you very much for everyone for your kind participation and spending time with us on our investor call. We truly appreciate your feedback. Your suggestions are very valuable for us. I assure you that the company is on the right path for phenomenal growth in the future. Since the features of our industry are very sluggish and very, skewed and not constant, and therefore quarter on quarter results should not be looked at. But I can assure you the future is extremely bright and very positive going forward. Feel free to reach out to me for any further questions. I am always available on email through the IR company.

Thank you very much.

Moderator: Thank you very much. On behalf of Go India Advisors, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.