

Date: August 19, 2025

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol/Security ID: POWERMECH

To
Dept. of Corp. Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Security Code: 539302

Dear Sir/Madam,

Sub: Transcript of the Conference call with Investors / Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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With reference to the subject cited above, please find enclosed the transcript of the Conference Call with Investors / Analysts held on August 12, 2025, on the Q1 and FY26 performance of the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you.

Yours faithfully,

For Power Mech Projects Limited



M. Raghavendra Prasad
Company Secretary and Compliance Officer

Encl: as above

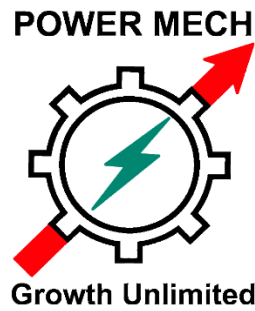
POWER MECH PROJECTS LIMITED

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

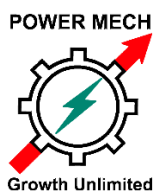
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**“Power Mech Projects Limited
Q1 FY '26 Earnings Conference Call”
August 12, 2025**



**MANAGEMENT: MR. N. NANI ARAVIND – CHIEF FINANCIAL OFFICER –
POWER MECH PROJECTS LIMITED
MR. S. KODANDARAMAIAH – DIRECTOR BUSINESS
DEVELOPMENT (NON-BOARD) –
POWER MECH PROJECTS LIMITED**

**MODERATOR: MR. ARSHIA KHOSLA – NIRMAL BANG INSTITUTIONAL
EQUITIES**

Moderator:

Ladies and gentlemen, good day, and welcome to the Power Mech Projects Limited Q1 FY '26 Earnings Conference Call hosted by Nirmal Bang Equities Private Limited. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this call is being recorded.

With this, I now hand the conference over to Ms. Arshia Khosla for opening comments. Thank you, and over to you, ma'am.

Arshia Khosla:

Thank you. I am Arshia Khosla. On behalf of Nirmal Bang Institutional Equities, welcome all of you to the First Quarter FY '26 Earnings Call of Power Mech Projects Limited. From the management team, we have Mr. S. Kodandaramaiah, Director, Non-board, Business Development and Mr. N. Nani Aravind, Chief Financial Officer.

I would now request the management to give their opening remarks, post which we shall open the floor for Q&A. Thank you, and over to you, sir.

N. Nani Aravind:

Thank you, Ms. Arshia Khosla. Good morning, everyone. I'm Aravind, CFO of the company. I have with me Shri Kodandaramaiah, Director of Business Development. I extend a warm welcome to all of you for our quarter 1 financial year '26 earnings call.

The performance for the first quarter of financial year '26 was in line with our set targets. We reported a total income of INR1,304 crores, marking a 28% increase over INR1,016 crores in Q1 FY '25. EBITDA stood at INR182 crores, up 48% from INR123 crores last year, while profit after tax came in at INR81 crores, registering a 31% growth compared to INR62 crores in Q1 FY '25.

The EBITDA margin improved from 12.1% to 13.95%, supported by exceptional revenues from Uttarakhand Riverbed Mineral project, while PAT margin rose marginally from 6.1% to 6.2%, moderated by higher finance and tax costs in the LLP, which we floated for Riverbed Minerals projects.

In terms of revenue mix for quarter 1 FY '26, the mechanical segment contributed INR222 crores, a 117% increase over INR102 crores in Q1 FY '25. The Civil segment, including railways, water projects contributed INR581 crores, reflecting a 7% increase. O&M revenues rose to INR398 crores, up 17% from INR341 crores.

The Electrical segment recorded INR67 crores compared to INR8 crores, a 737% jump. And the mining business contributed INR26 crores versus INR14 crores last year, showing 86% increase. Other income stood at INR11 crores compared to INR9 crores in the previous year.

The revenue split for the quarter was 95% domestic, 5% international, while the contribution from the power sector remained at 53% with non-power sector accounting for 47%.

On the financial front, return on equity declined from 3.09% to 2.41% due to higher finance and tax cost, with the anticipated normalization in collection and execution. ROE is likely to improve significantly in the coming quarters. While return on capital employed improved from 4.7% to 5.69%, driven by better capital deployment and improved operating margins.

Operating cash flow remained neutral due to pending receivables in the Water division. However, we are actively engaging with clients to expedite the certifications and clearances, and we are confident of realizing the outstanding dues in the coming months. Net current asset days, excluding cash and cash equivalents, have decreased from 128 days in Q4 FY '25 to 123 days in Q1 FY '26, driven by the realization of receivables, which resulted in a reduction in the current assets. We are actively engaging with the Uttar Pradesh government for the realization of pending Jal Jeevan Mission receivables, which is expected to further reduce current asset days. Additionally, with the stabilization of MDO business from 2027 onwards, we anticipate a significant improvement in the net working capital days.

As on 30th June 2025, the gross debt and net debt remained controlled and despite delays in certification of water bills and delays in realization of receivables, as on 30th June '25, gross debt is around INR753 crores and net debt stands at INR239 crores. The debt equity ratio as on 30th June '25 stands at 0.34x.

During Q1 FY '26, the company secured fresh orders worth of INR1,270 crores. The total order backlog stood at INR53,972 crores. Excluding the two MDO projects, the executable order book is INR14,391 crores. We are targeting INR10,000 crores new orders by March '26. And as on date, we have already secured INR1,882 crores. Our strategic focus remains on the high potential areas, including industrial O&M, railway, and water infrastructure as well as MDO projects.

For FY '26, we have set a revenue target of INR6,500 crores. with an expected 25% year-on-year growth and a stable EBITDA margin in line with the FY '25 levels. Margins could see an upside depending on the contribution mix from O&M and mining segments. The order book outlook for the year remains healthy, supporting our growth trajectory with the company well positioned to execute and convert around 40% of its opening order book annually. The MDO business is ramping up steadily and along with O&M is expected to drive significant growth in the coming years.

So from the MDO business point of view, our MDO business is progressing steadily. At the Kotre Basantpur project, mobilization of HEMM equipment has been completed and first year of mining operations commenced on 15th April 2025. Till date, overburden removal of 5 lakh cubic meter has been completed and the work is continuing. Coal production is expected to commence from September '25, subject to monsoon conditions.

At the Kalyaneswari Tasra project, OB removal and coal dispatch operations have been ongoing since January '24. As of June '25, coal production has reached 7.61 lakh tons with a corresponding OB removal of 14.71 lakh cubic meter.

Mining fee against the coal produced and dispatched to SAIL have been accruing since June '24. To date, invoices have been submitted for 7.52 lakh tons of coal dispatched to the existing washery as per SAIL's direction with a total value of INR158 crores so far, we have recognized revenue.

In terms of washery and railway sliding development is concerned, design consultants have been appointed for both the washery and railway sliding. For the railway sliding, engineering scale plan, L-section plan, and consent to establish approval have been received, while approvals for overhead electrification and signaling interlocking system are expected by end of this month.

For the washery, major equipment designs have been completed and LOIs have been issued to the vendors for some of the equipment, with the remaining order under progress in parallel with the design activities. Mobilization and establishment works at the washery site are also in progress.

While SAIL's current coal offtake remains below the plan due to the limited external washery capacity, we are actively working to resolve these constraints and ramp up the production in the coming quarters.

With this now, I request Mr. Kodandaramaiah garu, to update on the key business development initiatives and future outlook.

S. Kodandaramaiah: Yes. Thanks, Aravind, for your introduction and also the overall business intro of the company. Thanks for our participants also. I think as Aravind has said, we are looking up into the business opening up substantially. We have seen it is there for the last 2 years. and it continues to happen in the coming years also.

Now coming to the basic order booking and the backlog, what we are having here. I think in the first quarter, we had a total order booking of INR1,270 crores with key orders from Telangana, where Telangana Yadadri project, we are also building into the quarters the establishment quarters, about INR1,350 flat value of INR972 crores.

We have taken the first major step into the green energy business under the KUSUM scheme of solar project in Bihar for INR159 crores, total value for about 25 years. And O&M jobs also we have taken 9 jobs of INR108 crores. These are the key orders there.

But beyond quarter 1 also currently also recently, we have booked a major O&M order in SJVN that is 2x6 is to be order Buxar INR498 crores for 5 years winding operation and NTPC Jhabua also about INR53 crores. So these are the latest two major developments apart from what we saw in the first quarter.

Now looking at the overall order backlog, taking into consideration the revenue, what has happened in the first quarter and the last year backlog, what we had in 1st of April, INR14,387 crores, more or less, the order backlog remains same, about INR14,391 crores with a major increase in the Civil segment of the business from INR8,472 crores to INR9,022 crores, 6.5%.

And in other segments because in the first quarter, we have not substantially added because of the opportunities were postponed later. And these things are expected to come and there is some marginal reduction in the overall order backlog from mechanical and installation business from INR2,303 crores to INR2,081 crores; O&M from INR2,749 crores backlog to INR2,490 crores.

And electrical, we are consciously looking at the business and stabilizing it. Therefore, we are not looking at any significant in adding new businesses at this stage. Barring its stabilization, it is now INR796 crores the backlog compared to INR863 crores.

The domestic business continued to drive the business with about 98% of the order backlog and the international business mainly focused on the O&M with a backlog of INR250 crores is about 2%.

And the power sector continues to be a lead opportunity provider for the company with about 61% of the business at the beginning of the year. It is now 57.5% in the last year, now it is 57.5% and non-power is about 42.5%. This is on the segment-wise opportunity.

And in the case of the key initiatives has been the market has been opening in the power sector and in the infrastructure and non-power sector also, there are a lot of opportunities. I have seen the last 8, 10 years, the trend is continuing for our participation in railways, roads and infrastructure, metro work and then significantly the O&M profile what we have increased.

Our total capacity of operation of the O&M business has gone up by 4,107 megawatts with the three major projects in the preceding years. And recently, what we have taken is also 1,320 megawatts. That will jack up the overall O&M business to nearly 75,000 megawatts and with more focus on the power sector addition of the capacity, there is going to be a lot of opportunities.

Now coming to the key opportunities and the business, where it is going. I think we all know there is going to be a renewal of the power sector business owing to a variety of requirements in another 5 to 10 years as the increase in capacity, which I have been telling in the many of my previous interactions with you, that with 500 gigawatts of the renewable power adding up by end of the decade, and then there is going to be a balance with the power requirement, 80 gigawatts of thermal power has to necessarily be added. And there is a significant addition into the actions taken by the various companies, particularly Adani, which has got a present installed base of about 17,550 megawatts, they intend to double it about double the capacity to 34,000 megawatts, 35,000 megawatts in another 5 to 6 years.

And they have taken the lead in adding around recent orders, what they have placed in the last couple of months, maybe including the previous 2, 3 quarters and about 15,720 megawatts they have ordered. And recently also, they have taken action on another 4,800 megawatts. Therefore, they are significantly adding up to the ordering backlog of the engineering EPC companies like BHEL and L&T.

And NTPC is another major organization, which has taken the lead about 11,580 megawatts of ordering, which has been done in the last couple of quarters. That also is adding up.

And other utility companies like DVC, Neyveli Lignite Corporation, MAHAGENCO, then Singareni, SCCL, then Gujarat State Electricity Corporation Limited, then Chhattisgarh, they also have taken the initiative and added new capacities.

Therefore, if you take about 18 months to 2-year ordering status in the last 1.5 years and that trend is continuing, about 38,000 megawatts ordering has been done in different areas and different stages.

About 10 EPC projects have been awarded to BHEL. And then L&T has taken a major step forward, again coming back to the power sector execution about 4,000 megawatts, 2 projects they have taken at Nabinagar and Gadawara. And these 2 players will now L&T also is going to put their feet in.

And the latest information is that Adani perhaps has taken an initiative to order some boiler packages to them, and this news has to be confirmed for the L&T also. Therefore,

perhaps they want to slightly diversify the power, the BTG orders, boiler and turbine, the main island ordering package to apart from BHEL also looking at the overall order backlog, BHEL has taken it.

Therefore, if you look at the overall scenario, there has been a substantial ordering of more than INR2 lakh crores at about 38,000 megawatts in the last 1.5, 2 years. That throws up significant opportunities for a company like Power Mech. We are into various segments of the main power plant installation, both in the main plant and the balance of plant area and that offers an opportunity of about INR30,000 crores.

Now in these areas recently, our interest and where we have taken a lot of initiatives is in getting into the market with Adani, about 3, 4 major jobs we have taken at Mahan, then Raipur, Korba that is Amarkantak about INR1,653 crores of mechanical installation jobs and then INR800 crores of the civil works at Mahan Phase 2 and Mirzapur Phase 1, which they are putting up for the first time, 2x 800 megawatts. That comes to about INR2,453 crores. And all the schedules about 30 months firm price contracts with fair advance payment terms. And these projects are already under execution and going on a fast-track basis.

And the other important development is the BHEL Koderma DVC, we have taken INR579 crores in BTG civil works and the cooling tower work about INR743 crores. Therefore, if you look at the power sector itself, perhaps the company has added nearly about 7,500 megawatts of capacity addition of presence in recent times. And this will continue to happen in the coming years also.

And then on the O&M sector, what I can say is that have got a reasonable backlog to continue the conversion factors. And the opportunities are continue to be there with a new capacity addition of about 6,000 megawatts to 8,000 megawatts every year, both with particularly Adani is going to add a lot of capacities and other players are also going to add up capacities and public sector also is going to add up the capacities. With that, more opportunities will come.

As I said, the 4,000-plus megawatts have been added to the base strength of the O&M coming to 75,000 megawatts. Perhaps with more and more capacity addition, this base capacity of Power Mech has to increase in the coming years, and we will continue to bank on the domestic O&M business.

And the international O&M business, the main focus is around the shutdown jobs, repair jobs, maintenance jobs and manpower supply actively, we are doing in the Middle East and Nigeria. Nigeria, we are executing a 400-megawatt long-term contract that is being under execution. And then many maintenance jobs we have taken. And we expect about INR300 crores of order booking in this year.

Now the other important sectors are the railways, where we are significantly working in about 8 major projects of INR2,500 crores and having completed some of the significant railway jobs also. And the road sector also, we are working in many projects.

And apart from that, one of the key areas of infrastructure business is undertaking the metro works. Metro works, there is a major ongoing investment. 22 cities are being have got its penetration. Metro spread is about 950 kilometers. This is going to double up in the next 5 years to almost 2,000 kilometers with another 23 cities added.

And our interest is in all these metro shops is first works on the maintenance depots because each of the major metro cities, they need two maintenance depots. We have got experience in doing many of railway workshops with the railway jobs what we have undertaken so far.

Major railway metro maintenance job we are executing in Bangalore for the Bangalore Metro Rail Corporation INR427 crores. That gives us the references to it for many of the metro opportunities which is expected in the future.

Therefore, in the overall scenario, what I can say is that last year, our total order booking was about INR6,437 crores that is compared to previous year INR8,758 crores in '23-'24, 24-'25, INR6,437 crores. Of course, last year, there were many aspects mainly because of the elections and monsoon and so many other interferences. Perhaps this year, we are keeping a target of about INR10,000 crores.

And an area, which is of significant importance in the power sector business in opening up the balance of plant packages, a couple of projects we are pursuing it with the opportunities of about INR10,000 crores to INR12,000 crores and some significant development should take place shortly.

And that should see how we can take up that work and that synergies with our overall business plan and our expertise also on a comprehensive basis, we have got a master in construction and an end-to-end solution in civil structural, mechanical, and afterwards post commissioning O&M also.

Therefore, that enables us to be a strong player in this. And we are discussing with a couple of players on this. And then let us see how it takes place. And that is an area, which is a lot of interest to us in this year. That's what I would like to say. Thank you all of you.

Moderator: The first question comes from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question is on the margin in this particular quarter. Was there any one-off in this quarter?

N. Nani Aravind: Yes Sir. This is exceptional revenue, because in the Uttarakhand Riverbed Mineral business, we received certain seized quantities from the clients where the royalty was payable and also some additional quantity, where royalty was not paid. As a result, we collected double the penalty that resulted the higher profit and royalty income in this quarter.

So business operates 9 months in a year. Basically, the Riverbed Minerals rainy season in Q2 probably will not have that much profit. In Q1, we got the exceptionally seized high quantity, resulted more profit in the current quarter.

Mohit Kumar: So, what is the impact of that in the current quarter?

N. Nani Aravind: Sir, that is roughly around 19% PAT increase.

Mohit Kumar: Sir, INR19 crores is the impact this quarter?

N. Nani Aravind: INR55 crores is the PAT. It comes into 19% PAT margin from that particular LLP.

Mohit Kumar: Understood, sir. My second question on the thermal BOP. Of course, it's a very large opportunity. But having said that, sir, why there are delays in finalization of the tender? And is this opportunity of POP, is it away from BHEL, Adani, NTPC? Or are the packages being broken up into small, small part? Is it single factor, is it small, small part, the size could be much smaller. Is that the right understanding?

S. Kodandaramaiah: Yes. I think both ways it is possible because what has happened, companies like Adani, they would like to do themselves many things. The main plant would like to order rest of the balance of plant packages, including the civil and other packages, they would like to handle themselves. That is where we have also taken some of the jobs and what I said recently, we have taken.

Now the other aspect is, apart from the main plant, that is called the balance of plant is nothing but the inputs, which goes into the main plant for its operation like water, power, and then civil works and then so many axillaries are like coal handling, ash handling, water systems and then miscellaneous things are there.

This is all nowadays combined as a part of a single package. And that is a concept because main plant is specialized with a company like BHEL or L&T, balance of plant, it is again specialized -multidiscipline specialization, not only engineering, but also in construction in different areas, civil, structural, mechanical, electrical, C&I.

So that is more of integration and needs a proper unified input source like water is required to start the power plant, then power is required to start the power plant and other utilities also. So they follow both the models.

One is to combine the entire package into something like a single package that is a balance of plant package. Another is to further segment into balance of plant to civil segment, coal handling, ash handling and individual segments. And that depends on the customer choice and how you would like to get a competitive offer and the pricing to see that overall investment cost is moderated.

Therefore, our interest is in both the cases because, our strength, the end-to-end construction we are having. We have also strengthened our engineering base. And then with these things, perhaps BHEL also is planning to do this type of BOP in a way that it can be roped in with other agencies. And particularly contracts like us, we are better qualified to do that. That is how it is.

Mohit Kumar: Are there too many single BOP packages available in the market?

S. Kodandaramaiah: Yes. I think if I look at the ordering, NTPC has ordered 10 EPC jobs total NTPC ordering, which has been done is about 14,500 megawatts, about 1,13,000. Now this NTPC ordering mostly on BHEL and to some extent on L&T.

Now the major orders, which are not ordered on the EPC, NTPC has balance of plant about 6 plants, they have to order it. That will come for packaging. And Adani, as I said, around 15,720 megawatt, that entire balance of plant will come as a packaging. Apart from that, BHEL they themselves have taken a lot of orders in terms of BHEL EPC ordering, as I said, about INR1,13,880 crores for 14,500 megawatts. Therefore, this will be some areas, maybe some of the projects can be thought of as a balance of plant package with BHEL also.

- Moderator:** The next question comes from the line of Jainam Jain from ICICI Securities.
- Jainam Jain:** Sir, in the first quarter, we had a low order inflow Y-o-Y of INR1,200 crores. So with the strong pipeline in thermal space and nuclear space, why are the orders not flowing in? Like is there any challenges or delays which we are seeing.
- S. Kodandaramaiah:** I think that is a typical of first quarter and second quarter. If you look at last year, first quarter also, it was INR1,040 crores. This year, we have taken INR1,270 crores. Now the opportunities what we are tracking in various things, various business segments are more than INR30,000 crores.
- And then the power sector, there is an opportunity in size of INR30,000 crores. And then there is the infrastructure side, continuous investments are coming. We have seen the annual investments in what is happening in the railways, roads and then metro jobs are also. Generally, the trending of any customer is to start the ordering in beyond the second quarter. That is how the order gets added into the last 2, 3 quarters generally.
- Therefore, with the looking at the opportunities what we are having because at any time, we are tracking about INR30,000 crores to INR35,000 crores of opportunities. And then INR10,000 crores is a reasonable thing, which we have projected to the investor community. That should be reasonably possible because in various areas, power sector side, non-power sector side, infrastructure side, O&M side, also O&M as on today around INR1,700 crores of opportunities we are tracking.
- And then the new plants as and when they are commissioned, for example, latest SJVN, I said about INR500 crores of job which we have taken that should happen. And let us see these targets, what we have about INR10,000 crores should be possible from that perspective.
- Jainam Jain:** Okay, sir. Sir, within the Tasra mines, what is the total production during quarter 1. Hello?
- N. Nani Aravind:** Yes. 1 minute. Around 1.5 lakh tons.
- Jainam Jain:** Sir, we have guided for INR300 crores to INR400 crores of top line in this fiscal from MDO business, whereas we have booked only INR26 crores in this quarter. Can you throw some light on that?
- N. Nani Aravind:** This combines both together, we plan for INR208 crores from the Tasra mine and INR64 crores from the KBP mine. KBP mine, we just started the production, and we are expecting to start flowing the revenue from the Q3 onwards. for this year we'll touch maybe around INR30 crores, INR40 crores of revenue.
- And at the Tasra mine because of the washery capacity availability outside is very limited, SAIL's offtake arrangements as per the availability of external washery, we are giving around 50,000 tons to 60,000 tons per month depending on SAIL's direction we are executing.
- We are trying to push the SAIL team to scale up take to 70,000 tons to 1,00,000 tons per month. And we are looking at the other alternative arrangement to outside any available

external washery availability is there, we are also pursuing that to speed up our offtake arrangements.

Moderator: The next question comes from the line of Vinod from PhillipCapital.

Vinod: Sir, how much of these 80 gigawatts can be realistically completed by FY '32 according to you?

S. Kodandaramaiah: How many?

Vinod: Of these 80 gigawatts can be realistically completed by FY '32?

S. Kodandaramaiah: Yes. I think the ongoing jobs we are doing nearly 7,500 megawatts to 8,000 megawatts. Adani, Vedanta, then the new jobs, what we have taken from recently from Adani for the last couple of months. Therefore, this is on the execution side, both in the civil and structural side. And perhaps another perhaps another 1,500 another nearly 2,000 megawatts to 3,000 megawatts - should be added in this year also.

Vinod: Okay. Because utility companies are talking of shortage of BOP bandwidth. So what is happening in terms of BOP bandwidth? Are new vendors being developed? Or are they relaxing vendor norms now for the BOP?

S. Kodandaramaiah: Our bandwidth is a very strong organization set up for execution. Our headquarter is there, our expertise there in construction, end-to-end construction solution, civil structural, mechanical and the complete segments. And we have got also experience in doing some of the complex jobs like cooling towers and also buildings.

For what we have to interface more is the engineering aspect of it. That is an important aspect, which we have strengthened the people with very senior people we have taken from experienced groups, and they are assisting us. And now we are in the process of evaluating the projects and bidding it.

And the other aspect is the procurement. The procurement is a second important aspect of the EPC work. And that also we have strengthened with really experienced hands. And in fact, what I can say is that the EPC concept, what we are doing non-concept significantly has got a better presence in railways and roads. Therefore, already that type of experience is being gained by the organization.

It is a question of integrating the procurement additional capacities required and engineering interface, which we have to take with the engineering consultant part of the in-house strength and the existing construction strength.

Of course, the technological part of the equipment supplies in many of the key packages like coal handling, ash handling, control instrumentation and other things as the engineering supply has to come to them as to go to the various vendors, we are qualified as per the CA guidelines as per the main EPC contracts guidelines. And those aspects we'll follow it up. We are already in touch with many of the key vendors in many key areas for the critical areas like coal handling, ash handling, water systems, and we have established a rapport with them and to see that once it comes, we can work with them also.

- Vinod:** Sure. And sir, what is the status of FGD projects? Are FGD projects now happening? Or are they going to be abandoned? What about the existing projects for FGD?
- N. Nani Aravind:** Sir, out of the total FGD orders received, due to government guidelines, regulatory changes and extended compliance timelines, these FGD projects have experienced delayed prolonged inactivity. So after discussing with the clients, we have reclassified nonmoving category to the extent of INR4,264 crores worth of FGD packages, and we removed it from the order book.
- And only INR936 crores worth of UDIPI project, is under execution, which we have considered in the order book value. And we are pursuing with the client. And as and when the activity approvals received from Adani, probably we'll take up these works. Till that time, we are keeping this under the nonmoving category.
- Moderator:** The next question comes from the line of Darshil Jhaveri from Crown Capital.
- Darshil Jhaveri:** So just regarding our mining development operations. I could not get what you're saying about the second mine, like the KBP mine, we are assuming around INR30,000 crores – INR40,000 crores, but the second Tasra mine, what do we expect this year, sir?
- N. Nani Aravind:** This year, we expect to achieve turnover around INR100 to INR120 crores, quarterly around INR25 crores to INR30 crores revenue, with continued efforts, we aim to scale up INR120 crores to INR150 crores.
- The Key constraint mainly washery requirement, although a washery has been allotted to us, and is under construction. Our washery will be ready by December '26. So till then SAIL have to do this washery outside. So outside capacities are not available to do the washing. So only limited 50,000 tons to 60,000 tons per month capacity is only available and off take is restricted to that level. We are pushing the client to take the more quantity. But because of the outside washery constraints, SAIL is unable to lift the materials.
- Darshil Jhaveri:** Okay. So is it fair to assume till our washery is not complete, we'll maintain a sort of quarterly run rate of INR20 crores, INR30 crores. Is that like a fair assumption, sir?
- N. Nani Aravind:** Yes, we are pushing further to increase the offtake by additional 20,000 tons to 30,000 tons per month. We are pushing client to take.
- Darshil Jhaveri:** Okay. Okay. Fair enough, sir. And sir, with regards to our guidance, we've given a very clear guidance of INR6,500 crores, but based on our order book, do we see any potential upside that can also happen to this order book to the revenue recognition?
- N. Nani Aravind:** See, generally, our company execute to convert around 40% of its opening order book annually. We have around 14,000 crores orders in hand, which translates to 40%, with which we can easily achieve the projected turnover of INR6,500 plus the current Q1 and Q2, the new orders, whatever we are getting also we can able to convert into the turnover.
- So we are confident of achieving the growth because last year also, we touched around 25% growth, and we are also projecting this year also 25% growth compared to the last year. More or less, we'll try to reach that number.
- Darshil Jhaveri:** Okay. Okay. Fair enough, sir. And sir, just last question from my end. In the other mine, the KBP mine, is there any constraint of washery or how that ramp-up happen, sir.

- N. Nani Aravind:** No, the scope is only mining, sir. There is no linkage of washery to that. And it is the responsibility of the client to lift the material without linking to the washery. So we just touched the coal now, but because of the rains and all, we are not producing the coal now. We are shifting this to the next month. Maybe it depends on the monsoon, we'll start the coal production by next month.
- Darshil Jhaveri:** So sir, for the full year FY '27, what kind of revenue could we estimate approximately is also fine, sir?
- N. Nani Aravind:** Because this washery constraint is there for Tasra, so we can take average of INR150 crores yearly basis for next year also, INR150 crores to INR200 crores between. And for the KBP, we can touch around INR120 crores to INR140 crores revenue. Around, all together around INR300 crores, INR350 crores we'll touch next year.
- Darshil Jhaveri:** Okay. And sir, mining, what margins do we get usually, sir?
- N. Nani Aravind:** Sir, during peak rated capacity, both the plants, both the mines with peak rate capacity, weighted average of around 22% we are expecting. So because these are in the development phase now once we reach the peak rate capacity by '28 onwards, we can touch around 22% weighted average. But till that time, maybe average of 15% to 16% level because washery is also not started in Tasra, maybe around 10% to 15%, we can touch minimum and depends on the readiness of the washery, it will go up to 22% on an average.
- Moderator:** The next question comes from the line of Dinesh Kulkarni from Finsight.
- Dinesh Kulkarni:** Really great set of numbers and the guidance you have provided. Sir, my question is, we have seen MDO, the kind of businesses we have got is not many in the last, say, 2 years, 1.5, 2 years. So what's your specific outlook on these kind of businesses? How many are open for bidding now? And how large this could be in terms of order book, say, in the next 2, 3 years?
- N. Nani Aravind:** Sir, so in terms of the MDO is concerned, we are planning to continue with these 2 only right now, and we are not considering the bidding for any new further MDOs till the time we reach peak rated capacity. And on the coking coal side we already have 2 MDO's, and we are looking at iron ore project, we will evaluate and consider them.
- Dinesh Kulkarni:** Okay. So is it because of our capacity constraint? Or you think the business economics and the financial metrics are not equally lucrative? What's the reason?
- N. Nani Aravind:** No, This is because we are relatively new to the MDO business, and our focus right now is on stabilizing and ramping up production of existing MDO business, and then we want to take up further business in the MDO.
- S. Kodandaramaiah:** Now, I would add to what Aravind had said, Ramaiah here. See, as an opportunity, huge opportunities is there. I think this we have touched upon a couple of times. For example, Coal India, that is called the first mile connectivity is there.

First mile connectivity is nothing from the mine side to the loading area, which includes the railway siding, the balancing facilities and then the oer exploration facilities. And more important is the mechanization of the material handling.

Coal India has got an investment of INR53,000 crores. Now that is how we know. For example, our initial experience, what we have taken as an EPC contract with Thyssenkrupp at Kurmitar and Talwara, we are trying to gain certain experiences in doing an execution also. Of course, MDO is a developer in these two projects. But as an opportunity, it will be there.

As far as we are concerned, our capacity as of today 9 million tons. Perhaps down the line, we can look at one more MDO based on how these two things shape up and then based on the augmentation of our revenue and network then we can certainly look at it. And it is definitely a lucrative business.

And our organization synergy is better because we have got strong execution strength also. And then post completion, we can do the operation maintenance ourselves. So that way, it jells well with our objectives. But business-wise, the opportunity can be substantial, both in the iron ore handling and the coal handling.

Dinesh Kulkarni: Okay, sir. That really sounds great. And one more thing, sir. You mentioned that only 5% of revenue is from outside India right now. So around 90%, 95% is within India. So I just wanted to understand the business profiles in the foreign countries and Indian entities, where do you think there is in terms of like more opportunity with better margins? Because I believe there is some working capital constraint as well, right, in terms of number of days or receivables and stuff like that. So if you could just put some light on this, please?

N. Nani Aravind: International, sir, earlier we are executing ETC jobs, and we have completed now all the ETC jobs. And in some countries, such as Bangladesh, we faced significant challenges in repatriating money back to India. So we stopped doing all ETC outside, and we are only focusing on the O&M and manpower supply business outside India.

All Gulf countries and Nigeria, we have completed the ETC, and we have started the O&M service and manpower supply and overhauling activity, where we are getting good margins in O&M than the ETC. So we are selectively pursuing opportunities with trusted clients. There are a lot of opportunities available internationally, but we are pursuing based on the profile and clients.

For instance, we are currently bidding for material handling project in Fujirah, along with the Thyssenkrupp.

Dinesh Kulkarni: Okay. But where are the better payment terms within India or outside like because I don't know how large our operations are there in terms of manpower handling and all that, like the payment terms I was asking, sir.

N. Nani Aravind: Sir, The payment terms, in O&M business are favourable, because this O&M service are continuing services, which requires continued manpower deployment and also clients are releasing payments within 30 to 45 days.

And these are operational plants and we are not facing any problems in terms of realization of bills are concerned. There may be minor delay of 7 to 10 days, but overall payments are being received on time without any delay.

- Dinesh Kulkarni:** That sounds great, sir. And my last question is, sir, in terms of water works, like what's really happening in the industry because we are seeing some of the other players are not reporting great numbers and which is reflected in their stock price. Like it was not maybe the growth as expected as it was earlier, maybe like 2 or 3 quarters ago. So what's really happening in this? And what's your view and outlook there?
- N. Nani Aravind:** Sir, we are executing works in UP government, under Jal Jeevan Mission. Original project timelines had in November '24. And subsequently, during last budget, Government extended the timelines.
- the scheme is funded equally 50% from central government, 50% From state side, due to Kumbh Mela, a portion of their fund was diverted. And during Q1, they released some portion of the money. However, on Central side, there has been a delay in allocation,, the certifications and release of the bills held up until funds are released. And the PMO enquiries are going on in certain states regarding the regarding the proper utilization of JJM funds.
- So the central business team already visited all the UP state and they are giving report to PMO office. We expect some fund allocation to flow to UP government during Q2 & Q3.
- Moderator:** The next question comes from the line of Mahesh Patil from ICICI Securities.
- Mahesh Patil:** Yes. So the exceptional item you mentioned, sorry, I did not get it. You mentioned INR55 crores as the PAT, right, adjusted PAT?
- N. Nani Aravind:** Yes, PAT.
- Mahesh Patil:** Okay. Can you give the top line, the revenue impact of that, what was the exact number?
- N. Nani Aravind:** INR288.53 crores is the top line.
- Mahesh Patil:** INR288 crores. Okay. And this is one time, right? Next quarter onwards, this won't be the reason.
- N. Nani Aravind:** Yes. In the first Quarter we received a seized quantity, from the clients with unpaid royalty which is one time exceptional and collected extra royalty as a penalty that resulted in more revenue that resulted more PAT.
- Mahesh Patil:** Okay. So INR288 crores share is the revenue and 19% EBITDA margin, right?
- N. Nani Aravind:** No, 19 % is PAT margin.
- Mahesh Patil:** PAT margin, 19%. Okay, sir. And sir, I just want to understand in the base quarter, Q1 last year, did we have any FGD orders in our inflow?
- S. Kodandaramaiah:** Investment is going to come down with the recent Supreme Court order. But more opportunities will come wherever power plants are installed near the cities, Tier 1, and Tier 2 cities.
- Mahesh Patil:** Right. And this one order that you mentioned apart from this INR4,264 crores of INR946 crores, right? So is that currently ongoing, the execution?

- N. Nani Aravind:** Yes. This year, we'll complete that order also.
- Moderator:** The next question comes from the line of Bhagwat from Prosperity Wealth Management Private Limited.
- Bhagwat:** My question is regarding the income tax rate. For the quarter, it seems to be comparatively higher. Could you please comment on this and provide an estimate for the full year tax rate for financial year '26?
- N. Nani Aravind:** The exceptional revenue generated from the Riverbed Minerals business was booked through LLP. Where applicable tax rate is 35%, compared to 25% at the company level. Accordingly, we have provided for tax @ 35% on exceptional profit. which resulted in 4% overall on the turnover.
- Bhagwat:** Okay. Okay. So I've not got a clarity on that. You mentioned the one-off transaction, so the INR288 crores you mentioned the revenue and INR55 crores is the PAT from that. Is that correct?
- N. Nani Aravind:** Correct.
- Bhagwat:** So the total PAT that is reported is INR81 crores on the consolidated level. So this is not getting reconciled actually. Could you please help me understand that?
- N. Nani Aravind:** On stand-alone basis we recognized PAT of INR49 crores. On a Consol basis PAT is around INR81 crores.
- Bhagwat:** Yes. Out of that INR81 crores, what is the one-off proportion of that?
- N. Nani Aravind:** INR81 crores, sorry, your question?
- Bhagwat:** Out of the INR81 crores total profit reported, what is the nonrecurring part of that?
- N. Nani Aravind:** Noncontrolling interest you are saying?
- Bhagwat:** No, I am asking out of that INR81 crores, what is the one-off item that is included? You mentioned INR55 crores. Is that on PAT level or EBITDA level? That is what the query is.
- N. Nani Aravind:** Sir, on stand-alone, we recognized around INR49 crores of PAT. We generated around INR55 Crore from LLP And this was offset by certain losses in other projects, INR12 crore loss is there in one of the overseas projects, and INR 15Cr loss in Hydro Magus Project, so that resulted in the lower PAT. So after factoring these consolidated PAT is INR81 crores.
- Bhagwat:** Okay. My second question is regarding the borrowings. So could you please update what's the total borrowings as of Q1 and the blended interest rate on the same?
- N. Nani Aravind:** Right now, the working capital limit is INR600 crores is our limit, against which around INR543 crores of utilization. And overall, including equipment loan and other borrowings altogether total gross debt is around INR753 crores.

- Bhagwat:** Okay. And the interest rate on the same?
- N. Nani Aravind:** Interest rate for equipment loans is around 8% to 8.5%, but working capital, it is an average of 9.2% interest rate.
- Moderator:** The next question comes from the line of Vinay from Hathway Investments.
- Vinay:** Yes. Just a couple of questions. On this water works, what is the total outstanding as of date?
- N. Nani Aravind:** Out of the total outstanding, receivable is around INR230 crores and uncertified revenue of INR100 crores. So around INR330 crores is the total outstanding overall, pending certification plus receivables together.
- Vinay:** Okay. And unexecuted contracts are, how much in this?
- S. Kodandaramaiah:** Around 65%.
- N. Nani Aravind:** So around INR1,000 crores will be the unexecuted value is there, out of INR3000 crore.
- Vinay:** Okay. So INR1,000 crores is unexecuted. And the amount, which we have received in Q1, total amount?
- N. Nani Aravind:** Around INR70 crores we received during Q1.
- Vinay:** And did we execute anything during this quarter?
- N. Nani Aravind:** Yes. The balance includes pending certification from the department. Unless funds are allocated of fund is there, the bills are not being certified. It remains in the form of WIP bills.
- Vinay:** So you have gone slow or we are continuing with completion of our projects.
- N. Nani Aravind:** No, if you look at working capital utilization, the increase in gross debt is mainly because we are deploying money into the projects, and we are focusing to conclude the entire work during the current year. And we want to bring this majority of the Gram Panchayats into the O&M operations so that we can generate more revenue in the O&M operations. So we are focusing to conclude the entire activities of 215 panchayats to close this year.
- Vinay:** So INR1,000 crores will be added in this year, you mean to say?
- N. Nani Aravind:** Depends on the timely certification from the clients. So we are pushing client for the same, and if they come through the closures will happen this year. Otherwise, it will be spill over to next year.
- Vinay:** So just one last question. On the fresh execution this quarter, you are saying the unexecuted, I mean, the unbilled revenue plus billed revenue would be how much, roughly?
- N. Nani Aravind:** INR350 crores. Pending total as of today.

Moderator: Ladies and gentlemen, in the interest of time and no further questions, I will now hand the conference over to the management for closing comments.

S. Kodandaramaiah: Yes. Ramaiah, again, thanks, everybody. Thanks, Aravind for the various aspect what you have given in the finance and other aspects. I think, as I said, INR10,000 crores is the target what we kept. The ongoing MDO job will come more on stream and that will increase the revenues.

And apart from the power sector business, which is looking up with the opportunities, what have been brought out, there is a new segment which we are also looking at the battery energy storage because as we know, the government of India plans to enhance the green power both in the pumper storage and the battery storage. They are required to take care of the energy imbalance by 2030. They are planning to add at least about 40,000 megawatts.

And certain projects we are looking at as an opportunity in battery energy storage. Recently, our people had gone to China also got the tie-ups for battery supply and all. That's an important segment. Rest of the integration and then execution and putting up on the financial engineering inputs required is there, we are also looking at it.

And as I said earlier, the green power first initiative, what we have taken is Bihar under KUSUM projects that has come. For the future focus is the battery energy storage, pumped storage and then the continued focus on the solar power and wind power. And that will be an area of business interest for us also.

And of course, the existing strength and the ongoing things, what we are doing in the power sector will continue to be there with our leadership in that, both in the installation side, civil side and the O&M side and the nonpower sector, where we have clearly established our presence and also our experience in the railways and roads and metro projects will continue to play. Therefore, there is a wide basket of opportunities available with continued investments coming up.

I think this year, the overall investment about INR11.2 crores is the central government allocation for the infrastructure, and that should go out increased pace in the coming years also. Therefore, what is expected is about INR147 lakh crores of investment is expected to come in the next 5 to 7 years by the central government alone as part of a continuation of national infrastructure pipeline. And we are into many aspects of the infrastructure business apart from the power sector business also and that should help us to see that our growth momentum is maintained. Thank you.

Moderator: On behalf of Nirmal Bang Equities Private Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

N. Nani Aravind: Thank you