

Date: November 20, 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 November 13, 2025, on the Q2 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

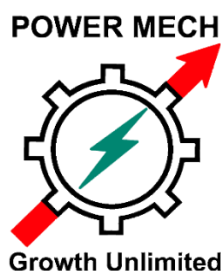
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AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY

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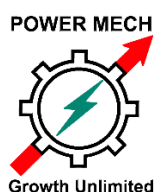
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**“Power Mech Projects Limited
Q2 FY26 Earnings Conference Call”**

November 13, 2025



**MANAGEMENT: MR. ROHIT SAJJA – WHOLE-TIME DIRECTOR –
POWER MECH PROJECTS LIMITED
MR. S.K. RAMAIAH – DIRECTOR (NON-BOARD)–
BUSINESS DEVELOPMENT – POWER MECH PROJECTS
LIMITED
MR. N. NANI ARAVIND - CHIEF FINANCIAL OFFICER –
POWER PROJECTS LIMITED**

**MODERATOR: MS. TERESA JOHN – NIRMAL BANG INSTITUTIONAL
EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to Power Mech Limited Q2 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note this call is being recorded.

I now hand the conference over to Teresa John. Thank you and over to you, ma'am.

Teresa John: Thank you, Shruti. On behalf of Nirmal Bang Institutional Equities, I would like to welcome you all to the 2Q FY26 Earnings Call of Power Mech Projects Limited. The management today is represented by Mr. Rohit Sajja, Whole-Time Director; Mr. S. K. Ramaiah, Director, Business Development and Mr. N. Nani Aravind, Chief Financial Officer.

I will now hand over to the management for their opening remarks, after which we will open up the floor for Q&A. Thank you and over to you, sir.

N. Nani Aravind: Good morning, everyone. I'm Aravind, CFO of the company. I have with me Mr. S.K. Ramaiah, Director, Business Development; and Mr. Rohit Sajja, Director, Business Development and Operations. I take this opportunity to welcome you all to our quarter 2 FY '26 earnings call.

The company's performance for the second quarter of financial year '25-'26 remained in line with our set targets, reflecting consistent operational momentum. For quarter 2 financial year '26, the company reported total income of INR1,249 crores, representing 19% increase over INR1,046 crores in Q2 FY '25. EBITDA stood at INR158 crores, up 18% from INR134 crores in the corresponding period last year, while profit after tax was INR78 crores, registering a 12% growth compared to INR70 crores in quarter 2 FY25.

The EBITDA margin remained stable at 12.7% against 12.8% last year, marginally impacted by higher operating costs. The PAT margin declined from 6.7% to 6.3%, primarily on account of increased finance and depreciation costs. For the half year FY '26, the company delivered a strong performance during the first half of FY '25, '26, maintaining growth momentum across key parameters.

For half year FY '26, the company reported a total income of INR2,554 crores, reflecting a 24% increase over INR2,062 crores in half year FY '25. EBITDA stood at INR340 crores, up 33% from INR257 crores in the corresponding period last year, while profit after tax was INR159 crores comparable to INR131 crores in half year FY '25.

The EBITDA margin improved from 12.5% to 13.3%, supported by the exceptional revenue recognized from the Riverbed Mineral project in the previous quarter. However, the PAT margin was marginally declined from 6.4% to 6.3%, primarily due to higher finance depreciation and tax costs.

Revenue mix for the quarter 2. The company's revenue mix was as follows:

Mechanical business, INR435 crores, up by 90% from INR229 crores in quarter 2 FY '25, driven by strong traction in industrial power construction projects. Civil segment, including railways and water distribution projects, INR309 crores, down by 22% from INR395 crores in quarter 2 FY '25, impacted by extended rains in key projects and delayed bill certifications in the Water division.

O&M, INR440 crores, up by 12% from INR391 crores, supported by new O&M orders received during the year. Electrical business, INR22 crores, up 138% from INR9 crores of last year quarter 2 FY '25 due to execution of railway, civil and signalling telecommunication works. Mining business, INR31 crores, up by 164% from INR12 crores of last year, supported by higher offtake arrangement from SAIL.

Other income of INR11 crores compared to INR10 crores in quarter 2 FY '25, due to increase in the margin money deposits with banks.

The geographical mix for the quarter was 95% domestic, 5% international, while power sector contribution remained at 79% with non-power sector accounting for the remaining 21%.

Revenue mix for 6 months, for the first half of FY '26, the company's revenue mix was as follows:

Mechanical business, INR658 crores, up by 99% from INR331 crores in half year FY '25, driven by strong traction in industrial power construction projects. Civil segments, including railway and water distribution, INR890 crores, down by 5% from INR937 crores half year FY '25, impacted by extended rains across key sites and delayed bill certification in the Water division.

O&M division ended at INR837 crores, up 14% from INR732 crores in half year FY '25, supported by new order inflows during the period. Electrical business, INR89 crores, up 427% from INR17 crores in half year FY '25, reflecting a strong execution in railway civil works and signalling and telecommunication works. Mining business, INR57 crores, up 122% from INR26 crores in half year FY '25, supported by increased offtake arrangement with SAIL.

Other income, INR22 crores compared to INR19 crores in half year FY '25, primarily due to higher margin money deposits with banks. The financial parameters are concerned, the company witnessed a marginal reduction in return on equity from 3.4% in FY '25 to 3.37% in FY '26, primarily due to higher finance and tax costs, which impacted PAT.

Similarly, return on capital employed decreased slightly from 4.73% to 4.58%, driven by lower operating margins resulting from the seasonal factors such as extended rains. With the anticipated normalization in collections with continued strong traction in industrial power construction and ramp-up of MDO revenue from the KBP mine starting quarter 3, both ROE and ROCE are expected to improve in the coming quarters.

The company's negative operating cash flow has improved, reducing from INR166 crores negative in half year FY '25 to INR63 crores negative in half year FY '26, primarily due to the realization of receivables during the period. The company is actively engaging with the clients to expedite certification and clearance processes and is confident of realizing the outstanding dues in the coming months. This is expected to further improve the operating cash flow and reduce the reliance on the working capital limits.

Net current asset days, excluding cash and cash equivalents, increased from 128 days in FY '25 to 151 days in FY '26, primarily due to delays in certification of water works and realization of receivables. These delays have resulted in higher current assets. Company is actively pursuing certification and payment clearance with the client and significant improvement in the net working capital days is expected post certification and realization of bills in the water division.

Gross and net debt levels remained well controlled despite delays in certification of water bills and realization of receivables. As on 30th September '25, the gross debt stood at INR839 crores and the net debt is around INR360 crores. The average debt equity ratio as on the same date was at 0.37x. The company is focusing on expediting certification and recovery of bills in the Water division, which is expected to further reduce the net debt and the debt equity ratio in the coming quarters.

Order book status during quarter 2 FY '26, the company secured new orders worth of INR1,042 crores. As of 30th September '25, the order backlog stood at approximately INR53,776 crores with the executable order excluding two MDO projects at INR14,226 crores. In quarter 3 FY '26 till date, the company has received new orders worth of INR2,577 crores, taking the total order backlog of INR56,353 crores with the executable order book, excluding two MDO projects increasing to INR16,804 crores.

The company continues to actively pursue tenders and is targeting to secure INR10,000 crores in the new orders by March '26. During FY '26, a significant increase in order inflow is anticipated, particularly from the power sector across segments, including O&M, mechanical, civil construction and BOP, EPC. As of date, the company has already secured orders worth of INR4,889 crores, achieving approximately 49% of the annual target.

The company will continue to prioritize high potential areas, including industrial plant operations and maintenance, railway and water infrastructure and MDO projects to drive substantial growth

and strengthen market leadership. All existing projects are progressing well and remain on track, except for the water division, which has experienced delays due to slower bill certification due to non-allocation of funds.

For the financial year '26, the company has set a revenue target of INR6,500 crores. Subject to the pace of traction in MDO business, EBITDA margins are expected to remain consistent with the FY '25 levels, and the company is confident of achieving approximately 25% year-on-year growth, revenue growth. Margins are anticipated to remain stable with potential upside depending on the contribution mix from O&M and mining segments.

The order book outlook for the current financial year remains robust, supporting the growth trajectory. Power Mech is well positioned to demonstrate execution and conversion of approximately 40% of its opening order book annually. Additionally, the MDO business is ramping up steadily and both O&M and MDO segments are expected to be key drivers of the growth in the coming years.

With reference to our MDO business progress is concerned, KBP mining mobilization of heavy equipment has been completed and mining operations commenced on 15th of April '25. Until October '25, the company has achieved around 6.15 lakh cubic meters of overburden removal, and the activity is continuing as planned. Coal production is expected to commence in November '25.

The mine approach roadworks are in progress, and the company is targeting minimum coal dispatch of 1 million tons during the year with a plan to scale up of operations to 1.5 million tons. All land required for mining has been handed over to CCL.

And the other mine at the Kalyaneswari Tasra project, OB removal and coal dispatch operations have been ongoing since January '24 with approximately 8.7 lakh tons of coal produced and dispatched to the existing washeries as per the SAIL's direction.

The project received environmental clearance for the 3.5 million tons per annum washery in October '24. Design consultants have been appointed for railway sidings and washery development. And the major washery equipment design and vendor finalization have been completed. Equipment mobilization is in progress. and civil construction works have been commenced. The washery construction is targeted for completion by September '26.

The Phase 1 R&R Colony spread over 4.5 acres has been completed and handed over to the project affected families is in progress. Approvals for Phase 2 covering 41.11 acres are currently under process.

While SAIL's current coal offtake remains below the plan due to the limited external washery capacity, the company is actively engaging with stakeholders to resolve these constraints and ramp up the production in the coming months. With this now, I request Mr. Ramaiah garu to update on the key business development initiatives and future outlook.

S. K. Ramaiah:

Yes, thanks, Aravind and Rohit garu, especially Aravind for all the numbers you have brought out. Now I think as Aravind has rightly said, the business is continuously driven on the bullish pace because of the government initiatives in Power, infrastructure, new projects and many of the other initiatives, which have been taken.

And now private sector also is catching up, and as a company, which has got an all-round spread in many segments, power, infra, then railways, roads and then export also, we are well positioned to catch up these opportunities. And there can be some variation based on quarter-to-quarter basis in terms of investments and the way the scheduling of the tenders.

And particularly, in the Power sector our key areas of focus will be BHEL and then L&T, which are the EPC contractors, which have taken bulk of the orders from the developers, NTPC, Adani Power and the generating companies. There is a substantial flow is expected on that in terms of the ordering in the next 6 months because the initial order pickup was a little bit slow because of the engineering phase, which is involved.

And that is where we are expecting more opportunities. And other key developers are the Adani Group, which we have substantially established the presence in many projects in about 6,000 megawatts and working in about INR2,500 crores of ongoing jobs.

And they also have to do substantial balance ordering of the new projects and all because Adani's total intake of the new projects, what they have taken is more than 22,000 megawatts. And NTPC has taken, more than 12,000 megawatts. Together, they contribute substantially out of the total 47,500 megawatts of ordering, which has been done in the last 18 to 24 months.

Therefore, there is a substantial balance ordering in the main power plant itself, which can open up the opportunity size, which can be between INR30,000 crores to INR45,000 crores in segments of ETC, then civil, structural and other miscellaneous works. Another key element of this capacity addition is that the annual capacity addition, which had come down drastically 3250mw/year between 2017 to 23 is going up and expected to go to 8,000 to 10,000 megawatts.

And O&M, we have got a very strong presence, and we got a substantial penetration in the market. It is expected about INR1,200 crores to INR1,500 crores of opportunities will be generated every year in the next 5 years based on these capacities added. Now this is one part of the power sector business, which is about 47,000 to 48,000 megawatts, which has been ordered by the developers.

But there is an ongoing investment, which is going to come up with the new developers that is another 40,000 to 45,000 megawatt is there. That is perhaps to be ordered in the next 2 years based on the development phase and all. Therefore, we expect a bullish phase in the power sector development, both for our traditional business of construction, then the civil works, structural works and other miscellaneous works in the Balance of plant side.

And then once it is commissioned, the O&M in at least over a period of 7 to 8 years sustaining opportunity is there. That is one of the key things. Now the new business areas, what we are focusing is particularly in the infrastructure side, railways, and then about INR30,000 crores of ongoing opportunities, we are tracking it. And that should take us reasonably well to the targeted program of achieving order booking of about INR10,000 crores.

And the new investment, which is expected, is in the steel sector is opening in a big way, particularly SAIL is planning to invest more than INR1 lakh crores. And IISCO Burnpur has already started issuing the tender inquiries, and we are participating in that many opportunities. That is mostly related to the installation jobs, service jobs and civil structural work, which is our domain strength.

And that is expected about INR8,000 crores to INR10,000 crores in the next 3 to 5 months. That is a major area of investment for us. Then there are opportunities in the other sectors also. Then for example, NMDC, they have a planned investment of INR50,000 crores to enhance the capacity of the iron ore from 50 million tons to 100 million tons.

And we are in continuous discussion with the NMDC. NMDC has also started the tendering process. three BOT tenders are already notified, 2 in NMDC Kirandul, and 1 in Donimalai. And that is one of the areas of interest because iron ore demand is going to be there, and we would like to see how we can enter that business and with the expertise what we have developed in the MDO business and EPC business in material handling.

Therefore, these are the two significant developments which can be there in the next 6 months. And as I already said, the ongoing tenders of nearly INR30,000 crores to INR35,000 crores that is on tracking. And that should take us reasonably well for meeting the INR10,000 crores of target. And export jobs also on the O&M side and the maintenance side, certain initiatives are being taken.

That is going to happen. And the O&M side also, we had some successes in this year also. And based on the commissioning program of the balance new plants and all, we are keeping a track on that, and that will be continuously focused. This is what I would like to say. Thanks to the team.

Moderator:

The question is from the line of Vinay from Hathway Investments.

- Vinay:** Yes. Just wanted to understand how much is your outstanding receivables from the JJM projects?
- N. Nani Aravind:** Receivable is around INR226 crores, pending since last 1 year, there has been no fund allocation to this project by the Central Govt and additionally, work executed to the extent of INR220 crores which is under certification. So total INR446 crores is the total outstanding receivable and uncertified bills.
- Vinay:** Okay. And in your total book, how much is your unbilled revenues?
- N. Nani Aravind:** INR220 crores.
- Vinay:** No, that's for JJM projects, but overall?
- N. Nani Aravind:** Total value is INR960 crores. if you exclude INR220 crores related to water division, approximately INR700 crores pertains to regular running projects.
- Vinay:** Okay. Just on one thing, you're dependent on power sector, especially thermal power plants is very substantial. In the long term, post 2030 scenario, are we looking at any kind of reduction in that from the environmental point of view? And how would the company be looking at it? It's a very long term, but still?
- S. K. Ramaiah:** But you're correct also. After all, ultimately, the CO2 emissions have to come down in the long run whole of scenario. And this is a short-term measure of 7 to 8 years because of -the need - to maintain the grid stability, I think, we have discussed this matter many times over the grid stability, and that's why government's plan is to add 80,000 megawatts to 1 lakh megawatts. But ultimately, what happens, these power plants also have to run another 25, 30 years minimum.
- And then somewhere up to 2047 to 2050 perhaps they will be looking at a downward trend in the emissions and the decommissioning of the power plants. But what will be there? They will be upfront in the business in the ETC segment and civil and structural in the next 5 to 7 years. But afterwards, O&M also will be there.
- As our O&M business will substantially go up. As I said, INR1,200 crores to INR1,500 crores is opportunity, and we have got a huge penetration in the market and ownership there. And that should continue to rise in a big way. Therefore, to some extent, that will definitely be made up, but what is going to be the other second view is that the non-power sector, steel sector, infrastructure side and then petroleum and this one, oil and gas sector also.
- New plants are expected. And there, we can possibly look for diversification and this experience what we have gained from it. Like Madhya Pradesh, they are planning to put a INR60,000 crores capacity Ethylene plant. Then steel plants are planned, too. SAIL has told about about INR1 lakh crores of investment.
- ArcelorMittal is coming up with a plant in AP. JSW is coming with a huge investment in Maharashtra. Therefore, in all these areas, already company has got some sort of a penetration expertise and experience and that will be enhanced into where these gaps will happen. And therefore, we are confident we will maintain our growth.
- Moderator:** The next question is from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** Sir my first question is on the large BOP opportunity, especially from the likes of NTPC. So there was the Gadarwara, there was, I think, one more Nabinagar. And the third one, which will come up, I think, for the bidding is the Telangana. I don't think we have participated in those large BOP opportunities, be it Gadarwara, be it Nabinagar. I just want to understand, is it that we don't have prequalification for the large opportunities or do you think is it not wise for us to bid for the large projects? What is holding us back that we're not even participating in those large tenders?
- Rohit Sajja:** Yes. Mohit, sir, this is Rohit. Thanks for the question. I think it's very relevant, especially considering the fact that we recently won a BOP order with BHEL for Singareni Thermal Power Plant in Telangana. So, by the time these tenders have been conceived, NTPC took a slightly

different prequalification route in which we were only qualifying as a consortium partner, along with other players who would bring in some kind of expertise.

And then later on, one more evolution has happened and then this prequalification criteria had come up. And through this, we are qualifying and going forward and NTPC has also chosen a bulk tender route, right? So our focus is mostly on unit capacities where there is 1 unit of 800 megawatt being set up or 2 units of 660 megawatts that are being set up. And going forward, you'll see us participate in a lot of these tenders. Yes, that's the update on this.

Mohit Kumar:

Understood. Understood. So Nabinagar is pending. Nabinagar shall come up in next 1 year, so we should be able to participate, right? Correct? Is that fair understanding? Gadarwara and Nabinagar is done, I think? We are not one of the participants. And they also have a large opportunity from most of the states like most of the states, BHEL have won the tender.

So how is the BHEL pipeline looking right? We have seen a lot of tenders from BHEL side. Are you only looking for a particular kind of packages or do we have the capability to do this CHP, AHP also?

S. K. Ramaiah:

See, we have developed expertise not only in the traditional ETC business, O&M business, in the power sector. We also developed the expertise to handle the one of the key packages in the balance of plant and the supporting packages on the coal handling also. That we have done about 4, 5 contracts and we have gained that experience that should help us.

But basically, BHEL's outlook will continue to have more order outlook—and that they will continue to drive the orders. Also L&T is there for the domestic market unless the government takes a policy decision to import the equipment from outside. I don't think that will happen. And BHEL had this wherewithal capacity to 16,000 to 18,000 megawatts per year a couple of years back.

And, of course, we have seen the downward trend and all those things happened. Now it has picked up. And looking at the long-term investment, at least 7 to 8 years, BHEL should be ramping up their capacities and they should be reasonably able to bid for all these things. And they will continue to be a key player.

Because as I said, the 47,000 megawatts, what has been ordered by the developers, still some substantial ordering has to be done to the various vendors like Adani and even NTPC for the new tenders, what they are going to call. And also all the various utility companies, have got a share of more than 12,000 megawatts. And that also has to come up with ordering done on BHEL and L&T.

Then balance ordering of the development as I said, of the 46,000 megawatts new developments, which are going to happen. Therefore, these 46,000 megawatts will be a substantial chunk of the order, which will come up in the next at least 2 to 3 years, which will be reasonably shared substantially by BHEL and to some extent by L&T also. Therefore, we should be having a long-term plan for at least executing 8,000 to 10,000 megawatts in the next 6 to 10 years.

Rohit Sajja:

And Mohit sir, just adding to what Ramaiah sir had said. So, the recent BOP package that we won entails us to construct a coal handling plant, ash handling plant, which is an expertise that we have developed over years. As a construction company, we are just adding engineering as an expertise. We have partnered with Tata Consultancy Engineers, TCE. And also procurement is anyway a commercial activity.

And hence, our entry into this space. And also going forward, as I had said earlier, we want to participate in the state utility projects that are either planning on separating the BTG and BOP or are awarding the entire plant to an EPC player like BHEL and then we don't mind subcontracting under BHEL or L&T to take up the BOP PC works and BTG erection works.

Moderator:

The next question is from the line of Mahesh Patil from ICICI Securities.

Mahesh Patil:

Sir, my first question is on the steel opportunity that you mentioned, right? So just if you can explain what exactly are we doing there? And how much is our opportunity in terms of if we

consider a cost of steel plant, say, capex for 1 MTPA, how much will be our opportunity, if you can quantify?

S. K. Ramaiah:

Because the long-term investment profile of the government is to invest about INR10 lakh crores in the next 5 to 7 years. Because the present steel capacity is 200 million tons, wherein last year's production was 152 million tons. That has to go up to 300 million tons of capacity addition by 2030, '32. And as we have seen, a 5 million steel plant needs about INR35,000 crores to INR45,000 crores of investments.

And all the players, for example, SAIL has got a plan, clear plan. First, I think it is IISCO, Burnpur. Then they will have a plan for the Bokaro and then Rourkela expansions also. Then ArcelorMittal is coming with a greenfield plant in Andhra Pradesh and some expansions will be there.

JSW and then JSPL both are planning capacity additions. And then there are some new players also coming up. For example, Rashmi Group is coming with an investment of about INR10,000 crores. And there is Baldota group available on the mining side in Bellary-

They are also planning investment about INR15,000 crores to INR20,000 crores. Therefore, the total investment of more than INR3 lakh crores and will happen because of the continued growth of the economy of course, steel is part linked with growth of the economy. And as the economy grows, steel requirement also demand has to be there. In fact, many of the steel suppliers are also complaining that we are importing also material from outside.

Therefore, we have already had experience of doing steel plant construction in JSW Dolvi and JSW Vijayanagar and ongoing, we are doing some jobs in JSPL. And our construction experience and O&M experience and our project management experience, what we have developed over the years in the power sector will be rightly used for the steel sector and also in the mining sector; for example, NMDC jobs and the mind side facilities, which they are going to create. Therefore, this is where we are quite bullish on these 2 areas.

Mahesh Patil:

Okay. And sir, on the MDO side, what is the production that we are expecting in FY '26 and '27?

Rohit Sajja:

First mine, which we took CCL, Central Coal Fields Limited, we anticipate to do 1 million to 1.2 million before March '26, which is going to translate to INR140 crores to INR150 crores in top line. And the other mine which we took with SAIL, the 4 million metric tons per annum one we anticipate to do 360,000 to 400,000 tons before March and we are already on track. We have done half of that already and this is going to translate to INR57 crores to INR65 crores in terms of top line.

Mahesh Patil:

Okay sir. Thank you so much.

Rohit Sajja:

FY27 ramp-up in both the mines, there's going to be a significant ramp-up in FY27. FY27, KTMPL, the 4 million metric tons per annum with sale, we anticipate to reach peak rated capacity. And the first mine in which we are going to do 1 million will get ramped up to 2.5 million to 3 million by FY '27, translating to a combined top line of INR550 crores to INR600 crores.

Moderator:

The next question is from the line of Pritesh from Lucky Investments.

Pritesh:

Just an observation, and I don't know how the company is looking at this. So if you look at the last half, basically the first half now and also the second half last year, if you see the financial deleverage is kicking in with the rising debt because of some of the receivables, which have been stuck, working capital being expanded and the investment, which is done in the coal assets, which is not yielding the necessary desired revenue.

If you see even our coal business the focus has been postponed by in excess of 1, 1.5 years easily. So how are we reviewing this situation? You may have your 15%, 20% top line growth, but nothing is flowing down to the bottom line. So how should we be viewing as a management situation? What are the guardrails? What are the steps taken?

- N. Nani Aravind:** The major increase in the working capital utilization is because of the Jal Jeevan Mission water receivable spending. If you look at the March, I have a receivable of around INR287 crores and where as of September it was INR 226 crore.
- Pritesh:** So we know the figures. We know these figures. What should be done? We know the figures. We know the opportunity, incremental new inflow?
- N. Nani Aravind:** We are pursuing with the client/ UP government. Recently, GOVT held a meeting with all JJM contractors, headed by UP CM, and assured all contractors that the funds will be allocated and also pursuing with Central Govt to release of the funds at the earliest. So, we are hoping by March, we'll bring all this into the control and we'll reduce our working capital utilization with that receivable, sir.
- Pritesh:** See, we were not active in water. We landed up taking some of these projects at the far end. So any review process that you implemented incrementally?
- N. Nani Aravind:** There were delays in commencing the MDO projects due to external factors. Coal production at KBP Mining is starting this year, and the washery works at Tasra are currently in progress. As these operations ramp up, we expect to see year-on-year growth in the bottom line from FY27 onwards.
- Pritesh:** Okay. And from the execution point of view, what kind of revenue execution that you see ex of mining this year in FY '26?
- N. Nani Aravind:** Around INR6,000 crores to INR6,200 crores we can achieve from the regular business, sir. INR250 crores we projected from the mining business.
- Pritesh:** And how much was mining business last year?
- N. Nani Aravind:** Last year, it was around INR84 crores.
- Pritesh:** So basically INR5,160 crores in EPC and moves to basically INR6,200 crores.
- N. Nani Aravind:** Yes.
- Moderator:** The next question is from the line of Hetali Shah from Shriram Mutual Fund.
- Hetali Shah:** I wanted to ask you like what is the split of the order book and order inflow of the various segments like civil and mechanical, O&M, all of that?
- N. Nani Aravind:** Total INR14,226 crores as of 30th September consists of INR1,700 crores roughly from the mechanical business, power erection business; INR9,000 crores is from both power civil and infra civil; O&M of around INR2,700 crores; electrical business of around INR800 crores. So we have domestic of around INR14,000 crores and international order of around INR220 crores. So from power side, mix is INR8,300 crores is from power side and infra side is around INR5,900 crores.
- Hetali Shah:** Okay, sir. And for the order inflow?
- N. Nani Aravind:** For the order inflow this year, we are projecting INR10,000 crores. We are projecting erection business around INR2,000 crores; from the civil business, INR2,400 crores; O&M around INR2,600 crores; electrical business around INR300 crores. As a new initiative, we have been focusing on solar and other green energy projects. During the year we received around INR159 crores orders under this segment. and BOP EPC of around INR2,550 crores. So we are targeting around INR10,000 crores order inflow during the year, this is a mix of various segments.
- Hetali Shah:** These orders are expected, right?
- N. Nani Aravind:** Till date we received orders worth of INR4,900 crores and the balance we are expecting before March.
- Hetali Shah:** Can you give the split of the INR4,900 crores in the segment?

- N. Nani Aravind:** We received mechanical business of around INR49 crores, civil business of INR1,500 crores, and O&M business of INR761 crores up to September. till date, we have received around INR2,550 crores orders from the BOP EPC.
- Hetali Shah:** And what will be the execution time-line of these major projects that you just listed out?
- N. Nani Aravind:** Generally, execution cycle will be 2 to 2.5 years and typically up to 3 years. For EPC projects, execution period is around 38 months.
- Moderator:** The next question is from the line of from Pharani from Avenders Spark.
- Pharani:** So I have a conceptual question on the power sector. One, if project cost is around INR10 crores per megawatt in the thermal side, what is the scope for power mix to say the opportunity or orders from this particular INR10 crores per megawatt?
- S. K. Ramaiah:** You are correct, INR10 crores per megawatt can be including the IDC cost. But the EPC cost can be INR8 crores to INR8.5 crores depending on the scope of pertains to the single unit, it can be more with 2 units or 3 units and slightly less. And now it is standing at greatest order BHEL has got is INR8.3 crores.
- The main plant side, the total investment can be around 55% of this INR8 crores, INR8.5 crores. And normally, the service portion of it, we can say it will be around something like INR1,000 crores will be coming in the main plant for each plant of two units.
- That is a suppose 1,600 megawatt is there, about INR1,000 crores can be the opportunity there. That is the main plant. And the balance of plant, entire same opportunity is available, whether we want to bid on the service side of the business or on the balance of plant of the business, subject to the qualification. And balance of plant will be anywhere between INR3.5 crores to INR4 crores.
- And that is also in some segments, if it is called individually, we can bid also for the coal handling and material handling and then civil, structures, then for the other miscellaneous civil works like IDCT, cooling towers and various other jobs, structural jobs, etc Therefore, we can say, including the civil work, structural work, then service portion of the installation wise, we can safely take 25% to 30% is the opportunity available out of the total EPC cost.
- Pharani:** So 30% of INR8.5 crores?
- S. K. Ramaiah:** Overall, that is the maximum.
- Pharani:** Okay. So, 30% of INR8.5 crores. So, this will be during the project construction. And O&M comes in the operational period, right?
- S. K. Ramaiah:** O&M it comes for commissioning that will come between 11 lakh to INR15 lakhs per megawatt per year. And then one more thing is that where BOP is there is a complete package, as I already told you, that will be the complete opportunity on 40%, 45% of INR8. crores as an opportunity for the BOP.
- Pharani:** Right. So coming to the next question, you mentioned about 46,000 megawatts yet to be awarded in the coming year, plus about 12,000 megawatts from state utilities. So I can roughly take 40% of this overall opportunity to be our long-term opportunity, right, during construction?
- S. K. Ramaiah:** I told you the total ordering, which has been done in the last 1.5 years, which is under execution at various stages roughly comes to about 47,500 megawatts. So, what I said was this is, you can say, mostly ordered in the EPC mode or on the main plant side. And in the case of Adani, they have taken a different route. They are ordering the main plant on the equipment supplies, whereas the balance of plant and the services job, they are awarding themselves. Therefore, that also, as an opportunity, is available for a contractor like us.
- N. Nani Aravind:** So sir, overall, to answer your question, in this capacity, 55% will be our opportunity.

- Pharani:** Understood. So basically, 46 plus 12 that is around 58 gigawatt.
- N. Nani Aravind:** 8.5 to 9 x 60%.
- Pharani:** Okay. 8.5 x 60%. Got it. So that comes to around INR3 lakh crores. Yes. Got it. So my second question is the ability to actually foresee this 46,000 megawatt and 12,000 megawatts upcoming thermal, is there a surety that this will happen in the light of, say, storage capacities ramping up or becoming more prevalent? And do you foresee any delays or this not actually happening in the next 3 to 5 years?
- S. K. Ramaiah:** Planning by the CEA and the Power Ministry for about another 45000mw and even the customers also have been identified like Adani, NTPC is having plans in expansion Patratu and Mejra, and then Obra, Darlipali. Tata Power has got plans. Vedanta has got plans.
- Then for example, SJVN Buxar got a plan to add one more unit. CIL, Coal India wants to enter the power sector also. Then JSW and JSPL both are planning it. NLC is also planning. For all these entities either in a brownfield or a greenfield segment, they are going to put up these plans and as such about 8000 to 85000 mw that is the capacity has been arrived at it.
- It's a question of developing taking into account in terms of timing and execution, it is normally a development process in terms of environment clearance, land acquisition, investment tie ups to achieving the financial closure. This, we all have seen there are certain aspects in developing a projects certain things can be there in that which can take the project forward or some slowness is there. But these capacities are a must to balance the grid capacity for another 7, 8 years, it should be established. That is positively is expected to come up.
- Pharani:** Okay, sir. My final question, since we identified the opportunity of INR3 lakh crores for this 58 gigawatts in the, say, medium to long term, what would be roughly our market share or expectation to win over this 5 to 7 years on this INR3 lakh crores of opportunity?
- S. K. Ramaiah:** No, you can take, as I said, on the upper side, if you take about 30% on the service side, on the civil structural services side of installation. And if the balance of plant, we can take about 35% to , 45% easily.
- Pharani:** You're talking about the market, right?
- S. K. Ramaiah:** Everything on the scope available as opportunity
- Rohit Sajja:** Yes, that's the total available market again. But out of this INR3 lakh crores we anticipate to bid for at least INR2 lakh crores worth of these projects, sir. And in power sector, our traditional hit ratio has been 50% to 60%.
- Pharani:** Okay. Got it. So essentially INR1 lakh crores. INR2 lakh crores we will bid, INR1 lakh crores potential inflow?
- Rohit Sajja:** Yes, idealistic scenario, a little conservative number is what I gave you.
- Moderator:** The next question is from the line of Deepak Poddar from Sapphire Capital.
- Deepak Poddar:** Sir, just wanted to understand, first, on the MDO side, you mentioned, I think, this year, around INR225 crores to INR250 crores and next year, INR550 crores, INR600 crores of execution that we might do on the MDO side, combining both the mine. So what sort of margin profile we are looking at, at both this year and next year at MDO level?
- N. Nani Aravind:** KBP Mining has just started the production. Since, Tasra has not yet scaled up, we are operating only at limited capacity producing around 50,000 to 60,000 of tons per month. KBP just started this year and slowly, we'll ramp up the production. So, on average, we expect to achieve an average EBITDA margin of around 15% to 16%.
- Rohit Sajja:** And Deepak also, most of our margins in both the mines, they'll kick in when we achieve Peak Rating Capacity (PRC). For the SAIL mine, we expect to achieve PRC in FY '27, March FY '27. That's when the washery will also be commissioned, commercial operation of the washery shall

be declared and we'll get our full mining fee. And the EBITDAs are expected to touch 26% to 28% around that time.

And the first mine, the CCL mine, 5 million metric tons per annum, we are expected to achieve 5 million metric tons per annum in FY '28. But there's going to be a gradual ramping up. Right now, we are doing around 14 to 16 and it's going to ramp up all the way to 20 to 22 in this mine, when we achieve the peak rated capacity.

Deepak Poddar: So at below peak capacity, I mean this year, we are still expecting 15%, 16% margin at INR250 crores kind of a scale, right, at MDO?

Rohit Sajja: Yes, yes. 14% to 16% margin at a INR250 crores turnover scale.

Deepak Poddar: Understood. And when next year, I think at the SAIL mine, you are still expecting PRC, achieving PRC next year, FY '27 itself?

Rohit Sajja: Yes.

Deepak Poddar: So there, FY '27 at INR550 crores, INR600 crores, a 19%, 20% EBITDA margin is achievable?

Rohit Sajja: PRC in March '27, which means there's going to be a ramp-up from the current 60,000 per month, which is translating to 360,000 per annum, there is going to be a ramp of 360,000 to 4 million metric tons over the last 5 months of the financial year, right? And the washery is also going to get commissioned.

We want to commission washery by July next year, and we want to declare COD by September. And we want to be ready around the time when washery gets commissioned, By the time the washery gets commissioned, we want to be ready for 2 million metric tons per annum. And when it gets commissioned, we want to ramp up to 4 million metric tons by end of March in 5 months. That's the plan.

Deepak Poddar: Okay. And peak revenue, I mean, combining both the mine can be around INR1,800 crores, INR2,000 crores per annum. Would that be a right assumption?

N. Nani Aravind: Peak revenue may cross INR2,000 crores with escalation

Deepak Poddar: So at INR2,000 crores, EBITDA margin of 25% is what that we might be envisaging at peak?

Rohit Sajja: Yes, sir. 23 to 24 to be 23 to 25 also.

Deepak Poddar: And this peak MDO of INR2,000 crores, we'll achieving by which year, FY '29, FY '28?

Rohit Sajja: FY '28, both the MDOs PRC, peak rated capacity we'll achieve by FY '28, but SAIL mine, we are going to achieve PRC by FY '27. And it's going to continue through '28 also. But 5 million metric tons per annum CCL mine will touch PRC in FY '28 towards the end of FY '28.

Deepak Poddar: Great. understood. I mean, basically, you're expecting a big ramp-up in your mining revenue from FY '27 to FY '28, right? I mean...

Rohit Sajja: Yes, exactly.

Deepak Poddar: Okay. Understood. And secondly, I mean, you spoke about your business mix. I mean, currently, 75% is the power sector, right? So you are coming up looking at new opportunities in the steel sector. So how do you envisage even railways, you spoke about, right? So how do we envisage your business mix changing, which is 75% power and all these new sectors, how is the margin profile?

N. Nani Aravind: So, the margin profiles are concerned, on an average, our construction segment is generating EBITDA margins of up to 10%. And the key drivers for improving overall margins will be the O&M and MDO segments once MDOs reach the peak rated capacity O&M business is delivering EBITDA margin around 15% to 16%.

So business mix is concerned, the power is expected to contribute significantly over next 2 to 3 years, with an increase in power orders. And parallelly, we are exploring opportunities in the steel sector. So more or less, the margin will be expected to be steady, we will maintain at the current level.

Deepak Poddar:

Okay. So this 75% will continue?

Rohit Sajja:

Yes. The 75% will continue with power thermal capacity addition and O&M capacity addition also being a major driver for the EBITDA, too. There's going to be slight EBITDA improvement because there is O&M mix getting added as we see new capacity that's being commissioned every year and international O&M is also doing good. We are achieving good profitability levels there. So international O&M is growing at 25% to 30% year-on-year CAGR. So that's also a good sign. So we see this add to the EBITDA margin slightly.

Deepak Poddar:

Sure, sure. Understood. And just one last small thing from my side. So, you spoke about the guidance for this year. So anything you want to talk about for FY '27 as well given the scale up and higher margin revenue mix will increase for FY '27?

N. Nani Aravind:

So, this year, we are projecting around 25% growth Year-on-year, with increasing volumes and addition of more MDO business in the next year. We expect to maintain growth in the range of 20% to 25% targeting a revenue in the range of around INR7,500 crores to INR8,000 crores.

Deepak Poddar:

And what margin profile?

N. Nani Aravind:

It will jump, sir, maybe around 0.25% to 0.5%. It depends on the mix of MDO and the O&M business.

Deepak Poddar:

So how much jump you mentioned? Your voice was not audible.

N. Nani Aravind:

0.25% to 0.5% at the EBITDA level.

Deepak Poddar:

At the EBITDA level. Fair enough. That's very helpful. All the very best to you. Thank you so much.

N Nani Aravind:

Thank you, sir.

Hetali:

Sir, we have seen headwinds in the electrical segment for a few quarters now. So I would like to understand what is the headwind there?

N. Nani Aravind:

Last year we secured two railway packages in chhattisgarh covering civil, signalling and telecommunication and overhead electrification works. Execution and supply of material during the year resulted the increase in the revenue compared to the previous year.

Hetali:

So are these expected to continue or is there any improvement expected in this segment?

N. Nani Aravind:

Yes, transmission distribution, we are gradually completing existing projects as this area is not fully aligned with core focus. Moving forward, T&D team will handle all new jobs in railway & T&D works. We are pursuing new railway works under this division.

Hetali:

Okay, sir. Those segments will replace this one?

N. Nani Aravind:

Yes.

Hetali:

And I would like to understand the opportunity in the renewable energy segment like nuclear battery energy storage, pump storage and all of that, if you can share that?

Rohit Sajja:

Ma'am, while we continue to focus on renewable energy projects actively, but there has also been a lot of irrational bidding. Our primary focus remains on solar and battery energy storage systems on a BOOT basis. But we see a lot of erratic bidding trends currently. We have slowed down in bidding for projects there.

But you'll see us in a few bids, and we continue to focus on solar plus battery energy storage systems. Now it's a small pivot to us what we were doing earlier than a standalone basis. We want to combine this expertise in solar and storage and bid for a few projects, again, with healthy DISCOMs and healthy utilities.

Hetali: Can you share a number of any opportunity in the solar and battery energy, potential opportunity?

Rohit Sajja: See, FY '26, we already won a Kusum Yojana project of 13.5 megawatts of AC capacity. Next year, we plan to enhance this to 100 megawatts of solar and around 200 to 250 megawatts of megawatt hour of battery energy storage system capacity. So those are the numbers we are looking at. This is FY '27 projection.

Hetali: Okay. That was really helpful. And sir, are you projecting any cost escalations in your current projects that you're handling that can affect the margin?

N. Nani Aravind: Majority of our contracts include the price escalation clauses, which are pass through. We are not incurring any losses and are receiving the escalation amount from the clients.

Hetali: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Prit from Wealth Finvisor.

Prit: I'm sorry, I joined a little bit late, so I may have missed out. But did you give any guidance for the full year of, say, achieving the INR6,500 crores turnover? Is that still on track? Or are we changing the guidance?

N. Nani Aravind: Sir, INR6,500 crores estimate is linked to the MDO project revenue. And we may see 1% or 2% slippage due to delays in getting the new orders, which we had anticipated during the year. So most likely, we may touch revenue in the range of INR6,200 crores to INR6,300 crores.

Prit: And sir, would still represent an 18% growth?

Rohit Sajja: Yes, And I think 18% growth still is good enough.

Prit: The other question I had was again on the margin side. So do we see a 0.25%, 0.5% bump for FY '26 over FY '25? Is that a possibility?

N. Nani Aravind: More or less, we expect to maintain the same level as last year, and it depends on the mix of any new orders of O&M and growth in MDO may probably jump the margins by 0.25%. But at this stage, we estimate stability at the last year level.

Prit: Understood. And do we have any plans for raising funds?

N. Nani Aravind: At this moment, no, sir. If new opportunities or any investment opportunities arise, we may consider approaching the market.

Prit: What would be our debt level at present?

N. Nani Aravind: Net debt of the company is around INR360 crores.

Prit: And on the similar line, we should expect 18%, 20% jump in top line for FY '27 with margin increase of at least 0.5%, given MDO orders?

N. Nani Aravind: Yes. We are projecting 25% growth for the FY 27.

Rohit Sajja: And with a margin increase of not 0.5% sir, 0.25 to 0.5.

Moderator: The next question is from the line of Vinay from Hathway Investments.

- Vinay:** Yes. Just one clarification I wanted. In your previous answer, you said that the potential for you in electrical, the power sector is around INR1 lakh crores. This would be over what, 3 to 5 years? What time frame are we looking at in this INR1 lakh crores?
- S. K. Ramaiah:** No, it is like this. The opportunity what has been mentioned is based on the balance ordering to be done on the main EPC orders already ordered, which is some of the items like main plant services work, balance of plant work, then structural work, civil works. That is substantially it is there to be ordered by BHEL, by Adani, then NTPC also has to order.
- The other thing what we said was the new investments and development will come at 46,000 megawatts new plants, that has to take shape. That will continue to be there in the next couple of years. And where the EPC orders have been placed by NTPC, Adani and utility companies in the last 6 months to 1 year.
- There the ordering has to be done more because they have to ramp up the ordering. So that is where we said that initially, we can have immediately about INR40,000 crores to INR50,000 crores and balance INR40,000 crores, INR50,000 crores, we'll come in the next couple of years.
- Vinay:** So even if I take INR1 lakh crores over a period of 6, 7 years, we are looking at around INR14,000 crores per year, roughly. I mean, not in the same linear method, but is that the number? Am I getting it wrong?
- S. K. Ramaiah:** It should be reasonably okay.
- Vinay:** And that is only in the 75% of your...
- S. K. Ramaiah:** And on that we have to add overhead potential also, it shall add up every year INR1,500 crores.
- Vinay:** And we are currently doing around INR6,500 crores a year, so is that the jump that you're looking at?
- S. K. Ramaiah:** Yes.
- Moderator:** The next question is from the line of Amay Sharda from Purnartha Investment Advisors.
- Amay Sharda:** I just had one question. Why was there this huge increase in the mechanical segment revenue to INR435 crores? And do we expect it to sustain for the rest of the year as well?
- N. Nani Aravind:** Yes. During the year, there was a slowdown in execution of FGD orders. And suddenly, government direction accelerated progress, and the Udipi project, which was moving slowly received instruction from Adani to complete this project by March. As a result, execution picked up from Q2 onwards, driving higher order execution in the power sector.
- Amay Sharda:** And what is the size of the Udipi project?
- N. Nani Aravind:** Around INR936 crores.
- Amay Sharda:** And we expect it to complete in this financial year?
- N. Nani Aravind:** This financial year. Yes.
- Amay Sharda:** Okay. So we expect this momentum to continue for the rest of the year?
- N. Nani Aravind:** Yes. By before March, we will complete. So we can expect this level of order execution till March.
- Amay Sharda:** Okay. Thank you so much. Thank you.
- Moderator:** Thank you. Due to time constraints, that was the last question. I now hand the conference over to the management for the closing comments. Over to you, sir.

S. K. Ramaiah:

Thanks, Madam. Thanks for tour investor community and our colleagues here. I think as projected by Aravind and also Rohit and as we discussed with the very interesting questions and all, it is reasonably assured to say that we will be on track in achieving the targets on the ordering about INR10,000 crores because we are almost near to that 50% by end of this beginning of the third quarter.

And with a lot more opportunities are coming up and new segments of the business, we are looking at it. On the revenue side, we have seen the third and fourth quarters are always there will be upswing will be there. That is where the INR2,200 crores will be reasonable and will be possible.

And with these-type of opportunities and investments coming up, I think, particularly in the power sector, steel sector, infrastructure side, railways and other segments, perhaps we will continue to focus for the growth in the coming couple of years. And another area perhaps we can look at as an interest and diversification is in data centres.

Of course, data centres development and the software part of it is different, but the hardware part of it is an interesting point because these data centres need a lot of power capacity with substations, which is our specialization. Then, it needs a lot of infrastructure works and development, civil works and then other facilities, balancing facilities etc

So this is a segment, which we can gainfully try to work based on the expertise what we have gained and there are other sectors also, which come up. As I said, refineries can come up and apart from the steel plants, all those areas will be available.

Moderator:

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

N. Nani Aravind:

Thank you.