

Date: 29.08.2024

To  
Department of Corporate Services,  
BSE Limited,  
PJ Towers, Dalal Street,  
MUMBAI - 400001

To  
National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
MUMBAI - 400051

Dear Sir/Madam,

**Sub: Transcript of the earnings call for Q1 FY 2024-25**

**Ref: BSE Scrip Code: 539302, NSE Symbol: POWERMECH**

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the transcript of the Earnings Call for Q1 Results of FY 2024-25 held on Tuesday, the 20<sup>th</sup> day of August , 2024 at 3:30 PM (1ST).

The transcript is also uploaded on the Company's website at [www.powermechprojects.com](http://www.powermechprojects.com)

This is for your information and for dissemination to the general public at large.

**For Power Mech Projects Limited**

**Sajja Kishore Babu**  
Chairman and Managing Director

**Encl: A/a**

## POWER MECH PROJECTS LIMITED

AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY

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“Power Mech Projects Limited  
Q1 FY’25 Earnings Conference Call”  
August 20, 2024



**MANAGEMENT:** **MR. S.K. RAMAIAH – DIRECTOR, BUSINESS DEVELOPMENT – POWER MECH PROJECTS LIMITED**  
**MR. ROHIT SAJJA – PRESIDENT, BUSINESS DEVELOPMENT AND OPERATIONS – POWER MECH PROJECTS LIMITED**  
**MR. N. ARAVIND – CHIEF FINANCIAL OFFICER – POWER MECH PROJECTS LIMITED**

**MODERATOR:** **MS. NATASHA JAIN – NIRMAL BANG EQUITIES**



**Moderator:** Ladies and gentlemen, good day, and welcome to Power Mech Projects Limited Q1 FY '25 Earnings Conference Call hosted by Nirmal Bang Equities Private Limited. As a reminder, all participants' 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 your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Natasha Jain from Nirmal Bang Equities. Thank you, and over to you, ma'am.

**Natasha Jain:** Thank you, and good afternoon to all participants. Nirmal Bang Institutional Equities welcomes all of you to the First Quarter FY '25 Earnings Conference Call for Power Mech Projects Limited. From the management today, we have Mr. S.K. Ramaiah, Director, Business Development; Mr. Rohit Sajja, President, Business Development and Operations; and Mr. N. Aravind, Chief Financial Officer. I now hand over the call to the management for their opening remarks, post which we shall open the floor for Q&A. Thank you, and over to you, sir.

**N. Aravind:** Thank you, Natashaji. This is N. Aravind, CFO of Power Mech Projects Limited. I have with me Mr. S.K. Ramaiah, Director, Business Development; and Mr. Rohit, President, BD and Operations. I welcome you all to the earnings call quarter 1 FY '25.

The reported total income for quarter 1 financial year FY '25 is INR1,017 crores against INR871 crores in Q1 FY '24, an increase of 16% year-on-year. EBITDA is around INR123 crores against INR105 crores, a growth of 17%. And PAT is INR60 crores, which has grown by 18% compared to INR51 crores in Q1 FY '24. Improvement is seen in overall margin profile. EBITDA margin has gone up from 12% in Q1 FY '24 to 12.1% in Q1 FY '25.

Revenue mix for the quarter 1 FY '25 is as follows: Mechanical business has contributed INR102 crores against INR139 crores in Q1 FY '24, showing a decline of 36% year-on-year. Civil business, including railway, mining, water distribution contributed INR557 crores against INR493 crores in Q1 FY '24, an increase of 13% year-on-year. O&M revenue of INR341 crores against INR224 crores in corresponding period last year, a registered growth of 52%. And electrical business INR8 crores against the INR9 crores during last previous period. Other income INR9 crores against INR6 crores in Q4 of FY '23.

During the quarter 1 of FY '25, the distribution between domestic business and international business is 94% and 6%, respectively. Contributions from power sector remained at 54%. Non-power contributed 46%.

Net current days excluding cash and cash equivalents have increased from 112 days in FY '24 to 142 days in Q1 FY '25, mainly due to elections and there were delays in realization of receivables and also delays in certification of the works resulted an increase in the current assets of the company.



The debt levels are in control. As on June 30, '24, the gross debt is around INR581 crores and the net debt stands at INR40 crores. The debt equity ratio as on June 30, '24 stands at 0.31x.

Order book status. So far, this financial year, the company has secured orders worth of INR1,746 crores. The order backlog as of 12th August '24 is around INR57,793 crores. If we exclude the 2 MDOs, the unexecuted order book stands at INR18,115 crores.

Expectations for this current year FY '25, the overall business environment seems to have improved post elections and the execution cycle is picking up. Despite a little slower in Q1, we are confident of achieving revenue growth in the range of 25% to 30% for FY '25. Margins are expected to remain stable and further improvement is expected as MDO business ramps up.

Once the MDO revenue peak during FY '26 to '27, the margin profile will see a marked increase. On the order book side, we have set a target of INR11,000 crores for the financial year 24- 25. Our focus will continue to be on the industrial plant, operation and maintenance, railways and water. Going forward, O&M and MDO business will provide stability in revenues as well as margins in a significant way.

Now I request Mr. Ramaiah to update on the developments, sir.

**S. K. Ramaiah:**

Yes. Thank you, Aravind, and thank you Rohit. And good afternoon, everybody. Aravind has given the basic numbers and also the improvements in the margins and all. As for the business outlook is concerned, first quarter, we had an order booking of INR1,059 crores and looking at the elections that happened and all, there were some of the tenders which got postponed and all and now it is taking traction.

And the basic -- the backlog of the orders at the end of the last quarter was INR17,302 crores, as the marginal improvement in INR17,408 crores and all. And with the mechanical backlog order going up by 2.1% from INR6,450 crores to INR6,508 crores. Civil order backlog has growing up by 2.3% from INR7,814 crores to INR7,995 crores.

O&M there is a bit above 12% from INR2,197 crores to INR1,933 crores, and electrical is more or less stable at the same period. But the positive thing is that the overall order booking is including particularly O&M is taking a lot of traction. And in the second quarter, we were able to increase the overall order booking to, say, up to INR550 crores. But a lot of new projects coming and going down in the international market, domestic market and also the new projects, which are getting commissioned and some of the contracts also getting excluded.

Now if you look at the overall outlook of the company's business outlook for next year, what Aravind had given a number of INR11,000 crores with the present order booking of INR1,746 crores. We should be still trying on traction to achieve this growth because the opportunity size has gone up substantially.

On various opportunities in the power sector, non-power sector and the O&M, railway, road construction and then industrial projects, etcetera, there is continuous tracking of many of the opportunities. We are tracking about INR75,000 crores of opportunities and there are hardcore opportunities of nearly INR20,000 crores, INR25,000 crores.



And the lead is taken by the power sector, O&M and all. And as we know, as BHEL has been flooded with lot of orders with INR88,000 crores order booking in the last more than a year. There has been a substantial order booking. And what is important is that in the power sector, there are 3 developments which have led the uptake.

One is the order booking, which BHEL has taken at INR88,000 crores for about 13,840 megawatts. That is going to impress the significant role in our order booking in the current and next year. The second aspect is that Adani is developing 3 major projects, Raigarh, Raipur in U.P. also for Mahan. Therefore, about 4,000 odd megawatts and developing themselves, of course, with the supply orders based on BHEL and some of the orders we are going to take on that.

And the third development is that, as you know, the present installed capacity of full base point is 218 gigawatts and government is determined to ramp it up to 300 gigawatts by end of this decade. That is mainly to see the rig stability, which I think we have explained earlier. And now they are determined to see that the backlog in the order booking is tracked fast not only with the many of the ongoing development projects, but also some of the stations also they are planning.

In that direction, NTPC is planning to add about 22,000 megawatt in that about 5,000 megawatts, they are already implementing it, balance about 17,000 megawatts, they have to place order in 2 stages. Stage 1, they've already taken up the work about 8,600 megawatts, another 8,600 megawatts have to be upgraded and all and they have to issue the tenders and all.

For NTPC, BHEL, Adani, this is what we expect in the power sector so that will play a role in the coming years and the total opportunity size can be anywhere between INR20,000 crores to INR25,000 crores looking into the various aspects of civil structural, mechanical, ETC business and all. And whatever plants are getting commissioned, we have seen the flow of the orders in the O&M segment that is going to happen for example, what has happened in UP for the NLC project, and then there are other projects also which have come.

And recently, Hindustan Zinc has given one more order for the another plant for about INR210 crores. And in fact -- and so far, we have O&M about INR550 crores of orders have been available as on date. And there is an opportunity of INR1,500 crores to INR2,000 crores, which has been tracking hardcore opportunities also.

Now apart from that, the non-power segment is a big business, particular railways. We are having INR2,500 crores jobs excluding 15, 14 jobs, including a major job in Bangalore, BMRCL that is railway maintenance shops and then various other railways jobs which are going pretty well. And then Adani jobs are also going up, and some traction is taking place on the FGD jobs also now Udipi and then Andhra also and that should give some additional revenue for the current year.

Now coming back to the other opportunities are there. For example, there is a huge investment in the steel sector, non-power sector, minerals and metals, NMDC. NMDC is planning INR50,000 crores of investment on many of the projects, we should call the tender shortly. And then Steel Authority of India is planning an expansion in the IISCO Burnpur plant, 4.5 million



tons with the investment of INR30,000 crores and then Dastur & Company consultant and many packages should come. We have to look for partners there.

Then JSPL is coming with a plant of 5 million tons in Dukm, Oman. It's an investment of INR27,500 crores. And we are having ongoing relationship and doing some of their jobs in JSPL, Angul and recently we have taken a job of INR160 crores there. And looking at all these things and apart from the railways, road projects, as we said, these opportunities should and now after the election sessions, there will be more so for the executing the orders by the main player and developers like NTPC and then railways.

And then Adani, they have to also expedite the jobs, because they have got a plan to develop their start base from 15,500 megawatts to 31,000 megawatts in the next 7, 8 years. The first phase they have already taken up, second phase also they will take up. And one more development can be there, organization is taking some initiatives and then organizational strength has been strengthened in terms of BOP packaging. And at present, we are tracking about 4,000 plus megawatts of opportunities.

Our teams are discussing with the many players and all because there is an urgency from the developers and owners also to see how to package is better in such a way that more players come into the play for the balance of plan packages, of course, on the main plant. Because BHEL is a full player in the main plant, and that we continue to get the orders. But there is some tension going on with NTPC and many of the private developers also to see that how the packaging can materialize and that is where we are looking at the opportunities, that opportunity set can be more than maybe INR15,000 crores to INR20,000 crores.

So, for looking at all these things, perhaps the flow of orders should improve in the second and the third quarter and one more development is there. Optical fiber cable, which is the part of the BharatNet connectivity to every village with the investment of INR3.6 lakh crores. That is taking full shape and then our business development group, Mr. Rohit is taking a lot of initiative on that. And then there are -- we have made up some tie-up with the parties and looking at some of the important opportunities in Madhya Pradesh, Maharashtra and other places. And then that should take some shape. That will be a real substantial opportunity. And as the development takes place, we will keep you informed on that.

Therefore, that is where the international operations, one of the key development has been that Nigeria, the O&M job of 2 years O&M jobs has been further extended one or two years. That is an important ad-hoc in the O&M for our work. This will continue. Our initiative on O&M will continue.

The ETC business will continue with the more order backlog from BHEL and the expected NTPC order flows, which should be expedited, as I told you about under 117,000 megawatts. And then ongoing the jobs of Adani and then railway jobs. And then, of course, infrastructure jobs are also we are tracking many of these projects. In that way, we are still very optimistic on our targets for this year. Thank you.



Then, Rohit, President BD will give an update on other developments also including the MDO and all.

**Rohit Sajja:**

Thank you Ramaiah sir. Good evening, everyone. So, I'll conclude with a few highlights of Q1 of 2025 before leaving the floor for question and answer. And also, I would like to touch upon the both MDO projects, which I'm closely monitoring, and a few updates from the business development perspective and overseas business as well.

So, we have some good updates in terms of the MDO. We have gotten clearance from Jharkhand Government to take position of 585 Hectors of forest land. There was a delay of a month, but we were able to get it before the state elections could be announced some time in the months of November or December, which is a good update. I think we expect to break ground earlier. We anticipated to break ground in July, first 2 weeks of July, but now it's getting pushed by 2 months. By end of September, beginning of October is when we expect to break ground, start the overburden activity. So that's about the first mine, KBP.

Tasra (KT MPL), the SAIL mine is going a little slower than expected because of sales washery, washery tie-up and the washery capacity being completely utilized. But in Q2 of this year, there's going to be again a significant increase in quantity that they're going to ask from us.

We have anyway -- the mining activity is going on, but we are unable to give -- we could only give a small amount to sale in Q1, which -- through which we were only have to book around INR14 crores of revenue. But Q2, we expect to do good numbers. We already started dispatching close to 1,000 metric tons per day and this is expected to ramp up to 4,000 to 5,000 metric tons per day.

So, this is on MDO front. And business development, as Ramaiah sir had said, I would just like to add a few points with regards to the BharatNet mid-mile connectivity project that we have recently quoted for in a consortium with a reputed optical fiber cable laying company in the country, and we have participated across all the packages successfully, all the 16 packages that any company could bid for. So, the results are expected to be out anyway before the middle of next month. So that's one development.

Overseas O&M has increased compared to last year Q1 to this year's Q1, overseas O&M has increased by close to 27%. Revenue in this trend is expected to continue for the next 4 to 5 years. We are seeing a good traction this year. We are also exploring new territories like we have bid for a couple of projects in Jordan. We have added new clients in Qatar and in Saudi Arabia as well. And we see this trend to continue. A lot of overseas O&M business is going to come up in the next 2 to 3 years. So that's the update from my side, and we can go ahead with the Q&A.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ketan Jain from Avendus Spark.

**Ketan Jain:**

Is it possible to give color on the EBITDA margin segment wise, say, in civil works, in the power segment, in the mining segment separately, railway segment separately. Is it possible to give color of where the EBITDA margins you see is relatively higher, lower?



**Nani Aravind:**

So if you take the business -- erection business is concerned, we are getting EBITDA of around 6%. In Industrial construction erection business is concerned, the volume of turnover is very low. So, we are getting at approximately around 10% of the EBITDA. And in civil power is concerned, we are getting around 10% average EBITDA margin. In the infrastructure side, that includes -- including the sand mining and water division are together around 9% margin we are getting.

In transmission and distribution, we are getting around 3% of EBITDA. In international operations, around 20% of the margins we are getting. Overall O&M Business, around 18%. And in Water division, we are generating around 19%, weighted average around roughly 10% to 11% we are getting in the infrastructure business is concerned. And mining, as of now, only Tasra is operating. So 13% we achieved EBITDA margin during Q1 in Mining. So overall weighted EBITDA margin is around 12.2%.

**Ketan Jain:**

That is helpful. So, if I look at these numbers, relatively, your water division and your civil in the power is on the higher side, while erection, industrial construction is on the lower side and even power T&Ds on the lower side. Am I right?

**Nani Aravind:**

Yes, Because some of the projects executions were delayed and also due to additional costs incurred on mobilization of resources for new projects received during Q3 and Q4 of FY 24.

**S.K. Ramaiah:**

O&M domestic and overseas, water, civil, both power and non-power, these are on the higher side. And as you rightly said, the other businesses. The industrial construction and non-power construction is a little on the lower side.

**Ketan Jain:**

Understood. Coming to the -- of the second question, which is the opportunity in the power side. So, you mentioned about 17 gigawatts by NTPC and a lot of projects by Adani's also. So, what NTPC filling is they have a total construction cost of around INR10 crores per megawatt. So, within that INR10 crores, what proportion would be civil opportunity?

**S. K. Ramaiah:**

Of course, NTPC price INR10 crores with IDC. Maybe we have take about INR2 crores or INR1.5 crores of that will not be part of an opportunity that will be interested in construction. Therefore, INR8 crores to INR8.5 crores we can take as a base best price with whatever is the current prices. Therefore, normally, with full material content and engineering and supply and then the structural portion and the material content, the civil and structure portion will be around 20% since there are INR2 crores, you can take.

**Ketan Jain:**

20% of INR8 crores, okay.

**S. K. Ramaiah:**

Yes, 20%, 25% we can take. Of course, when they contract it to BHEL, BHEL we have to see the scope plant, with material, without materials. Those things will come separately.

**Ketan Jain:**

Okay. Since you mentioned BHEL, my final question is we are hearing that right now in this thermal side, the vendor is only limited to BHEL. So do you think all this 17 gigawatt by NTPC plus another 10 to 15 by Adani Power, all these capacities will have timely delivery of equipment by only 1 vendor? What is your opinion there? Is the government doing anything to expand...





**S. K. Ramaiah:**

Yes. That is a very important question to ask ourselves also on this. See, BHEL, I have experience on that. BHEL have a basic shop capacity of 15,000 megawatts. That is for sure. And the present -- if you look at the present balance of the order book, they are adding to be done 80,000 megawatts in the next 7, 8 years. That is there. On paper, it is doable.

But BHEL has got other things, whatever is the working capital, so many issues, and we can be there because their margins have come down a little bit. There are other issues with BHEL. But any way, they deliver it. But what I can say is that government is also increasing. For example, we have received some employees from Thermax also recently for the DVC Raghunathpur 2 x 660 megawatt.

Of course, they are into the boiler package. Actually, DVC has called a tender for the boiler. That is the boiler and turbine, island that means it covers up the entire plant. Therefore, this idea can come up also for NTPC also, they may change the strategy. In fact, NTPC has been discussing with players also, another durable players, how can we get into the BOP business also. But as I said, it is doable for BHEL.

They can line up their financing and other issues little bit better. Otherwise, there about the shop capacity, that I can tell you. And if also, L&T also had established capacity, and they were doing pretty well and ongoing jobs are going on in Buxar and other places. But what has happened is that the new [CEO Subramanian 24:58] has come up, he has taken a decision growth for the quarter.

But now government will definitely push for them Ministry of Power will be pushing for them, like what they have done for Thermax also. Perhaps L&T will also come on line. And GE is another option. But GE has got a turbine island, which is GE, boiler also they are having. But that is a different thing. I don't want to comment on that much at this stage because they have got of takeover of the GE turbine. And that if they come into place, then they can also play a role in it one aspect of the turbine power plant.

**Ketan Jain:**

Understood. So from what I can hear is that on paper, BHEL has the capacity, but they have to sort out some execution challenges and financial challenges, while government will definitely have to push other players like GE, L&T and all to make sure that the timing deliveries happen to achieve this target. Otherwise, there will be delays definitely.

**S. K. Ramaiah:**

Yes, Thermax can play a role because I can tell you, honestly, they had invested substantially in their plants in Pune. And we were also discussing it the early a couple of years back. But afterwards in the slow happened, they also didn't take the call. But now there have been perhaps this all prodding has come from the Ministry of Power. I think the same thing that we would do with L&T also. They will bring these new players, with Thermax can deliver also. We have done some work with Thermax also. They have got the capacity to do that.

**Moderator:**

The next question is from the line of Riya Mehta from Aequitas Investment Consultancy. Please go ahead.



- Riya Mehta:** My question is more on the macro outlook. So recently, there was a Supreme Court judgment, which states can levy mine tax retrospectively from 2005. Will this lead to any impact for our MDO existing business or future business?
- Nani Aravind:** Riya, can you repeat your question?
- Riya Mehta:** Sure. Sir, recently, there was a Supreme Court judgment which just said that mine, the state government has the power to levy tax from the miners retrospectively from 2005. So will this lead to any change in existing commitments for both the MDO projects?
- S. K. Ramaiah:** MDO, we are not the owners of the MDO are only the mining excavator. So any of GST, the taxes are applicable on my revenue. So we are not the owners of MDO.
- Riya Mehta:** Yes. So that I understand. But will they reduce the offtake because their payment cycle or you have to pay for almost last 17 years. So have you seen any...
- Rohit Sajja:** This is not going to impact the offtake at all. If it's going to impact the offtake, there are clauses that protect the offtake, as per the contract agreement. So it's not going to impact the offtake.
- Riya Mehta:** Okay. That's good to hear. Also on the side of you were talking that for Adani Mundra project for FGD will be starting. So could you highlight more details on that?
- S. K. Ramaiah:** Yes. I think tendering is in process. We are working on that and perhaps it will be finalized another within 2 months, and we are quite optimistic on that.
- Riya Mehta:** So if that comes across for this year, we would have incremental INR100 crores, INR150 crores?
- S. K. Ramaiah:** Yes, we have to see that. See, that is also possibilities there. But as of today, we are budgeting about -- because ordering is going on a big space for the Udupi project and also in the other 2 x 660-megawatt in Mundhra also, about INR600 crores of orders are in the supply chain side is tied up. Therefore, we are confident about INR300 crores to INR350 crores revenue should be possible in this year. And works have already started in Udupi.
- Riya Mehta:** So INR300 crores to INR350 crores from entire Adani projects, right?
- S. K. Ramaiah:** Yes, at this stage.
- Riya Mehta:** Got it. I think thank you for the questions and the answers.
- Moderator:** Thank you. The next question is from the line of Sanjaya Satapathy from Ampersand Capital. Please go ahead.
- Sanjaya Satapathy:** And so just wanted to confirm a couple of things. We have noticed that your sales growth has finally statured getting a little better with some 16% kind of growth this year. And your guidance is almost like 30% growth for the rest of the year, which looks pretty high compared to what has been happening in the same period. So can you just tell us like what could be the factors that will drive this kind of better growth?



**S. K. Ramaiah:**

Yes. Okay. On the power sector, the opportunity, I told you INR15,000 crores to INR20,000 crores is what happened in the next 2 years. Other the ordering has to be done by BHEL for the supply chain that they also completed. Adani have to complete their or this one. Now NTPC as I told you 17,000 megawatts, they have to extend the order in this year and something can come on that.

Therefore, on the power sector, on the O&M side, I told you almost INR600 crores have been booked and there are many opportunities we are working with many new players also. GMDC INR240 crores, it is also expected. Then there is another order from Vedanta Group we are discussing for 90 megawatts.

And then Punki, 1x660-megawatt O&M order we are discussing. And then Bhavnagar, 2x250 megawatts the lignite-fired boiler with the GMDC that also we are discussing it. So far we are quite bullish on the O&M side in the current year also in the plan and the power sector. And so the non-power side also it is possible.

Therefore, on the railways is another factor with INR5,000 crores of opportunities we are tracking it. And as you know, we are doing 12 to 14 jobs, including the metros, and then railway doubling, traction doubling on all those things. I know we are well verse with the system and the payment mechanism is good.

And our execution system also is fully established in their organization involved and therefore we can be more aggressive on the railway jobs also. Then of course, the new opportunities will come up in the industrial side and the steel products side mining and then mine side facilities, for example, Coal India is planning INR62,000 crores of investment for the mechanization of the mine site, all those things will also come up.

Therefore, the overall opportunity, what we are tracking is at INR75,000 crores that is being continued to follow. And the good thing can be the second quarter end and third quarter end and fourth quarter end, should any of these things should happen the way we had planned.

**Sanjaya Satapathy:**

I'm just -- what I'm trying to say is that you already had big back order book for last several quarters. But still, the execution pace was kind of moderating. But now you are sounding a lot more confident. Is there anything that has changed because we're talking about execution right now rather than order inflow?

**S. K. Ramaiah:**

I think the execution phase if you see INR3,600 crores instead of INR4,200 crores and now INR5,200 crores. That is doable. I think the first quarter, whatever is the revenue of INR18,000 crores, whatever has been achieved. And record the second and the second quarter we can take because of the monsoon and other aspects, but third quarter a quarter from now. That should be still achievable.

And then the orders, which are falling the first 2 quarters whatever the around INR1,746 crores are there. That will come from conversion. And then the Adanis and the INR300 crores also in terms of conversion. And then any orders which comes in the third quarter also some more possibility of conversion is there.



But as far as the capability of the organization stands and the various other inputs required and all we are already having those inputs in place in terms of manpower resources, construction equipment and then the people are there. So that is not a challenge.

**Sanjaya Satapathy:** Understood. Sir, if I can just ask the tough one. When do you -- I mean will your tax rate come down to 25%, 26% this year?

**Nani Aravind:** Yes. This year, it will come down. Because last year, due to income tax search, additional income offered to income tax. So the additional tax incurred. So now this year, we'll come to a normal. We are on 26% to 27% for this year.

**Sanjaya Satapathy:** And sir, this contribution of MDO, which you were saying that will accelerate. But you were saying that the benefit of that in sort of margin expansion, it is not likely this year, it is likely from next year onwards only. Is that correct?

**Nani Aravind:** Yes. This is beginning with development phase, initial ramp-up production has to happen. It may take another 2 years minimum to get the ramp-up, and then our washery will also start to add in to this revenue, margins will increase after 2 years i.e After FY 26-27, we may expect margin improvement in MDO. Until that time, it will be around 15% to 16%.

**Moderator:** Thank you. The next question is from the line of Anupam Gupta from IIFL Securities Limited.

**Anupam Gupta:** So first question is on the MDO. So you said the CCL project is seeing 2 months of delay. So - and apart from this, possession of land, are there any other clearances which are left now to start the project in end September or that is now realistically certain?

**Rohit Sajja:** So this was the last step for us to start the mining activity. And we just have to perhaps file an online application now, which we are doing either tomorrow or day after tomorrow. And once we get a clearance, it's going to take around a week. And after which, we can officially start the tree-filling activity. Tree-felling is done before we start moving overburden.

**Anupam Gupta:** Okay. So one should expect third quarter to have certain revenues from the CCS project, right? Or is that the right assumption?

**Rohit Sajja:** Around yes, end of third quarter, beginning of fourth quarter because we'll first have to touch 45 to 50 meters of strike, where the same strike. I think that point we have to keep doing overburden excavation. Filling of trees is going to take 2 months. And after 2 months is all OB until 45 to 50 meters. And after OB is when we'll touch the fee.

**Anupam Gupta:** Okay. And secondly, on the SAIL project. So the washery issue was there in the first -- in the fourth quarter also. And I think first quarter is actually worsened in terms of revenue delivery, which you had. So what is the status on the washery tie-up at this point of time? And is it being done in a way that until your washery comes in, the volumes remain guaranteed at least once it starts?

**Rohit Sajja:** No, Q4 of '24 was okay. They were able to take a decent capacity from us. But Q1 of '25 has worsened, primarily because of sales, washing capacity being full. One of their line is not



working and the other line is full. And as and when they need. So we had a discussion with them and we signed the minutes of meeting and starting first August onwards, we have started to take 1,000 metric tons per day. Already, that's 1,500 metric tons for this week.

This week, we already are starting to give 2,000 metric tons per day. So this is -- again, the ramp-up is going to happen slowly. We are in discussion with SAIL. So they are going to -- right now, this is what it's looking like. We'll start to take INR80,000 to INR1 lakh per month in a slowly upward fashion from INR60,000 to INR1 lakh. And after INR1 lakh, again, they give -- we are in discussions with them to increase it to INR150,000 and INR200,000 per month.

**Anupam Gupta:**

Okay. I understand. So when you said 25% to 30% growth for this year, that included how much of mining revenues for this year?

**N. Aravind:**

In fact, we projected INR250 crores from Tasra and INR50 crores from KBP. So Tasra INR250 crores may be we will do around INR100 crores to INR150 crores because of lower offtake by the SAIL due to outside washery capacity is not available. So apart from MDO, we are as per our guidelines, we are able to achieve the numbers.

**Rohit Sajja:**

So we projected around 300Cr Anupam, from both the mines together, 250 and 50. And we expect to do somewhere because KBP even if we target Q4, we can achieve INR35 crores to INR40 crores once we have production starting from end of Q3 and beginning of Q4 onwards.

And KT MPL depending on this ramp-up because our washery, by the way, I just wanted to tell you that we have started construction for washery. Soil testing is going on. So this is only a temporary, a momentary issue right now. But I think SAIL has given us a word that they are going to clear up some washing capacity for us. But because of predominantly Q1, we couldn't do anything. We could only do INR14 crores. We expect there to be a dip in revenue in KT MPL, the SAIL mine to the extent of INR100 crores. Projected at INR250 crores, we do around INR150 crores to INR170 crores based on this ramp-up schedule that we are talking with SAIL.

**Anupam Gupta:**

Okay. And one last question on your order inflows. So the overall picture, obviously, is pretty clear, but let's say, BHEL, when do you see the tendering actually starting and you being able to book some orders from BHEL given that they already have such a large order book?

**S. K. Ramaiah:**

You see, they have started the tendering for Laura's 600 megawatts. And then Pulser already taken some jobs there. And then they have to take up work on, because all these things are practicing 42 months schedule, they have to finish this order within the first year, 1 year to 15 months.

And Yamuna Nagar also has to come up. And then Kodarma only recently that will take 5 to 6 months. Therefore, now is the time for experience our booking also because maybe what happens in this mechanical orders, first you have to focus on the similar engineering. And they may be working on the engineering aspects. When the engineering is finalized then the civil will come up and then the mechanical will come up. That is how the sequence is there. When we expect in second, third and fourth quarter things should move pretty faster. And of course, most of this order bookings, they have to complete in the next 12 to 15 months.



- Anupam Gupta:** Okay. Understood. Just 1 last question coming back to mining I had. So this year, obviously, there is a mess because of sale not taking the offtake. But does it impact next year a run rate which you can deliver or what they can take?
- Rohit Sajja:** No, no, Anupam. I don't foresee any impact of this next year. No, there's not going to be a lot of cascading effect. Because we are going to keep pushing them to take more capacity at least a contracted capacity until we keep -- until we reach the PRC related capacity. So I don't foresee any cascading issues of this to next year.
- Anupam Gupta:** Okay. And just 1 last request. The order book, which you disclosed in your presentation, it would help if you do it at the end of quarter rather than mid of the quarter, because then it becomes very difficult to compare. So let's give a number, which is end of June, end of September, end of December rather than giving 12th August number because it doesn't help comparing at all.
- N. Aravind:** We are giving breakup of both the versions, including. Anyway, we'll follow the same.
- S. K. Ramaiah:** I think Q1, Q2 and Q3 that too, this one is there.
- N. Aravind:** June already I have given, additionally I have given 12th August date.
- Moderator:** The next question is from Ketan Jain from Avendus Spark.
- Ketan Jain:** I'm sorry if the question is repetitive. Sir, what is the order inflow you're guiding for FY '25 like in terms of rupees crores?
- N. Aravind:** It's INR11,000 crores we are projecting sir.
- Ketan Jain:** If I can get any segment-wise in this number, sir?
- S. K. Ramaiah:** Yes. Segment-wise, perhaps the substantial orders will come. I think the O&M side will, as on today another INR1,500 crores of opportunities of tracking. Then the ETC business and the fuel business, that will be the next line for this one.
- And of course, the other bigger orders should be expected based on how the things happen, as Rohit has explained on the BharatNet activity because there is a lot of opportunity there. And the availability of the -- so many territories and the areas which can be been tendered in such a way that we should be able to get something there. That's something reasonably and we should make it. And then the individual non-power sector, whatever we are including that in the mining segment and then how the water system projects also.
- Ketan Jain:** So also, you had mentioned the bidding pipeline is of around INR75,000 crores, which is mainly in power sector and O&M. So if you could break down the bidding percent in power sector, O&M and mining, what is the exact pipeline?
- S. K. Ramaiah:** I think those numbers are there. I think substantially, about INR40,000 crores, INR45,000 crores in the infrastructure and railway. And then the other segments will come on the ETC business about INR1,200 crores to INR1,500 crores. And then there's non-power sector and the O&M side, and then water also is there.



- Ketan Jain:** Sir, in power, sir. In power, how much?
- S. K. Ramaiah:** Power, you can -- the opportunities have been INR12,000 crores to INR15,000 crores.
- Ketan Jain:** This include O&M as well, right?
- S. K. Ramaiah:** O&M is not there. I would ask about the civil and the ETC business.
- Ketan Jain:** Power opportunity in O&M, sir?
- S. K. Ramaiah:** O&M is INR1,500 crores.
- Rohit Sajja:** INR1,500 crores domestic. And including overseas, it will be around INR2,000 crores, INR2,000 to INR2,200 crores.
- Moderator:** Ladies and question, as there are no further questions, I would now like to hand the conference over to Ms. Natasha Jain from Nirmal Bang Equities for closing comments.
- Natasha Jain:** Thank you. I would request the management to give any closing comments if they have.
- S. K. Ramaiah:** Yes. One development perhaps we are, I think we have spent all the agro and all. Only the Green Hydrogen initiative, we are also taking it. National Green Hydrogen Policy of 5 million tons per end of this decade and I call for investment of nearly INR800,000 crores both on the hardware side and the development side of these projects and all. Already lot of centers are coming in terms of green hydrogen capacity enhancement of each plant capacity of 10,000 tons per annum to, say, 30,000, 40,000, 50,000 tons.
- And in this regard, Rohit and myself, we had made a visit to Portugal and Spain to see the technology available in Europe. And we are in discussion with some of the technology players, and we have seen some working plants also. And that is one of the areas perhaps the organization is also focusing now.
- Yes. This will also align with our mechanical construction business and associate civil works also because the contract structure and working is similar as far as the execution is concerned. Of course, the other aspect is we work on the development projects and wherever commonly applicable, for example, this one -- this urban transport and rural transport, where we can power up additional buses and all of the transport corporations. And then cement plants that can be stored for getting the green hydrogen. Of course, these are all the things we are examining it. It's a early state. But the plants, which are coming on as an investment basis and all for the petrochemicals, fertilizers, a lot of plants are coming up, and then we are working on that.
- And this is more under both the other developments, what have explained on the power, non-power and then MDO, et cetera.
- Moderator:** On behalf of Nirmal Bang Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
- S. K. Ramaiah:** Thank you.