



# VISHNU PRAKASH R PUNGLIA LIMITED

ENGINEER, CONTRACTOR & DESIGNER

An ISO 9001: 2015 Certified Company

June 07, 2024

<b>To,</b> BSE Limited Phiroze Jeejeebhoy Towers, 21 <sup>st</sup> Floor, Dalal Street, Fort, Mumbai – 400 001  BSE Scrip Code: 543974	<b>To,</b> 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
--	---

**Sub: Transcript of earnings conference call held on Monday, 3<sup>rd</sup> June 2024.**

**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 Monday, 3<sup>rd</sup> June 2024 at 4.00 PM (IST). It is also available on the website of the Company at [www.vprp.co.in](http://www.vprp.co.in).

You are requested to take the same on record.

Thanking you

**For VISHNU PRAKASH R PUNGLIA LIMITED**

NEHA  
MATNANI

Digitally signed by  
NEHA MATNANI  
Date: 2024.06.07  
17:33:37 +05'30'

**NEHA MATNANI**  
**Company Secretary**  
**M. No. A-69247**

**CIN: U45203MH2013PLC243252**

Corporate office: B-31/32, Second Floor, Industrial Estate, New Power House Road, Jodhpur-342003, Rajasthan  
Telephone: 0291-2434396, Email: [info@vprp.co.in](mailto:info@vprp.co.in), [accounts@vprp.co.in](mailto:accounts@vprp.co.in)  
Reg. Office – Unit No. 3, 5th Floor, B Wing, Trade Star Premises Co-Opeartive Society Limited, Village Kondivita,  
Mathuradas VasANJI Road, Near Chakala Metro Station, Andheri (East), Mumbai 400059 Maharashtra

**Vishnu Prakash R Punglia Limited**  
**Q4 FY24 Earnings Conference Call**  
**June 03, 2024**

---

**Moderator:** Ladies and gentlemen, good day and welcome to Vishnu Prakash R Punglia Limited Q4 FY24 Earnings conference call.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touchtone phone.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Mr. Sonpal.

**Anuj Sonpal:** Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors.

We represent the Investor relations of Vishnu Prakash R Punglia Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the fourth quarter and financial year ending 2024.

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 risks 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 undue 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 firstly have with us Mr. Manohar Lal Punglia - Managing Director, Mr. Jayant Punglia - Project Coordinator and Mr. Sarfaraz Ahmed - Chief Financial Officer.

Without any further delay, I request Mr. Manohar Lal Punglia to start with his opening remarks. Over to you, sir.

**Manohar Lal Punglia:** I am very happy to extend a warm welcome and greeting to all the members of the extended family of Vishnu Prakash R Punglia Limited, shareholders, investors and associates. About nine months ago we did the IPO of our company. It was issued and you all expressed full confidence in it, as a result of which we received approximately 88 times the desired amount as compensation. With this, our journey of 37 years, which started from a small town Dhorimana in Barmer district of Rajasthan, has reached a point which everyone aspires for but only a few get the opportunity to touch such heights.

This success has given double enthusiasm to the employees who are proficient in management and technical and financial knowledge of the company and the company is gradually moving towards touching new dimensions of success.

We are competently working in all disciplines of infrastructure sector like civil, mechanical, electrical and automation works. I am proud to say that today we are involved in construction of roads, bridges, reservoirs, water supply schemes, water treatment plants, sewer lines, sewage treatment plants, overhead tanks, laying of railway lines, warehouses, pump houses, residential and office buildings, Successfully carrying out major turnkey projects including designing, implementation, operation and maintenance of works etc.

Our company is working in the field of government infrastructure construction and there were state and union elections for the last seven-eight months, yet in the last year we have made remarkable progress in the physical and economic sectors, which is a matter of pride for any company. Now the election celebrations are coming to an end and the focus of the coming strong-willed government will be special in the field of infrastructure construction which will be very encouraging for the progress of our company. Today we are working in various provinces and union territories of the country. Their detailed description will be given by Mr. Jayant Punglia and Mr. Sarfaraz Ahmed CFO.

In the end, without taking much of your time, I would just like to say that in this endeavor, we will live up to the trust that all small and big investors have placed in us. Your company will prove itself on all parameters and will move forward on the path of progress. As the Managing Director of the company, I assure you that I will always keep your trust intact.

Finally, once again, my heartfelt gratitude to all of you with whose cooperation we have been able to achieve this goal today.

**Jayant Punglia:**

Good afternoon, everybody. I am Jayant Punglia - Project Coordinator at Vishnu Prakash R Punglia Limited. Welcome to our first ever Earnings Conference call since our listing to discuss the performance of the fourth quarter and the financial year 2024.

In the interest of some of the people who are new to the company, let me first start by giving a brief overview of the company. Vishnu Prakash R Punglia Limited was established in the year 1986. We are an integrated engineering, procurement and construction company with four decades of experience in design and construction of infrastructure project. We have a vast experience in executing major infrastructure projects for central and state governments, local bodies, public sector companies and private bodies with the presence in more than 10 states and 1 Union territory in India.

Our business operations are diversified across water, roads, railways and other projects. Water supply contracts contributes to around 78% of our revenue as on FY24 which includes constructing, designing, building, operating, maintaining and developing water supply projects for example, water dams, water tanks, reservoirs, overhead tanks, irrigation channels, etc. It also includes setting up water treatment plants, along with pumping stations and laying up pipelines for supply of water.

The roads sector contributes to around 12% of total revenue as on FY24 which includes development of roads and highways, culvert, bridges and flyovers.

The third segment is railways, which contributes to around 7% of total revenue as on FY24 which we have executed various kind of railway works like railway tracks, stations and allied buildings, platforms and bridges. Apart from these, we are also into allied projects, irrigation, network projects, civil projects that include activities like Sewerage treatment Plants, Sewer Tank drain, tunneling works, buildings and warehouses work, multidimensional Smart City projects, automation work involving PLC and SCADA.

The company has an integrated business within house execution team and the fleet of more than 500 construction equipment will help in reducing its dependence on 3rd party for key materials and services for our project execution. The current order book as on 31st March 2024 stands at around Rs. 4,717 crores across all the business segments to be executed over the next 24 months to 36 months. Now let me request our CFO, Mr. Sarfaraz Ahmed to brief you on the key financial highlights.

**Sarfaraz Ahmed:**

Good afternoon, everybody, and welcome to this Earnings Call. Let me take you through the financial performance of the company for the fourth quarter, followed by the financial year ending 2024. For the fourth quarter under review, the revenue from operation grew by 44% year-on-year to Rs. 657 crores. The EBITDA was reported at around Rs. 105 crores, which increased by around 64% year-on-year with the EBITDA margin reported at 15.96%. The net

profit was around Rs. 67 crores, which represents an increase of 68% year-on-year. PAT margin for the quarter stood at 10.21%.

Coming to the financial year ending 2024, the revenue from operation stood at around Rs. 1,474 crores, which increased by around 26% year-on-year. The EBITDA was reported at around Rs. 210 crores, which grew by 34% year-on-year. The EBITDA margin stood at 14.24%. The net profit stood at around Rs. 122 crores, which grew by around 35% year-on-year. PAT margin stood at 8.29% for the year 2024.

Talking about the operational highlights of the company, the strong growth in revenues are driven by on time and successful execution of ongoing projects across the segments. Margin expansion was driven by cost control, operational efficiency and timely execution of the project. We have successfully completed 7 projects worth Rs. 2,488 crores in FY24 across India in different business segment. While our project portfolio has historically been concentrated in Rajasthan, we have now gradually expanded to more than 10 states including one Union territory. During the quarter, only the new order was Rs. 318 crores out of which approximately Rs. 122 crores was for water supply projects and Rs. 196 crores was for railway project. We aim to maintain order books to turnover ratio around 3 times.

The company has now achieved competencies to bid for large value projects and has successfully bagged 3 large value projects in FY24, which includes 2 in Uttarakhand for Rs. 899 crores and in Uttar Pradesh for Rs. 496 crores and 1 for Rs. 334 crores in Madhya Pradesh. The bid pipeline is robust and we are hopeful of some opportunities to materialize over the next few months. With that said, we can now open the floor to question and answer session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Tej Patel from Niveshaay. Please go ahead.

**Tej Patel:** So my first question is, I think approximately, if you look at FY24, our order inflow was around Rs. 2,700 crores, so given our bid pipeline, how much order inflow do we anticipate coming in this year across all the segments?

**Jayant Punglia:** As of now, the current order book we have Rs. 4,717 crores.

**Tej Patel:** And how much inflow, how much order inflow can we expect this year in FY25?

**Jayant Punglia:** So the bidding process is like a continuous process in our industry and as of now I can't project the amount of work which we can have.

**Sarfaraz Ahmed:** Last historic bidding success ratio is around 17%.

**Tej Patel:** So do we have any bid pipeline? Do we have any numbers like this much projects which we have bid for?

**Sarfaraz Ahmed:** We cannot tell that openly right now. Secondly the company keeps on bidding on regular basis. Historically success ratio is 17%.

**Tej Patel:** For margins what can we anticipate for FY25 and going forward which margins will sustain like this quarter we did 16%, but approximately ours is around 14%, so going forward how much can we anticipate that we can do this much of margin?

**Sarfaraz Ahmed:** Gradually we have grown and we will sustain our margins at around 13% to 14%.

**Tej Patel:** My third question was to know about the competitive scenario in industry like the kind of projects or the bidding that we do then normally what is the number of players who bid for the kind of tenders that we also bid for?

**Manohar Lal Punglia:** Under this I want to tell you that this happens in different areas wise like on average 4 to 5 bidders are there.

**Tej Patel:** So, on an average I can say 4 to 5 bidders are there?

**Manohar Lal Punglia:** Yes.

**Tej Patel:** Last question, if I see our debtor days then significantly this financial year it is almost 150 days earlier it was 70 days - 80 days, so can you elaborate that going forward how many debtor days can we anticipate?

**Sarfaraz Ahmed:** Debtor days are according to the GST norms, but specifically last 6 months was election period, so due to that payments were slowed down, but going forward debtor days will be normalized.

**Tej Patel:** Last question, from our projects how much will be world bank funded and how much will be state government funded?

**Manohar Lal Punglia:** Our maximum projects are of central funding and some are World Bank funded. States Jal Jeevan Mission of water supply is in the ratio of 50%-50%. 50% is of state and 50% is of center.

**Tej Patel:** I wanted to know that like there had been payment issues in the past from government projects where world bank funding is not involved so was there any bad debt issue or receivables issue in the past and what do you have to say in this area like how is the payment mechanism going on now? On time payments are happening or not?

**Manohar Lal Punglia:** Definitely on-time payments are happening. Now a days there is a system like if 50% is released by the central government then 50% has to be released by the state government then after adding that our payment is made, so there is no difficulties in this. It has been almost 37 years we came in this business and we never had such problems in projects.

**Tej Patel:** Last question like you have been for many years in this industry especially in water segment, so let us talk about the investment that were being made in our water segment 5 years ago, what kind of investments were made in terms of number of tenders? How many tenders were being opened 5 years ago and how are thing going on ground in terms of after opening? What is your opinion on how much investment was done in water earlier and how much is done now and what are you seeing going forward?

**Manohar Lal Punglia:** Regarding this I want to tell you that earlier work scale was short and now scale has become large, so I don't think that there is shortage of work like this water supply work has been going since long and we haven't had any problems yet. There is a shortage of workers.

**Tej Patel:** So you want to say that there is a lot of opportunity and it has increased more than earlier?

**Manohar Lal Punglia:** Yes, definitely it has increased. Now capacity has also increased. Our working capacity has also increased earlier it was less as we are growing gradually our capacity also increased a lot.

**Sarfaraz Ahmed:** And from the last few years, the governments focus has also been good on infrastructure segment.

**Tej Patel:** Last question, our recent order book is of Rs. 4,700 crores then is it safe for us to say that next year we can at least grow at 20% given our current order book?

**Sarfaraz Ahmed:** Will grow accordingly on our regular previous year's growth and we don't do bidding very aggressively. We maintain it so that we can execute projects on time and give quality work, so we hope that we can maintain our historic increase of 15% to 20%.

**Moderator:** Thank you. Next question is from the line of Mr. Akshat Shah, Mehta Vakil and Co. Private Limited. Please go ahead.

**Akshaj Shah:** So my question is that the revenue splits for Rajasthan versus non-Rajasthan, is that about 53 to 67 right now and is there any ideal split that the company wants to go to?

**Sarfaraz Ahmed:** Yes, sir. We are diversifying in other states also if we compare our last order book, in that our Rajasthan portion in that it came from 68% to 37% now and in other states its revenue has gone to higher side. So the revenue obviously will increase in this manner also and will be diversified.

**Moderator:** Thank you. Next question is from the line of Deepak Sharma an Individual Investor. Please proceed.

**Deepak Sharma:** Sir my question is that if you see quarter-to-quarter performance in that your last quarter that is March quarter was pretty fast as compared to previous 2 quarter or 3 quarter, any specific reason?

**Manohar Lal Punglia:** Regarding this I just want to say that because we are connected with more government business, so in March more fund is received by the government and they have to utilize it and with that our progress is also good. We get the benefit in March. February and March which is the last quarter is a good quarter for us.

**Moderator:** Thank you. Next question is from the line of Ankur Gulati an Individual Investor. Please go ahead.

**Ankur Gulati:** If you want to make further growth, will you have to raise more funds in equity?

**Sarfaraz Ahmed:** As of now, company has no such plan for fund raising let us see with the existing growth which is going on, but right now management has no such plans.

**Ankur Gulati:** So you are saying that the growth of 25% to 30% will be managed in that internal cash flows whatever is coming?

**Sarfaraz Ahmed:** Yes, sir will be managed through internal accrual and some through bank borrowings.

**Ankur Gulati:** Typically how much is the EMD when you are bidding?

**Sarfaraz Ahmed:** General EMD is of 2%, but where it is registered 0.5% EMD is required.

**Manohar Lal Punglia:** 0.5%, 1%, 2%, 3 different segments are there for all 3.

**Ankur Gulati:** How much has to be given when the contract is awarded this deposit amount?

**Sarfaraz Ahmed:** Between 5% to 10%.

**Manohar Lal Punglia:** Somewhere it is 5% and somewhere it is 10%. It is different.

**Ankur Gulati:** Roughly, let us say, hypothetically if you are bidding for an order book of Rs. 4,000 crores then 2% or 1% cash will be required as EMD?

**Sarfaraz Ahmed:** Generally it is in the form of bank guarantee. It is same as that of the bank guarantee limits.

**Moderator:** Thank you. Next question is from the line of Rohit Shah from Ladderup Wealth Management. Please go.

**Rohit Shah:** I want a confirmation from you. Earlier you told that going forward growth will be 15% to 20% in revenue?

**Sarfaraz Ahmed:** You can compare the previous growth and the previous question was about order book

**Rohit Shah:** Yes, sir. My second question is that how much will be the advances in balance sheet? What will be the amount of advances which is received from the projects?

**Sarfaraz Ahmed:** Advances from department?

**Rohit Shah:** Yes, you might have got advances for the project for starting the work?

**Sarfaraz Ahmed:** Generally we take mobilization advances where it is interest free. In last March 31<sup>st</sup> balance sheet it is around Rs. 61 crores.

**Manohar Lal Punglia:** We have one policy that we take orders from wherever we get mobilization without interest, otherwise maximum time we avoid the rest.

**Rohit Shah:** Then to start the work, debt or net cash is utilized and as and when the work is finished you get the money?

**Manohar Lal Punglia:** Yes.

**Rohit Shah:** Secondly, what is the future plan for bringing the positive cash flow in operating levels and what is our strategy because we have been getting negative for a long time?

**Sarfaraz Ahmed:** Before 9 months we have brought IPO we have deployed all the funds, so obviously it is a growing company and in the growth phase. If we see that before changes cash flow is positive and going forward if growth is maintained then obviously it will be positive only.

**Rohit Shah:** If you grow 25%, 30%, but as you are saying your working capital is stuck due to elections, this year it will be resolved, so I think from next year onwards positive operating cash flow should come? I think majorly this year it has happened that your money was stuck in your working capital?

**Sarfaraz Ahmed:** In the coming months it will be cleared.

**Moderator:** Thank you. Next question is from the line of Vignesh Iyer from Sequent Investments. Please proceed.

**Vignesh Iyer:** I want to understand that when we bid for a tender, what is the bid timeline? From bidding till the outcome of the bid to understand whether we have got the tender or not, what is the general timeline for this?

**Manohar Lal Punglia:** In this the timelines are different, but when we participate in a tender it takes 1 month to 2 months to tell anything regarding it.

**Vignesh Iyer:** For us to understand whether we have been awarded with the contract or not, right?

**Manohar Lal Punglia:** It all happens online, when an existing tender is opened, we get a message and then we come to know about it.

**Vignesh Iyer:** So after the tender is awarded, it would mostly go to L1 and then it how much time does it take to convert into actual order?

**Manohar Lal Punglia:** That is what I said that it generally takes between 1 to 2 months. It depends upon department to department.

**Vignesh Iyer:** Then how much time it takes to convert from L1 to actual orders?

**Manohar Lal Punglia:** I am saying that in some cases it takes 1 month and in some it takes up to 2 months' time.

**Jayant Punglia:** It differs from department-to-department. Usually if we see the habit time then it takes around 1 month to 2 months' time.

**Vignesh Iyer:** After listening to other company's call we came to know that not much tender has been out, so would it be fair to assume that this year our order inflow would majorly happen during Q3 and Q4?

**Manohar Lal Punglia:** Achaar Sahita is impose throughout India, so during Achaar Sahita no tenders could become an order. Tomorrow this will end and after that all the processes will continue.

**Sarfaraz Ahmed:** Would like to add on this, last quarter we received orders around Rs. 318 crores which were bided earlier.

**Vignesh Iyer:** Assuming that after 2 months-3 months of starting of process we have chances of getting more orders in quarter 3 and quarter 4?

**Sarfaraz Ahmed:** Can you repeat please ?

**Vignesh Iyer:** When this Achaar Sahita is removed tomorrow I believe that it takes 2months to 3 months' time department-to-department wise if tender is opened in Q1 then by Q3 we will get an idea of how the order inflow would be for the whole year?

**Sarfaraz Ahmed:** It depends, bidding will be regular and according to the success ratio as our previous historic success ratio was around 17% we can expect to get orders.

**Manohar Lal Punglia:** In next quarter it will be good.

**Moderator:** Thank you. Next question is from the line of Raj from Arjav Partners. Please go ahead.

**Raj:** How much is our expectation for sales growth for FY25 this year?

**Sarfaraz Ahmed:** We are expecting that we will maintain our historic growth.

**Raj:** So according to me your historic growth is 26% or so?

**Sarfaraz Ahmed:** In this year it is 26% and in previous last 3 years was 46.5%.

**Raj:** We can expect 26.5% and what will be the order book growth in FY25?

**Sarfaraz Ahmed:** We try to maintain order book up to 3 times of our turnover.

**Raj:** Your debt level will increase or decrease in FY25?

**Sarfaraz Ahmed:** We will not aggressively take debt, but as you know that this is a working capital intensive business, so we are not going forward for aggressive debt funding and will maintain Debt equity ratio under one only.

**Moderator:** Thank you. Next question is from the line of Jason from SJH. Please go ahead.

**Jason:** I have 2 question sir. First of all, where do you see the growth visibility highest in which segment, you have 4 segments and in which segment you see highest growth visibility? And if you have already guided EBITDA guidance and the revenue guidance for financial 25, if you could repeat that, that would be great?



**Sarfaraz Ahmed:** If we talk about growth visibility, then we will maintain the existing growth and EBITDA level will be maintained between 13% to 14%.

**Jason:** I was wondering that the 4 segments in which you are currently in, so in which segment like water supply, road, railways?

**Sarfaraz Ahmed:** Our core competency is in water supply projects, but at the same time we are seeing expansion and opportunities in railways and roads also. We are bidding new tenders also.

**Manohar Lal Punglia:** Since there is a lot of central's focus within railways, so achievement will be good for the railways and we will also have more focus in railways.

**Jason:** My last question would be as you mentioned in earlier question your March quarter is one-off quarter, is a very good quarter in terms of revenue and growth, so are you seeing that this will continue in future or it was an one-off quarter in March?

**Sarfaraz Ahmed:** Already this is the pattern of tender March quarter which is a fourth quarter is always good.

**Moderator:** Thank you. Next question is from the lines of Ankur Gulati an Individual Investor. Please go ahead.

**Ankur Gulati:** Sir, can you give a broad EBITDA margin range for all your 4 segments?

**Sarfaraz Ahmed:** On an average bidding is done, so our EBITDA margins more or less remain the same in all the segments.

**Ankur Gulati:** Margin of water is little more or railway's margin is more than road EPC?

**Manohar Lal Punglia:** It is almost same in every segment. We bid tenders accordingly to maintain our margins.

**Ankur Gulati:** Need some clarity on few more numbers, you are saying that previous year our revenue grew by almost 25%, 26%, then according to that in this financial year if we are taking the same growth rate around Rs. 1,850 crores then a revenue of Rs. 1,850 crores is generated, so is that a reasonable number?

**Sarfaraz Ahmed:** Can't tell about the numbers, but yes, growth will be 15% to 20%.

**Moderator:** Thank you. Next question is from the line of Hemal, an Individual Investor. Please go ahead.

**Hemal:** My question is can you give the breakup of your trade receivables like how much is the retention?

**Sarfaraz Ahmed:** We will let you know. We will send you the details through our IR.

**Moderator:** Thank you. Next question is from the line of Harsheel Mehta from Mehta Vakil and Company. Please go ahead.

**Harsheel Mehta:** My question was regarding the depreciation and finance cost. Depreciation cost has increased about 60% year-on-year and finance cost has also increased by 42% this year, so going forward in FY25 what will be the level of depreciation and finance cost which we can assume?

**Sarfaraz Ahmed:** This year because IPO was there and in that we had one object clause to procure equipment the CAPEX had to done, so according to the project we did the CAPEX, so depreciation increased because we did the CAPEX and coming to finance cost, if we see in terms of revenue it is not that much. It is on the same pattern.

**Harsheel Mehta:** So going forward the finance cost which you are telling will be in line with revenue growth or will decrease a little?

**Sarfaraz Ahmed:** Will be in the same pattern because it is a working capital intensive business, has internal accruals and bank borrowings, so it has to be maintained, but is not going to aggressively increase.

**Harsheel Mehta:** And depreciation will be in the same level or will increase more this year?

**Sarfaraz Ahmed:** No, as of now we have proper equipment, so we hope that with this equipment itself new projects can be done and if any specific equipment is required then we can procure that.

**Moderator:** Thank you. Next question is from the Aditya an Investor. Please go ahead.

**Aditya:** Sir I want to know about the competitive intensity in projects of Jal Jeevan Mission and water sanitation projects, how is the competitive intensity in this because in a call of another company they told that in bidding only 2 or 3 companies are coming. Project's size and funding is very huge and number of companies are limited and from your side I want to know that are you feeling the same that the area where you are bidding there are only 1 company, 2 companies or 3 companies in bidding?

**Manohar Lal Punglia:** We also believe that an average of 4 companies to 5 companies is there. Not more companies are there because working is more hence we consider only 4 or 5 bidding as an average.

**Aditya:** So going forward, in which geography we think that major work we will do because from Assam and Odisha side more work is coming, there also competitive intensity is also very low?

**Jayant Punglia:** Right now as of now we are working in 10 states under which Assam and Manipur also comes in North East, so right now our focus is on these 10 states and along with them if any projects are available in nearby areas there also and where we get better margin projects which we target then according to that we are open for new geographies also.

**Aditya:** Current year our focus will be more on railways?

**Jayant Punglia:** It will be more in water, railway, roads and every section.

**Moderator:** Thank you. Next question is from the lines of Saket Kapoor from Kapoor and Company. Please proceed.

**Saket Kapoor:** Sir as we look at your cash flow this year your investment in plant and equipment was Rs. 53 crores and previous year it was Rs. 65 crores, so what will be our CAPEX this year?

**Sarfaraz Ahmed:** The CAPEX what we did last year was in accordance with the new project and further planned for that only, so this year also we have done a lot of CAPEX and we have adequate CAPEX with us. If any specific requirement is there in plants then we will purchase it, as of now we have proper equipment.

**Saket Kapoor:** You want to say that the turnover you are projecting for this financial year in the range of Rs. 1,800 crores you don't need further CAPEX to do that? You are already prepared for that, we have done the CAPEX for that?

**Manohar Lal Punglia:** We have complete machines with us, but nothing can be said for future now itself, but the point is that if we receive a new project in which there is a requirement of different machinery then we have to purchase it rest till now no need.

**Jayant Punglia:** Before making any procurement we do a proper due diligence and if we feel that by doing that project we will get long term benefit then only we go in such purchasing.

**Saket Kapoor:** This is the third month of our first quarter which must be definitely affected by the elections due to which its execution pace must be lower and also as strong heat waves are flowing its impact should be there on our business?

**Jayant Punglia:** During election period, our execution was going the same as it was before there was no major impact on it and if we talk about the summer season then we cover up by doing morning and night duty. During day time our labors get rest and the work is covered during day and night as such no major impact has been there.

**Saket Kapoor:** So you want to say that in this quarter there is no effect of the elections?

**Jayant Punglia:** No significant impact has been there.

**Saket Kapoor:** Regarding Jal Jeevan Mission you said that only 5 to 6 companies participate in this, apart from you can you mention some other major company's name who keeps on competing with you?

**Jayant Punglia:** I told that it happens state-wise, but on average whenever tender happens then in it on an average 5 companies to 6 companies are there. If I talk about big companies like L&T, VA tech wabag, Megha, NCC, JWIL, so there are many such companies which comes in, they participate some and in some we participate. So on an average 4 to 5 companies come.

**Saket Kapoor:** Sir your entire concentration is towards Rajasthan as you are from there only, so there must be a bonding there. As we were hearing from other companies that the kind of work which happened in Uttar Pradesh under Jal Jeevan Mission, such kind of work has not come to Rajasthan, is this correct? How will you answer this statement?

**Manohar Lal Punglia:** Now work has to be done in Rajasthan, after elections government is elected and then a lot of pending work is there under Jal Jeevan Mission, so a lot will be done in Rajasthan and secondly as of today we have 37% of work, in Uttarakhand we have 22% work, so according to the segment we are working in other states also.

**Saket Kapoor:** One last question, what do you think the size of Jal Jeevan Scheme is? In Uttar Pradesh we have seen that NCC and one more company Vindhya Telelinks if they are your competitors, are handling big projects there of approximately Rs. 10,000 crores plus, so do we expect such type of projects in Rajasthan also? At least how could be the packages? In Uttar Pradesh have you grabbed any opportunity under this scheme? Or are you there in any of the pending orders?

**Manohar Lal Punglia:** I have been working in Uttar Pradesh for last 3 years. My average percentage from Uttar Pradesh is 8.5%, I am working in Jal Jeevan Mission and we are working in Rajasthan, so a lot of working is there and there is no problem with it right now. As it is going on in Rajasthan, it is going in Uttar Pradesh too.

**Jayant Punglia:** Regarding the size of the project which you said, it depends upon government that according to which quantum work has to be done.

**Saket Kapoor:** I wanted to understand that only. Our UP's geography is very big and has no comparison with Rajasthan in that way, but we have seen contracts of Rs. 20,000 crores and it is already in execution phase, will we also handle such type of contract? How do you see the prospect of Jal Jeevan Mission in Rajasthan? In Uttar Pradesh are you competing with Vindhya Telelinks or are they any of your EPC players?

**Jayant Punglia:** Till now there are no common bidders in our project.

**Saket Kapoor:** I just wanted to talk regarding the size like what kind of tendering do you see from the government of Rajasthan in terms of the size of the contract?

**Manohar Lal Punglia:** In UP and Rajasthan the sizes are almost same. There also work is from Rs. 100 crores to Rs. 1,000 crores here also same in Rajasthan.

**Jayant Punglia:** In infrastructure if we specifically speak about Jal Jeevan Mission then it depends on project-to-project like our past experience, in how much we qualify if we say under UP as of now we are working on approximately Rs. 1,200 crores. Maximum size is, currently we have Rs. 700 crores project in hand.

**Saket Kapoor:** We were talking about the qualification.

**Jayant Punglia:** Basically it depends upon bidding capacity. Maximum work which we have in hand is of Rs. 700 crores.

**Saket Kapoor:** I want to ask that as per our expertise in the segment what is the maximum contract size we can bid for, Rs. 2,000 crores, Rs. 3,000 crores or Rs. 1,000 crores which is our expertise and number of project we have handled so far?

**Jayant Punglia:** As of now we have Rs. 700 crores, as soon as this Rs. 700 crores of water supply is completed then under water supply we can bid more than this.

**Saket Kapoor:** One question regarding railways, what is your scope of work in railways? And in railways there are connectivity issues like internet connectivity, so to improve and strengthen more it government has made a huge outlay of CAPEX, so have you made any provisions for that? Do you want to talk something on that?

**Jayant Punglia:** Under railways kind of projects we have executed so far like railway tracks, station and its building, platforms and railway bridges, such kind of works we do except electrification we are into almost all kind of works in railways. We are executing railway station in Udaipur and recently we have been awarded with the work of Ambaji railway station in Gujarat and we have to completely renovate this entire station.

**Saket Kapoor:** That is all mechanical part only?

**Jayant Punglia:** No, including civil, mechanical and everything it is an EPC project.

**Saket Kapoor:** Including the connectivity issues also like more stress is being given on internet connectivity you are getting that kind of work also or it doesn't come under that package?

**Jayant Punglia:** Not within the current package which is awarded to us.

**Moderator:** Thank you, sir. Next question is Pulkit Benada an Individual Investor. Please go ahead.

**Pulkit Benada:** My question is regarding margin. As I am seeing the operating profit margin is around 15%, are there any plans to increase this margin?

**Sarfraz Ahmed:** No, sir will keep the current margins sustainable. It will be the same 13% to 14% margin will be there.

**Pulkit Benada:** My second question is related to Jal Jeevan Mission, in future more contracts will be awarded in Jal Jeevan Mission, is there anything in our pipeline?

**Manohar Lal Punglia:** Yes, few are there in our pipeline.

**Jayant Punglia:** Sir actually this is a continuous process of bidding, as the government keeps on initiating the projects our bidding also continues. Based on our success ratio 17% is awarded.

**Manohar Lal Punglia:** So after Jal Jeevan Mission AMRUT 2.0 scheme has also come, so a lot of work is coming from that too.

**Moderator:** Thank you. Next question is from the lines of Prateek Bhandari from Ark ventures. Please go ahead.

**Prateek Bhandari:** My question is that the EPC projects which we do like if we are doing 100 EPC projects then in that how many we get with O&M and how many without O&M? And what is the difference in margins?

**Manohar Lal Punglia:** Except Railways and NHAI, water supply projects are done with O&M.

**Prateek Bhandari:** So what is the difference in margins which is completely exclusively EPC project and other is EPC with O&M?

**Manohar Lal Punglia:** This has also become a part of EPC. Nowadays if there is a water supply project then it will come with O&M only.

**Jayant Punglia:** If we look at the margins segment wise then it is almost similar only with and without O&M.

**Moderator:** Thank you. Ladies and gentlemen this was the last question for the day. I now hand the conference over to the management for the closing comments.

**Jayant Punglia:** Thank you all for participating in this Earnings Conference Call. 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:** Thank you. On behalf of Vishnu Prakash R Punglia Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.