



# OM INFRA LIMITED

(Formerly known as OM METALS INFRAPROJECTS LIMITED)

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To,

Corporate Service Department, Bombay Stock Exchange, Phiroze Jeejeebhay 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 May 27, 2024 to discuss the results of the Company for the Fourth quarter and year ended March 31, 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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by VIKAS  
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Vikas Kothari

Managing Director & CEO

DIN : 00223868



“Om Infra Limited  
Q4 & FY24 Earnings Conference Call”  
May 27, 2024



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

**Moderator:** Ladies and gentlemen, good day and welcome to the Om Infra Limited Q4 and 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 questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Mehta. Thank you and over to you, sir.

**Vishal Mehta:** Thank you, Muskan. Good evening, everyone. I, on behalf of Stellar Investor Relations, welcome you all to Om Infra Limited Q4 and FY24 Earnings Conference Call. We shall be sharing the key operating and financial highlights for the fourth quarter and full year ended March 31, 2024. We have with us today the senior management team of Om Infra Limited, Mr. Vikas Kothari, Managing Director and CEO, and Mr. Sunil Kumar Jain, Chief Financial Officer.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature and may involve risk and uncertainties. Documents relating to the company's financial performance, including the investor presentation, have already been uploaded on the website of the Stock Exchange.

I now invite Mr. Vikas Kothari to share his initial remarks on the company's performance for the quarter and full year. Thank you and over to you, sir.

**Vikas Kothari:** Thank you, Vishal and good evening, everyone, and welcome to our company Q4 and FY24 Earnings Call. Hope you all have been able to go through our investor presentation, which has recently been uploaded for Q4 and FY24. As we have been apprising you on our previous calls, our execution run rate has been improving consistently in FY24.

We are happy to announce that our company has achieved highest ever revenue and profits for the company in FY24. In the history of the last 50 years, this is our highest revenue and highest profit. Our revenue crossed Rs 1,000 Crores mark for the first time in the company's history and came to Rs 1,114 Crores, which is up by 39% year-on-year and is a significant achievement considering our FY23 revenues of Rs 799 Crores.

Our EBITDA came in at Rs 89 Crores, which grew by 138% year-on-year, while our EBITDA margin expanded by 332 basis points to 8% in FY24. Our net profit also grew by 257% year-on-year to Rs 47 Crores, and our PAT margin also expanded by 257 basis points to 4.2%. In FY24, the execution run rate remained robust across the engineering segment and pick up in sales witnessed in the real estate segment too, leading to overall revenue growth. Engineering business profitability maintained the EBIT margins at about 12% in FY24.

Our outstanding water book remains healthy at about Rs 2,235 Crores, which translates to about 2x of our FY24 revenues and provides a good revenue visibility. The order book is well diversified with a good mix of hydro and water projects and Jal Jeevan Mission projects, and pump storage projects also.

Of course, we were expecting to add a few more orders in this financial year, but somehow because of elections, and primarily because of elections only, the onboarding of a couple of

orders has got deferred. But I think the pipeline of new orders will come in starting from June onwards. We will see in this calendar year itself adding a few more good orders.

As explained earlier in my previous concalls also and in our investor presentation, India is on the tip of a hydroelectric boom, set to boost its hydro capacity from 42,000 Mega Watts to 67,000 Mega Watts by 2031 - 2032 marking a growth of over 50% in the hydro power generation capacity. This expansion aligns with forecasts of increased rainfall and snow melt, promising ample water from Himalayan hydro projects.

The pump storage projects are also called as “water batteries”, you know, battery storage projects, are also getting traction. These vital grid stabilizing load balancing projects are projected to store from 4.7 Giga Watts or 4,700 Mega Watts to about 55,000 Mega Watts. With the 2.7 Giga Watts or 2,700 Mega Watts under construction and 50,000 Mega Watts in the pipeline. A promising monsoon in FY’24-FY’25 could boost hydro generation and diesel reservoirs, highlighting hydroelectric power’s crucial role in India’s energy transition.

The growth prospects are further enhanced by emergence of pump storage projects. There were also river interlinking projects, Jal Jeevan Mission projects, providing exciting avenues for expansion in our focus on hydroelectric power generation and water infrastructure verticals.

Lastly, let me now give you some updates on key litigations that our company was involved in and the progress that we have achieved in those litigations:

One of the key litigations in the development in the Bhilwara-Jaipur toll road project was that arbitration award was already with us. The PWD has deposited 10% of the arbitration amount before challenging the award. The appeal made by PWD government of Rajasthan has been dismissed by the commercial court and hence the arbitration award has been reinstated.

PWD Government of Rajasthan has appealed against the decision of the commercial court in the high court of Rajasthan and more specifically in the double bench because of current rules of arbitration act. And this will take its own course of time, but the matter is pending in the high court as we speak today.

With respect to MHADA Bandra project in Mumbai, because of various reasons the consortium had appealed to arbitration forum against MHADA, and the matter was finally heard with an award partially in our favour. We have preferred an appeal for the remaining matters and await the outcome.

Before I request our CFO Mr. S. K. Jain to delve into the details of our quarterly performance, I would like to reiterate that in the recent years our company has continued to grow and expand our operations with a large order book and strong track record in hydro and water infrastructure. We are well positioned to take advantages of opportunities in this field. We expect to achieve significant growth in the coming quarters. I now request Mr. S. K. Jain to take us through the financial performance. Over to you, Mr. Jain.

**S. K. Jain:** Thank you, Vikas Ji. Well, the overall performance has been discussed.

Let me take you through some key highlights of the Financial Year 2023-2024. As Vikas Ji has mentioned in the opening remarks about the highest ever revenue, I would like to reiterate that this revenue growth has been complemented by increasing profitability. Over the last four fiscals, that is Financial Year 2022- 2024, while our revenue has grown at a CAGR of 68%, our tax expanded by a CAGR of 75%.

Execution momentum continued in engineering including both hydro and JJM segments with revenue growth of 53% year-on-year to Rs 1,017 Crores in Financial Year 2024. In 2024, we have received a claimed amount in old dues of Rs 64 Crores including intake which has been used to reduce our debt and optimize our cash flows. Our debt has been reduced by Rs 50 Crores to Rs 74 Crores in '24.

Non-current liability has been reduced from Rs 97 Crores in March 2021 to Rs 70 Crores in March '24 and we will continue to carefully use our free cash flow to extend our balance sheet. Tax payables have been reduced by Rs 80 Crores to Rs 100 Crores.

We have recommended for 50% dividend as earlier and this will be subjected to approval in AGM, which is scheduled, I think, in August or September. Thank you very much.

With this, I request the moderator to now open the floor for question and answer. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aditya Sen from Robo Capital. Please go ahead.

**Aditya Sen:** Hi, thank you for the opportunity. Sir, can you please throw in some more colour on the Bandra project as to when are we expecting it to launch in like FY'25 itself or FY'26 about the phase 1 launch and also the GDV, our share of GDV in such launches?

**Vikas Kothari:** I couldn't really understand your question. Your voice is not very clear.

**Aditya Sen:** I will repeat. I am audible, right?

**Vikas Kothari:** Yes, slightly disturbance is there, but yes, please.

**Aditya Sen:** Okay, so I am asking, can you please throw some light on the Bandra project with respect to its estimated launch date? Will it be in FY'25 or FY'26, the phase 1 launch? And also the GDV of such launch?

**Vikas Kothari:** Also the, which launch?

**Aditya Sen:** The gross development value. We have 17% share, right? So, what will be the quantum of our share?

**Vikas Kothari:** Yes, let me explain to you. There is no plan of launching the project as of now because unless we receive absolute clearance, there is no point in launching the project. And we can't launch also. Our plan is also -- our plan of launching the project may also depend on a lot of factors but

all that planning can only happen once the plot is cleared of slum rehabilitation. So, we are right now only focused on clearing slum from there. Once the plot is cleared, then we may actually even bring in a third party to launch the sale portion of the flat.

Or we may consider other options that are available with us. So, as of now, there is no time frame in terms of when the project will be launched. And whether it will be launched. And also, there is no fixed decision or mandate to launch the project in what form and manner whether it will be commercial, residential or whether we bring in a third party to do the development once the plot is cleared. Right now, our focus is only to get the plot cleared, which is what DB is responsible for doing.

**Aditya Sen:** Alright, understood. And about the EPC project, I believe Q1 must be muted in terms of order inflows. So, how will FY'25 order inflow look like? Will we be able to cross Rs 2,000 Crores of inflow? And again, same question for FY'26.

**Vikas Kothari:** So, in this financial year, we are hoping to add at least anywhere between Rs 500 Crores - Rs 1,000 Crores of orders, new orders. We're talking on a very conservative basis. We are already having 2x of our revenues as order book. We intend to add another Rs 500 Crores - Rs 1,000 Crores in this financial year alone. Then we were supposed to get some additional orders, but all that has gotten delayed because of the elections. So, now all the bidding activity as well as awarding activity will happen only post-elections. Post-election results are completed.

**Aditya Sen:** And for FY'26?

**Vikas Kothari:** FY'26, again, the inflow of the orders will be depending on our financial capabilities, depending on our bid capacity, and the banking support we'll see from the banks in terms of bank guarantee limits. But my expectation is that our order book should cross Rs 4,000 Crores in the next two-three years. Yes, it should cross Rs 4,000 Crores.

**Aditya Sen:** Alright. Thanks for the answer.

**Moderator:** Thank you. The next question is from the line of Jinesh Sipani, an Individual Investor. Please go ahead.

**Jinesh Sipani:** Yes, hi sir. Thanks for the opportunity. One thing I'd like to ask, do we make mechanical parts only for the hydro sector or for other projects also, let's say for wastewater treatment?

**Vikas Kothari:** We make hydro-mechanical equipment's for all kinds of water-related projects. Whether it is a hydroelectric power project, whether it is a pump storage project, or whether it is wastewater treatment projects, the quantity of hydro-mechanical equipment's required in wastewater treatment projects is very less compared to hydropower, irrigation, dams, canals, and other kinds of projects.

So because of the value and quantity, we don't have a big quantification of the amount of work required in those kinds of projects. But by and large, hydro-mechanical equipment's are required wherever there is regulation and flow of water.

- Jinesh Sipani:** So we have almost 95% of our market share in dams' projects, right? But can you quantify market share if we have in sewage projects? Water sewage projects?
- Vikas Kothari:** No, sewage projects don't require as I said, sewage projects don't require hydro-mechanical equipment's to a large quantity. So let's say, for example, if it's a Rs 1,000 Crores sewage treatment plant project or Rs 500 Crores, our scope will not be more than 5% of the total cost, or maybe even less than that, maybe 1% or 2% or 3%. That's why we are not very focused on sewage treatment plant, hydro-mechanical for sewage treatment plants. But what we are focused on is bidding for the entire sewage treatment plant on an EPC basis, not just hydro-mechanical.
- Jinesh Sipani:** Okay, and sir, one more thing I'd like to ask, what's different in our offering of OM Infra and Jash Engineering? Because they also make gates for dams and big projects. So what's the difference between the offering of OM Infra and Jash Engineering?
- Vikas Kothari:** I'm not too sure what kind of projects they bid for because we have never competed with Jash Engineering in any project in India. Because they may be doing small gates and small wells, etc. But we have not competed against them in even a single project in hydropower or in dams.
- Jinesh Sipani:** Okay, and sir, can you also share the opportunity size for hydro-mechanical project in India for you?
- Vikas Kothari:** Opportunity size for hydro-mechanical is enormous in the sense that even if you consider as 50,000 megawatts of projects from hydropower and from pump storage in the next 5-10 years, which corresponds to, let's say on an average, Rs 7 Crores per megawatt. So you can imagine what is the size of total construction activity or expenditure capital investment that will happen in the hydropower and pump storage projects.
- And we are addressing anywhere between 5% - 8% or 5% - 10% of that total quantum of work. In some cases, which is up to 300, up to 200 - 300 megawatts, we have qualifications to do the entire EPC also. So in terms of the market size, you can imagine the size of the market with just a few numbers that are given to you.
- Jinesh Sipani:** And sir, last question on the real estate projects which we have in Jaipur and Kota, when we are finally looking to close up these projects and receive all the consideration for the flats?
- Vikas Kothari:** I think in the next two-three years, we will be able to close all the shares in both the projects. We'll be able to, the projects are almost completed, both of them. Jaipur is almost completed; Kota is almost about to get completed. So in terms of completion, projects are completed. Now it's only sales velocity. My expectation is in the next two-three years, we should be able to sell both the inventories.
- Jinesh Sipani:** Okay. And sir, how do you book revenues in these real estate projects as the projects are built, but you will sell the flats later onwards? So how will you book the revenue and the cost from this division? That's what I wanted to understand.
- S. K. Jain:** Let me explain to you on this. Suppose you book a flat for Rs 1 lakh, then in the company law, we book the revenue only when the registry is done for the flat by you. But in the income tax

act, in computation of income tax, we book the revenue as and when you book the flat. In both the laws, there is a separate mechanism for booking the revenue. In the company law, it's on sales revenue basis and in the income tax, it's on personal income basis. Both are separate.

**Jinesh Sipani:**

Okay. And sir, how do you book the cost because the cost is incurred way before when you started constructing the flats? But how do you book the cost now when the flat is sold?

**S. K. Jain:**

When the flat is sold, in the company law, we build WIP, work in progress. And in the income tax, against the booking of flat, we book the expenses also. If you will search the ClearTax website where you can find how the revenue is booked in real estate vis-a-vis company law and income tax law.

**Jinesh Sipani:**

Okay. And one more question. Sir, we have guided in PPT that the blended EBITDA margin should be close to around, let's say, 14%-15% if we combine hydro water and JJM products. But this year, we have closed at just 8% of our margin. So, what's the reason for this low margins and what margins do we expect going forward?

**S. K. Jain:**

Let me explain you the earlier what we were doing. Suppose in the end of any quarter or in the end of any financial year, we have worked for a particular thing, and we have not booked the revenue. Then we, on the basis of BOQ and the prices from the budget authority, we book the unbilled revenue in the books of account, which is inclusive of profit. But in March and before, what we have done, we have not booked any unbilled revenue against any billing to be done in the future.

Whatever we have done is only on the basis of cost basis. Suppose I have done a work of Rs 100 and the probability of selling this Rs 100 item is Rs 125, I have booked only Rs 100 as a cost over WIP, not Rs 125. Earlier, what we were doing, suppose I have done the complete item, I would have booked the Rs 125 as an income, so Rs 25 is the margin which I forego in this balance sheet, March '24 balance sheet. Overall, Rs 72 Crores as an unbilled revenue, I have foregone in this March balance sheet because of GST compliances. GST people say, as and when you book the UBR, you have to pay the GST taxes, which is an unnecessary cash outflow from the company.

**Jinesh Sipani:**

Okay, so what margins do we expect going forward for FY'25 and FY'26?

**S. K. Jain:**

10% to 12% probably.

**Jinesh Sipani:**

Okay, and are we into any bids for pump storage projects or river linking projects as a date or still we are just figuring out to bid to any of these projects?

**Vikas Kothari:**

No, we are constantly bidding for such projects. Unfortunately, these projects, bidding has not fructified as yet. Some projects have been awarded, but we are not in the line of those projects. Most of these projects are under DPR stage, etcetera. They will come up for bidding very soon. As and when they come up for bidding, we will be bidding for it. And based on our past experience, we are already working on one pump storage project. We are definitely hoping to back a few more.



- Jinesh Sipani:** Okay. And sir, can I know the competitive front, who all would be bidding together with us for PSPs and river linking projects?
- Vikas Kothari:** There is a whole list of companies which we are bidding against and which we are competing against. All infra companies want to enter into water sector. So the competitive scenario and complete EPC, including civil is there, but with a very few limited companies who are having their own qualifications in this field. So on an average, we get about two to three companies who are competing against us. But these are all different kinds of companies. Some are known, some are unknown also.
- Jinesh Sipani:** Okay. And sir, clear me, if you said that we will start getting order inflows from Q3 FY'25, let's say, after results something around that, Q3 FY'25?
- Vikas Kothari:** Yes, we hope to add -- within this financial year, we hope to add another Rs 500 Crores - Rs 1,000 Crores of orders. Now when they will happen, we don't know because this is government we are dealing with and especially state governments. So it takes time.
- Jinesh Sipani:** And which segment do we see the next leg of growth for these two years, Jal Jeevan Mission, or hydro-mechanical projects?
- Vikas Kothari:** Irrigation, Hydropower and Jal Jeevan Mission, all three of them.
- Jinesh Sipani:** All three of them, yes, okay. Thank you so much, sir, for the clarity. Wish you all the best.
- Vikas Kothari:** Thank you.
- Moderator:** The next question is from the line of Nitin Gandhi, an individual investor. Please go ahead.
- Nitin Gandhi:** I just have a question like in last con-call you mentioned that we have around Rs 25 Crores of unbilled revenue from the previous quarter, which is supposed to add to our bottom line this quarter. Was it added to this quarter?
- S. K. Jain:** Yes, it has added to this quarter and Rs 72 Crores of unbilled revenue which built up in March '24 has not been added. We have done the work, but we have not added in unbilled revenue.
- Nitin Gandhi:** This quarter, you mean.
- S. K. Jain:** Yes.
- Nitin Gandhi:** Sorry, I didn't hear it properly. The Rs 25 Crores was added this quarter from the previous quarter?
- S. K. Jain:** Yes, Rs 25 Crores which the work was done in December '23 has been added in revenue in March '24, but Rs 72 Crores of order which has been completed but the same has not been built in unbilled revenue because the e-invoice has not been made for that.
- Nitin Gandhi:** But it has come under our expenses, right?

- S. K. Jain:** Yes, expenses.
- Nitin Gandhi:** This quarter, okay. And one more thing is that I guess, if I remember correctly in last con-call, you mentioned that we're expecting that the PAT would be in three digits for this financial year, but we see that the PAT what we got in this quarter doesn't add up. Can you please explain why this anomaly, what we are expecting and where we are right now?
- S. K. Jain:** Due to election in overall country, some execution of pipe laying and testing and this and that which gives us high-value addition were not done because of some or other reason. Suppose for a particular supply we get a margin of 5% and for execution of such project we get a margin of 15%. So the execution part is lagging on, and the supply has been done. When we will do the execution in June or September quarter, the profit will come.
- And secondly, every project is not giving us same kind of profit momentum. Some are front-loaded, some are back-loaded. Everybody cannot be compared with same kind of profitability. In some projects, profit comes earlier. In some projects, profit comes later part.
- Nitin Gandhi:** Okay, no problem. Thank you so much for the clarification. That's all from me.
- Moderator:** Thank you. The next question is from the line of Shyam Garg, an individual investor. Please go ahead.
- Shyam Garg:** Thanks for the opportunity and congratulations for a great set of numbers. Sir, my first question is with respect to the revenue guidelines for FY'25 and FY'26?
- S. K. Jain:** For '25, we are expecting 15% to 20% jump provided the scenario here after election is smooth as it is earlier. The government change is not affecting any economic scenario in the country. That is more important right now. After June 4, what happens, we don't know. Second, '26 is again same turnover with 15% growth provided we get the new order in this financial year after the new government forms in the country. Both are depending on the new government.
- Shyam Garg:** Okay, sir. My second question is with respect to what is the identified order book pipeline for the project that will be coming in from the government post-election? And what is their success ratio of getting the projects?
- Vikas Kothari:** For Hydro Mechanical, we have a good success rate. For Hydro Mechanical we have almost 30%-40% success rate. For EPC, there is no success formula. I mean the competitive scenario is very good I mean very low compared to infrastructure sector like roads etc.
- We have the qualifications which are very strong so that kind of helps us in winning the projects. Unfortunately, because of state elections and because of central elections, we have had a bit of a delay in taking new orders. Going forward, we expect that our order book should cross our new order infrastructure should cross Rs 500 Crores to Rs 1000 Crores in this financial year alone.
- Shyam Garg:** Just a bookkeeping question, in the Q4 FY '24, we have an employment cost which is minus 1.4 if you can explain that what it is?

- S. K. Jain:** No, no, there is not any minus 1.4 as the employment cost. It is 10 in the inventory, what is minus 1.4? Where have you seen minus 1.4 employment cost?
- Shyam Garg:** Consolidated P&L Q4 FY '24 besides raw material cost and investor presentation?
- S. K. Jain:** In real estate whatever we have done on employment cost for suppose in that quarter has been capitalized to that is the effect.
- Shyam Garg:** How is this negative effect and it would have gone directly into the balance sheet, and it would have not been negative?
- S. K. Jain:** Suppose we have done a salary expenses in the books for a particular portion of the real estate and that has been shown as salary expenses and now we have decided that this item should be capitalized because some portion of the building has not been completed so the salary portion has been capitalized to a WIP. We are going with the phase-by-phase in the Om Green Meadows in Kota, that is the effect.
- Moderator:** Thank you. The next question is from the line of from Tejas Shah from Unique PMS. Please go ahead.
- Tejas Shah:** Hi. Can you throw some light on the DB Reality project at Bandra Reclamation. Last time you showed something is happening or when can we expect the project to be launched.
- Vikas Kothari:** I think this has already been answered in the previous question.
- Tejas Shah:** I am sorry I joined late Sorry.
- Vikas Kothari:** No there is no timeline for launch of the project as, yet. We are only focusing on clearing the slum once the slum is cleared that's when we will decide on what is the further course of action of that project.
- Tejas Shah:** Our order book is gradually going down. Any specific reason for it we are not getting new orders?
- Vikas Kothari:** No. Two specific reasons, one was state elections in couple of states in the country and then the national elections. What happens is that the central government PSUs as well as the states become the functioning becomes very limited because of which the tenders have all got postponed with submission. The announcement of tenders gets postponed even if they have been announced and bids have not been submitted the dates keep on getting extended because of elections and even if they are submitted and they are relevant even then they cannot get awarded because of elections. All these three things combined there is enormous delay because of both state and central government elections.
- Tejas Shah:** And the central government elections let's say when they get over on 2nd and announcements are done on 4<sup>th</sup>. Then how much time are you expecting for them to again start gathering momentum. It will take month, two months, three months to execute?

- Vikas Kothari:** Yes, a few months it takes. Of course the work starts immediately after that, but a few months it takes to you know to announce the projects then to call for bidding. Our bidding actually specifically for hydro-mechanical equipment's comes towards the end of the bidding. The first thing that gets awarded is civil contract then electro-mechanical contract then hydro-mechanical contract.
- So by the time our project our kind of project bidding comes up, it takes a little while you know. So my sense is we don't look at it on quarter-to-quarter basis we look at it on an annual basis that how many orders we have added. We were hoping to add a few orders so far but because of elections it got delayed. But by and large we will add to roughly anywhere between Rs 500 Crores to Rs 1,000 Crores in this financial year.
- Tejas Shah:** If you go through this segment wise revenue recognition and profit the real estate division is showing negative. Can you explain why is that the reason?
- Vikas Kothari:** Because we have not booked the revenues as yet. Revenue recognition will happen once the registry takes place for real estate. The projects are completed the cost is incurred already and some cost which was due to be incurred has not been incurred, that's why it is negative. The sales realization will start showing on the balance sheet once the existing customers start doing the registry of their flats.
- Moderator:** Thank you. The next question is from the line of Kaushal Kedia an Individual Investor. Please go ahead.
- Kaushal Kedia:** Sir, I just wanted to understand the revenue that you not recorded for March '24 is amounting to how much?
- Vikas Kothari:** Rs 72 Crores.
- Kaushal Kedia:** How much?
- Vikas Kothari:** Rs 72 Crores.
- Kaushal Kedia:** And what is the cost in relation to this that we have incurred.
- Vikas Kothari:** 80%...
- Kaushal Kedia:** So, Rs 72 Crores is not recorded and 80% of this is cost that is incurred?
- S. K. Jain:** Yes.
- Kaushal Kedia:** So we should hopefully see a big bump in profitability in the next year with respect to this?
- S. K. Jain:** I have explained earlier that in a 2, 3 projects where we are doing pipe laying for Jal Jeevan Mission and irrigation when we supply the pipe the profit margin is only 5%-6% but when we lay the pipes - under the after hydraulic testing, all testing, the funds that gives the profit of 15%-20% because the execution is giving higher income So in March 24 we have done in Amravati

and Nokha Khajuwala we have supplied the pipes but we have not laid down that will give us the additional revenue when we execute those pipelines.

**Kaushal Kedia:** Because this is becoming a recurring phenomenon every quarter in my view, So I don't know how to look at it?

**S. K. Jain:** Earlier we were booking revenue on the basis of completion. Suppose we have completed one particular segment and we have booked the revenue for that under unbilled revenue head. But looking to GST compliances, we stopped this after December. Now we are doing only on the basis of the revenue which we are going to pick up in next one month not later. That has reduced our unbilled revenue portion to Rs 72 Crores. That Rs 72 Crores to have added Rs 10 - Rs 12 Crores in profit had we booked it in revenue.

**Kaushal Kedia:** Only 10-12?

**S. K. Jain:** Yes 20% approximately

**Kaushal Kedia:** Rs 14 - Rs 15 Crores in approximately.

**S. K. Jain:** Yes.

**Kaushal Kedia:** Because last time you had said that we should touch Rs 100 Crores soon, but we are far away from that number 3 digits in Crores This is what you had guided for?

**S. K. Jain:** Yes. I have just now told that in some projects because of election the execution part couldn't be completed or couldn't take that progress which we saw in our progress.

**Vikas Kothari:** We have not added that revenue and profitability from real estate also Actually we were expecting the registries to happen in this financial year So The moment those registries for the 2 real estate projects which is Kota and Jaipur start happening or they reach a certain velocity there will be a lot of profit that will start coming from there also So the 3 digit bottom line is not difficult to achieve of course subject to consistent profits from infra-EPC as well as additional profits from real estate sale recognition also.

**Kaushal Kedia:** Okay Sir. Thank you.

**Moderator:** Thank you, Reminder, to all participants you may press star and 1 to ask question The next question is from the line of Nitin Gandhi an individual investor please go ahead.

**Nitin Gandhi:** Thank you for the opportunity for follow up question I was just looking at our quarterly result and I see that there is a significant jump in interest cost this quarter can you please explain?

**S. K. Jain:** The interest cost is comprising of BG commission and BG/LC commission also. So in the March quarter, we have opened so much of LCs for procurement which will be supplied in June quarter or September quarter. Those LC commission has been booked as a finance cost.

**Nitin Gandhi:** Okay. So this was booked in this quarter?

- S. K. Jain:** Yes. Approximately Rs 40 Crores of LC we have booked in this quarter, Rs 40 Crores commission added to the finance cost but overall if you see the last year, you saw Rs 26 Crores this year it is Rs 23 Crores only in finance cost.
- Nitin Gandhi:** Right. Yes, that is pretty much clear that doesn't make this quarter look so bad if we consider that. That's okay that was my follow up question Thank you for the answer.
- Moderator:** Thank you. The next question is from the line of Aditya Mehta from G.K. Capital. Please go ahead.
- Aditya Mehta:** Yes, hi sir. Thanks for the opportunity. So sir, given the fact that the pipeline part and the revenue from the real estate will be recognised in this current financial year. So can we expect a good jump in the profitability in this financial year?
- S.K. Jain:** Hopefully so sir.
- Aditya Mehta:** Okay. And is there any execution limit I want to understand that how much worth of projects we can execute within a quarter? Is there a cap or limit on that?
- S. K. Jain:** No, no cap. We can execute Rs 400 Crores - Rs 500 Crores. There is no cap.
- Aditya Mehta:** During a quarter itself.
- S. K. Jain:** Yes. It depends on all the local environment, local atmosphere, supplies depends on so many factors.
- Vikas Kothari:** So to further add to what Mr. Jain is saying. There is a limit to how much we can take, how much new orders we can take. And that is limited by the banking limits and the bid capacity. There is a formula by which bid capacities are calculated. So bidding capacity as well as banking limits is what limits are additional are in coming days. But for now we have sufficient capacity to add another Rs 500 – Rs 1,000 Crores orders. Of course we are also in the process of enhancing our banking limits which will further allow us to add more orders going forward. But in terms of execution capable capacity, we only need - again there also LCs and BGs for procurement of raw materials which we have sufficient also.
- Aditya Mehta:** Okay, got it. So, from the current quarter and going ahead we can expect a better profitability for this year?
- S. K. Jain:** Correct.
- Aditya Mehta:** Okay. Thank you, sir. That's from my side.
- Moderator:** The next question is from the line of Deepak Mehta from SunCity. Please go ahead.
- Deepak Mehta:** Good evening, sir. My query is in relation to 2 real estate projects at Jaipur and Kota. So, what is the size of these 2 projects Jaipur project and Kota project and as you told earlier that major part of this project is completed but the revenue is not recognised, so how much amount we have

spent and how much revenue we will be generating and how much project has been sold, is there unsold inventory or what is can you throw some more light about these two real estate projects.

- S. K. Jain:** I will request you to put the slide number 22 Page number 22 of slides of presentation.
- Deepak Mehta:** Okay.
- S. K. Jain:** It has been mentioned how much revenue we have booked and how much revenue is yet to be booked in both the real estate projects. And how much cash flow has been generated and how much is going to be generated. All this data has been given on page number 22 of the presentation.
- Deepak Mehta:** So whatever revenue which is not booked is due to the part is unsold? It is yet to be sold.
- S. K. Jain:** Yes, out of Rs 300 Crores rupees of the units sold, we have recognised only Rs 183 Crores as revenue, balance unit has not been registered in the sale deed in the registrar office.
- Deepak Mehta:** It is not registered, or it is not sold? Is the whole unit has been sold or the part is yet to be sold?
- S. K. Jain:** No, out of Rs 600 Crores rupees the total project realisable value only half has been sold.
- Deepak Mehta:** Half is sold, and half is not sold. So is there any reason for not selling these projects? Is the market down or the price is higher, what reason can be assigned for not selling the project? Because we see in the major good projects all the units are sold before the building or the property is ready. Is there any reason can be assigned for not selling of the half of the unit?
- S. K. Jain:** Yes, when we conceived the project in 7,8 years back that time the demand for bigger flat was very high. Right now the demand for bigger flat may have subdued due to so many reasons, so right now we have the inventory of some bigger flats ranging Rs 5 Crores to Rs 7 Crores rupees. That will definitely be sold out in 1 or 2 years, but sales is slow for those units.
- Deepak Mehta:** Per flat is selling about Rs 5 Crores plus?
- S. K. Jain:** Yes.
- Deepak Mehta:** In Jaipur or in Jaipur and Kota both?
- S. K. Jain:** No, only in Jaipur.
- Deepak Mehta:** Only in Jaipur, Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of JP Mundra an individual investor Please go ahead.
- JP Mundra:** Hello?
- S. K. Jain:** Yes, Mundra ji. Namaskar.

- JP Mundra:** Namaskar. This is about Jaipur and Kota. So if the project is not selling directly then why don't you appoint a real estate agent, like in Bombay there is a very good international agent. So, you can appoint, it is Okay if, brokerage will be charged, so it will be charged, but these people have clients, and they can convince. So according to me, real estate agents should be given this job.
- Vikas Kothari:** We are giving. We have identified a very good agency; we are giving full mandate for marketing and sales. We are giving full mandate.
- JP Mundra:** Very good. So you are already involved in this.
- S. K. Jain:** As you said, it is a Bombay agency.
- JP Mundra:** Very good. Then the work should be done, I hope so. India's top real estate agents are in Bombay. Bombay is the best; All India is watching in CNBC Real estate. Almost all are Bombay's companies, so according to me, it will be very easy. They are telling the time frame, I think in a year Rs 300 Crores will be done, it is not a big deal for them. In Bombay Rs 1000 Crores-Rs 2000 Crores are being sold. Very good. You are going to appoint. Thank you very much.
- Moderator:** Thank you. The next question from the line of Sanika from Sapphire Capital. Please go ahead.
- Sanika:** Okay. Sir, actually in the last quarter we had given a guidance for 3-digit PAT in FY '24 and if you look at the PAT numbers we are not even halfway there and because the causes are halfway through the quarter, we must have had that visibility if we were on a Rs 100 Crores PAT target or not. Is it the case we were expecting a very strong second half of the quarter and if that is the case then is that going to spill over to quarter 1, so can we expect a strong quarter 1 number?
- Vikas Kothari:** As I said earlier, we were expecting revenue from -- engineering business has performed well and in engineering business the only problem was that unbuilt revenue has been deferred because of which profitability may have got impacted by a few basis points, but by large the 3-digit profit was held back because of the non-revenue realization from the real estate projects. So, once that gets added, we are quite hopeful that we will reach the 3-digit profit figure and that is expected to happen, I am hoping, as I said earlier in the next 2 to 3 years. So, I prefer to be conservative than be aggressive while giving the numbers.
- Sanika:** So, can we expect the difference to come in quarter 1, if we have not realized and we have a lot of unbuilt revenue. So, will that difference come in quarter? So, can we expect a strong quarter 1 number?
- S. K. Jain:** No, it will not come in quarter 1, because real estate revenue recognition it will depend on that.
- Sanika:** So mostly, it is because of the real estate revenue recognition?
- S. K. Jain:** Largely.
- Sanika:** That's why we have missed it.
- S. K. Jain:** Yes. Okay, thank you.



**Moderator:** Thank you. Ladies and gentlemen, as that was the last question for the today. I now hand the conference over to Mr. Vikas Kothari for closing comments, over to you, sir.

**Vikas Kothari:** So, thank you very much for everyone's participation and asking some really interesting questions. As I said, that we had a bit of a delay in take of new orders, but as I can assure you that there is enormous velocity in terms of new project announcements by the central government and I always believe that once the PMO takes a mandate to do something in our country, it really happens in a very focused and expeditious manner and what I am told is that, this new hydropower and renewable energy capacity addition is being driven by the PMO and is being driven by the central government with a very strict mandate to have renewable and sustainable energy sources contributing higher share in our total power generation in the country.

You may have recently read in the news that power generation, the peak demand has exceeded the capacity. So, we are having a deficit in our power generation which will be of course immediately met by addition of coal power generation but also in a long term will be supported by renewable energy and largely by hydro and pump storage. So, I am reasonably sure that there will be a lot of new capacity addition and these 50,000 Mega Watts is not a very far-fetched number to happen over the next 5 to 10 years and this itself will bring enormous opportunities for your company in the next few years. So, quite confident and quite positive about the future of our company. Thank you very much.

**Moderator:** Thank you. On behalf of OM Infra Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

**Vikas Kothari:** Thank you very much.