POWER MECH
Growth Unlimited

Date: August 17, 2026

To	To
Listing Department	Dept. of Corp. Services
National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, C-1, Block G,	Phiroze Jeejeebhoy Towers
Bandra Kurla Complex,	Dalal Street
Bandra (E), Mumbai – 400 051	Mumbai- 400001
Symbol/Security ID: POWERMECH	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.

--o0o--

With reference to the subject cited above, please find enclosed the transcript of the Conference Call with Investors / Analysts held on August 10, 2026, on the Q1FY27 performance of the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you.
Yours faithfully,
For Power Mech Projects Limited

Movva Raghavendra Prasad
Digitally signed by Movva Raghavendra Prasad
Date: 2026.08.17 23:59:03 +05'30'

M. Raghavendra Prasad
Company Secretary and Compliance Officer

Encl: as above

"Power Mech Project Limited
Q1 FY'27 Earnings Conference Call"
August 10, 2026

MANAGEMENT: **MR. ROHIT SAJJA – EXECUTIVE DIRECTOR**
MR. S.K. RAMAIAH – DIRECTOR, BUSINESS DEVELOPMENT
MR. N. NANI ARAVIND – CHIEF FINANCIAL OFFICER

MODERATOR: **MS. JUILI BAVISKAR – ASHIKA INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to Power Mech Projects Limited Q1 FY27 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 that this conference is being recorded.

I now hand the conference over to Ms Juili Baviskar from Ashika Institutional Equities. Thank you and over to you, Miss Baviskar.

Juili Baviskar: Thank you. Good afternoon and very warm welcome to everyone. On behalf of Ashika Institutional Equities, I welcome you all to Power Mech Projects Limited Q1 FY27 earnings conference call.

Today we have with us management represented by Mr. Rohit Sajja, Executive Director, Mr. N. Nani Aravind, Chief Financial Officer, and Mr. S.K. Ramaiah, Director, Business Development.

We thank the Power Mech Projects for giving us the opportunity to host the call, and we will now like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thanks and over to you, sir.

N Nani Aravind: Good evening, everyone. I am Nani Aravind, CFO of the company. I would like to extend a warm welcome to all of you joining us today for our quarter one FY27 earnings call. Thank you for taking the time to participate in this discussion.

As we begin financial year 2027, the first quarter reflected the continued strength of our growth trajectory. With improved performance across most of our core business verticals, except ETC business, our results reflect the strength of our integrated business model, disciplined execution capabilities and continued focus on operational excellence.

For quarter one FY27, the company recorded total revenue of INR 1,632 crores, reflecting 26% growth over the same quarter last year. The growth was driven by sustained execution across our core verticals, along with the ramp up of operations in civil infrastructure, industrial EPC, O&M and international projects. EBITDA for the quarter was INR 176 crores at a 10.8% margin, representing a 3% decline year-on-year. The margin was lower compared to the same quarter last year, primarily due to higher material and execution costs arising from the ongoing Middle East conflict, increase in royalty cost in the KRBM project following the government orders on royalty sharing for seized quantities, lower margins in the KBP mining business primarily due to higher overburden removal cost from the opening new seams during quarter one.

Production from these seams is expected to ramp up in the coming quarters, improving margins, lower other income during the current quarter. However, our standalone business noted an 11.3% EBITDA margin, compared to 10.2% in the same quarter last year. Profit after tax stood at INR 89 crores, reflecting 11% increase over quarter one FY26. Profit after tax after minority interest stood at INR 80 crores, compared with INR 53 crores in Q1 FY26, reflecting a 53% increase over Q1 FY26. This has helped to take the EPS to INR 25.23 compared to INR 16.61 in the corresponding quarter of financial year '26. The management is confident of maintaining its full year target in terms of execution, order book and margin profile.

Coming to the revenue mix, the quarter continued to reflect a well-diversified contribution across our business segments. The O&M business continued its steady growth, contributing INR 431 crores an 8% increase year-on-year, supported by new order inflows during the year. The civil segment, including roads, railways and water distribution projects, contributed INR 796 crores, registering a 28% year-on-year growth. The industrial construction business contributed INR 217 crores, down by 13% year-on-year, which was offset by the industrial EPC business, which contributed INR 96 crore.

The mining business showed a strong positive trend with a revenue of INR 84 crores, representing 223% year-on-year growth, supported by the commencement and the ramp up of revenue from the KBP mine from November 2025 onwards.

Now coming to the revenue mix for quarter one FY27, the geographical revenue mix comprised 96% domestic and 4% international revenues. Sector wise, the power segment contributed 54% of the revenue, while non-power segments contributed the remaining 46%.

From an order inflow, the company secured orders worth approximately INR 1,864 crores during quarter one FY27 against our annual target of INR 12,000 crores, representing approximately 15.5% of the annual target. Order inflows during the quarter remained well-diversified across industrial construction, civil infrastructure and O&M. Among the key award wins during the quarter include O&M of Mumbai Monorail. This project also marks our entry into the highly technical urban mobility space.

Our total order backlog, including MDO projects, stands approximately INR 55,398 crores. Excluding MDO orders, the executable order book stands at around INR 16,229 crores. This provides us with strong multi-year revenue visibility across industrial construction, civil engineering, EPC and O&M business. We continue to see a strong order pipeline across thermal power, both construction and maintenance, BOP systems and civil infrastructure.

So, in summary, we are pleased with the progress achieved during Q1 FY27. Our diversified order book, strong execution capabilities and strategic focus on high value projects continue to position the company for sustained long-term growth.

Our key priorities remain to improve execution in line with our planned trajectory, sustain and improve our margin profile through a higher contribution from O&M, mining and other relatively higher margin business, and further improve cash conversion and working capital efficiency with continued focus on collections, milestone certifications and mobilization advances.

With a strong order pipeline and execution momentum across our business, we remain confident of delivering on our growth objectives and creating long-term value for all our stakeholders.

With this, I now request Mr. Ramaiah garu to share the key business developments and the outlook for the upcoming period.

S.K. Ramaiah: Yes, thank you, Arvind. Kodandaramaiah here. I think in continuation to what Arvind has said is that there is an improvement in the total order backlog from the end of the last year of INR

15,898 crores beginning and now it is INR 16,228 crores a plus 2%. Of course, major order improvement has come up in the civil segment with about 4.4% add-on backlog, and then O&M substantially more growth is there with the first quarter order for INR 781 crores, and that has boosted the order backlog by 11.8% to INR 3,322 crores. That is a very positive sign.

And, of course, EPC segment, electrical, these segments based on the revenue it has come down. And then ETC business also there with lot of opportunities, I will explain it later. Now that is on the segment wise.

And the domestic market continues to play a major role of 98.7% of the order backlog and order opportunities looking up, and international it is 1.3%. And then the power sector continues to play a major role in the business in view of the huge capacities and huge investments coming into play, and with the expertise we are having, lot of focus is there from the organization also, non-power is about 26.4%. This is the overall order position.

Now, coming to the opportunities, what we have done in the beginning of the year, when we started, we mapped the opportunity size of INR 70,000 crores to INR 75,000 crores on a broad basis in various segments of different SBUs in power, non-power, installation, O&M, Civil, then in the infrastructure, etc.

Now coming to the quarter wise, more focus is there and that must be seen based on the real opportunities what we are going to get it. As on today, about INR 20,500 crores of opportunities we are mapping on the power sector alone at the end of 1st quarter, that is mainly for the installation business, for the civil works, structural work , erection works and also O&M , and then on the infrastructure side about INR 8,500 crores. Therefore, over the quarter wise when we progress , more opportunities will come up. This is based on the tendering opportunities and the tender notices that have been issued, that is where we must focus it.

Therefore, from the overall perspective, when I say on the power sector, the scenario is like this: We have been tracking about 58,000 megawatts of ordering, which has been done on the main players like BHEL and L&T for the last three years, that is based on our interest where we must focus . Of course, the capacities can be different based on the overall market. Specific projects we are tracking and based on this BHEL has got the bulk of the orders about INR 2.41 lakh crores, and then L&T is captured orders, of INR 42,523 crores.

And recently JSW has entered the fray with two major plants coming up near Salboni in West Bengal ,and other one in Assam, four units each of unit size 800mw and 6,400 megawatt as the total add on capacity, and they are going to invest substantially of more than Rs 70000cr in both the projects.

Now if you look at the overall scenario of the various Developers and plant owners, apart from the state sector, central sector and then the private sector, Private sector is taking the lead, Adani is planning to jack up their capacities from 18,330 megawatt to 42,000 megawatt in the next five/ six years, and then NTPC is planning to improve their capacity in the coal-based plants from 67 gigawatts to 91 gigawatt. JSW, which has come recently, of present capacity is 5,658 megawatts, they have got an ambitious plan to achieve a capacity of 30,000 megawatts in the next five to seven years.

There are other players also, the state sector companies like SCCL, GSECL, then Chhattisgarh Generation Company, then one private player Moser Baer Power, and then NLC central government PSU, all of them there are add-on capacities plans including DVC . HPGCL already implementing the Yamuna Nagar project.

Therefore, what we have done in this is that we have mapped an opportunity, which is available in the next say one or two years, about INR 60,000 crores. As on today taking into account what has gone forward in terms of ordering, the balance ordering, which has to be done for one type of work in the site construction work is tendering the balance for BHEL is about 11,000 megawatts and then the Adani about 11,200 megawatt, that will come to about 22,000 megawatt and then JSW is planning with 6,400 megawatt, that should together come to 28,000 MW..

Now with that, we are expecting an immediate opportunity of INR 25,000 crores to INR 30,000 crores and then the coming year also it can add up and that is where the overall focus of the company is there, because of the strength that we have developed in this segment, and it is better to focus on the same.

And private sector business opportunities also better for us because both Adani and JSW their focus is on deliverables, and then they have got a preference for companies like Power Mech because of our delivery management. And recently we have taken a major job from JSW for their Salboni project of INR 850 crores for the civil and structures, and then Adani we are continuing to pursue with all the ongoing projects, whatever is the new ordering I said about 11,000 megawatts, which they have to complete it, and therefore, from that perspective this will be continued to be our focus.

And then the other aspect is the O&M side. O&M we have seen INR 781 crores of order we have taken in the first quarter, and then the order backlog also has gone up by around 11% and compared to last year the performance of our expected growth is now seen in [INR 3,322 crores of backlog of orders in this segment.. Therefore, one of the positive things can be how much is the capacity is added in the new plants, particularly the private sector because they will be more interested like Adani, Vedanta Group, JSW, JSPL, and we are working with most of them.

As the government's plan is to add up capacity from present 228 gigawatts to 291 gigawatts by 2032, adding 63 gigawatts and then it will go up to 321 gigawatts by 2036 therefore, average additional capacity is 8,000 megawatts to 10,000 megawatts per year. Therefore, that should open an opportunity of INR 800 crores to INR 1,000 crores in O&M, and O&M being a renewable type of business segment and the existing contracts will be renewed and the new contracts will add, which will lead to better growth..

And the other areas, which we can positively look at is the in terms of the non-power sector and then the new investments, which are coming in the mining side. For example, NMDC is planning investment of INR 70,000 crores and certain tenders have come, we have participated one tender earlier we were L1, but they had an issue on the pricing, it has been re-tendered, we are again participating in that, and at presently they are calling about three tenders, one tender we are trying to participate and another two tenders will follow-up.

There are also a lot of investments will come up in the steel sector also that we have to see with all the players, particularly the JSW is planning a huge capacity expansion in Paradeep and then their existing plants and also putting up a greenfield plant in Maharashtra.

And then ArcelorMittal is coming with a huge plant near Vizag, that is around 10mtpa huge capacity steel plant with about INR 1.5 lakh crores . Therefore, there is an opportunity, which we have to see to expand our business. SAIL is also making new investments for its expansion of plants at Bokaro , Rourkela.

And then mining side I said about the NMDC on their new plants, which are coming up on a build operate transfer basis. That is an opportunity, based on the experience what we are gaining in our MDO contracts, we can apply our expertise and all to see that how we can get into that.

And then the other infrastructure jobs in roads, railways, as we know the government's continued investment is there and need-based opportunities we are tracking in both roads and railways, particularly in railways the maintenance depot shops we are now getting focus and, we are working in a couple of projects there and new projects when it comes we'll definitely participate in that, apart from the new railway lines and then the EPC jobs in both railways and then the road sector.

On the international sector, the present focus is of course the disruptive conditions prevailing in the Middle East. Last year we have seen it's mostly on the O&M side, which was quite profitable, we have taken long-term contracts in Nigeria, the Dangote job, and some more jobs we have taken on the multiple jobs or maintenance jobs, nearly INR 300 crores, and that is in UAE and then GCC countries and , that focus will continue to be there in the present year also. Hopefully the situation will improve based on the expectation of ongoing conflict will end.

With this, what I can say is that mapping of the opportunities we continue to see how to achieve this INR 10,000 crore to INR 12,000 crores of order booking for the current year based on the opportunities what we are having and the new opportunities, which are expected to come. Thank you.

Moderator: Thank you. We will now begin the question-and answer-session. The first question comes from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much sir for this opportunity. Sir, just first of all wanted to understand on the margin front. I mean you cited few reasons, I mean, the overheads removal cost and the royalty as well as the raw material cost. So how is the scenario right now, I mean, how should one look at overall annual EBITDA margins given the current scenario?

N Nani Aravind: Yes. we had recognized exceptional revenue in Q1 FY26 related to seized quantity which generated more revenue and margins. Subsequently the government issued an order sharing the applicable royalty rates with GOVT.

And during this quarter KBP mining started the production from November last year, and initially we executed around 1.6 million tons of execution till March, and the current year we are targeting around 3 million tons. We started the mine in new seams where initially OB removal is higher. As a result, the OB removal cost is higher and corresponding coal production will start from these seams will commence from the subsequent quarters.

Overall, the stripping ratio is within the agreed quantity ratio only, but one quarter you will have a higher OB cost and lower coal production, which get normalized in the subsequent quarters. Overall, for the year we will maintain the same EBITDA committed margins of 15% to 16% in KBP mine.

And overall, we projected guidance is 12.5% margin, which we committed during the current year. We are confident of achieving this margin profile and we have also received a number of new orders in the O&M and civil infra projects, where we got good margins in those projects. We remain confident of delivering the committed EBITDA margin in the current year.Now, we completed that and we are generating revenue only on the FDs, margin money FDs only. That is also one of the reasons. And overall, we projected guidance is 12.5% margin, which we committed during the current year. We are sure about getting this margin profile and we got a lot of new orders we received during the last year in the O&M and civil infra projects, where we got good margins in those projects. We will ensure that we'll generate this EBITDA margin in the current year.

Deepak Poddar: Okay. Yes, that was very helpful sir. And secondly, on MDO, so what sort of execution we are targeting this year and next year from MDO?

Rohit Sajja: Hi, Deepak, Rohit here. So, with regards to the MDO we plan to do 3 million tons in our first mine, which is KBP, and perhaps in the second mine the washery is about to get commissioned, we expect to do the hot commissioning by November, December, that's when we are going to achieve the full fee of the resource that we are going to produce here.

So, both the mines together we expect to do INR 500 crores by the end of this year. So, 3 million tons in the first mine, the second mine we'll do close to 1.2 million to 1.3 million tons, because it's going to start ramping up once we have the full fee available after the washery gets commissioned.

Deepak Poddar: Correct. And then what about FY28?

Rohit Sajja: FY28, INR 1,100 crores to INR 1,200 crores. So, there is going to be a significant ramp up because once the washery is commissioned we anticipate to achieve peak rated capacity in the SAIL mine, which is 3.5 million tons to 4 million tons, because there is 0.5 million tons of Jama coal that we also have to produce. So, depending on how much Jama that comes in seems. So, 3.5 million tons to 4 million tons is ideally what we should look at thereafter the washery is constructed, and KBP, the first mine with CCL, this year we'll do three million tons, next year we will ramp it up to 4 million tons to 4.2 million tons, Deepak.

Deepak Poddar: Okay. I got it. And in terms of margins, I mean given your higher share of revenue coming from MDO, so what does it mean for the overall margins, I mean, how much benefit overall at the company level this increased MDO revenue can bring?

Rohit Sajja: Yes, so I think FY28 we should be able to see a net margin of 21% to 23% both the MDOs together, and this margin profile is going to continue over the life of the mine with few ups and downs, whenever we have to do some capex reinvesting at the end of seventh year, at the end of 13th year there is a conveyor that we have to construct, but otherwise this is the averaged out margin profile that we will see in FY28.

Deepak Poddar: Okay. So, so next year at INR 1,100 crores, INR 1,200 crores, a 21%, 23% EBITDA margin in MDO is achievable task, right?

N Nani Aravind: No, this is when we reach the peak rate capacity in both mines, blended EBITDA margin expected to be 20% to 21%.

Rohit Sajja: So, next year '28, one of the mines we still won't reach peak rated capacity. So probably from '29 you can see these margins. So next year we'll be around again 15% to 17% range and then it will ramp up to 21% to 23%.

Deepak Poddar: Next year would be 15% to 17%, and FY29 may be 21%, 23% is from MDO one can, is that fair?

Rohit Sajja: Yes.

Deepak Poddar: Okay, understood. And just one last thing on the opportunity size that you mentioned, around INR 25,000 to INR 30,000 crores. So, is this the amount that we look to bid I mean going forward?

S.K. Ramaiah: Yes, I think you are correct. See, initially, we make an estimate based on the opportunity, that is based on our internal assessment. Once the tender comes, we try to make a more accurate estimates of that based on how the customer asks for the scope and qualification and assessment of work scope. Therefore, that is the sizing of the opportunity based on the real opportunities, which can come up that will develop from quarter-to-quarter.

As on today I said about INR 20,500 crores in the power sector and then INR 8,000 some crores in the non-power sector, infrastructure and other areas. And every quarter we will update the segment wise opportunities and based on the tenders won and tenders lost and then we have to reupdate the new opportunities as it comes and also see where all we can penetrate the new sectors of the business.

Deepak Poddar: Correct. And this INR 12,000 crores of order inflow for this year, we are looking from this pool of INR 25,000 to INR 30,000 crores, right?

S.K. Ramaiah: In this there are some specific opportunities only in the power sector, and then we are also mapping another balance of plant packages; two, three opportunities are coming up, we are working closely on that. In O&M, we expect the growth will be there, because of the additional capacities, which are getting added and the new power plants getting commissioned.

And then particularly we have got a very solid relationship with Adani based on our performance and our record of performance, and there are lot of new plants, which are getting added into their capacity addition plan like Pirpanti is there, Assam project is there, and then other main projects, and then JSW also has a 6,400-megawatt project pipe line . We are hopeful, this power sector business also should go up in terms of our installation business as well as the civil and structural business, and then with BHEL we'll be targeting the balance of plant packages, and then O&M with all the private sectors.

Rohit Sajja: And also Deepak, just to add to what Ramaiah sir has just said, so typically in the power sector to answer your INR 25,000 crores, INR 30,000 crores question. In the power sector, our strike rate success is around 60% to 65%. So, most of the bids we participate in, we anticipate, or we expect to win based on historical data and the way we are progressing here. So that's why we cap this at INR 20,000 crores to INR 35,000 crores in terms of the number of projects we bid for and arrive at this number of INR 12,000 crores. Just wanted to give you that clarity.

Deepak Poddar: Yes, got it sir. And that's quite helpful. That would be it from my side. Wish you all the best. Thank you.

Moderator: Thank you. Next question comes from the line of Madhu Agrawal with Agrawal Family Office, please go ahead.

Madhu Agrawal: Sir, I have a quick clarification, on the expected revenue from mining across KBP and Tasra, are we revising downwards from the INR 600 crores, I think last quarter we had said we'd do INR 350 crores from KBP and INR 150 crores from Tasra, are we now revising that downward to INR 500 crores across both the mines?

N Nani Aravind: No, both together is INR 500 crores ma'am. So that's what we told INR 350 crores plus INR 150 crores from Tasra, together INR 500 crores. There's no downward revision.

Madhu Agrawal: Sorry, my apologies. I've just gotten my maths wrong. My apologies. That's fine. Thank you.

Moderator: Thank you. Next question comes from the line of Bhagwat with Prosperity Wealth Management Pvt. Ltd. Please go ahead.

Bhagwat: Thank you for the opportunity. Could you please give us more details on the KRBM project, specifically the expected revenue from the project and EBITDA margin from this particular project, after factoring in the revised royalty structure?

N Nani Aravind: Sir, the nature of work of KRBM is that we have to ensure that there is no leakage of royalty in the mining operations allotted to corporations and for this purpose, we establish check-posts and deploy personnel to verify the royalty payments. And any unpaid royalty on seized quantity, we will ensure to pay the royalty 2 times as penalty .

Subsequently government during mid of the previous year, Government introduced change whereby 50% of that penalty collected on seized quantity of private pattas and river dredging is retained by the government and passing 50% to the company.

Because of the increased enforcement and penalties, royalty avoidance and the seized quantities has reduced substantially during the current year.

That is one issue, and another is that Government increased the royalty rate to INR 10 per metric ton as an additional royalty payment, and MITF charges at 5% of the royalty value. So, these additional levies have increased costs, during the current year.

Bhagwat: So, what is the project size, if you could quantify that number wise?

N Nani Aravind: The revenue last year we did around INR 700 crores, this this year also we will achieve INR 700 crores, to INR 750 crores from the KRBM sir.

Bhagwat: Okay. And what is the specific EBITDA margin for this project?

N Nani Aravind: Last year we did around 14% EBITDA, this year first quarter it came down to 10% level.

Bhagwat: 10% from the earlier 14%, right?

N Nani Aravind: From 14% it has come down to 10% because of this additional royalty clause.

Rohit Sajja: 14% was annual**.** For Q1, we expect to maintain 10% to 11% until the end of the year, for the remaining quarters as well.

Bhagwat: Okay. Thank you, sir, for the answer.

Moderator: Thank you. Next question comes from the line of Mahesh Patil with ICICI Securities. Please go ahead.

Mahesh Patil: Yes, hi sir. Sir, just a clarification, in the base quarter, Q1 FY26, we had booked this additional royalty payment, I think penalty was there of around 2.8 billion?

N Nani Aravind: Q1 FY 26 there is no sharing of royalty sir, INR 51 crores we recognized the seized quantity revenue during the Q1 of last year.

Mahesh Patil: Q1 of last year, right? So, there was this 0.5 billion of EBITDA level impact because of that, is that correct?

N Nani Aravind: Yes.

Mahesh Patil: Okay. So, is this the same project that we are talking about now where the royalty, the government has come up with this decision, or is this different?

N Nani Aravind: Yes, because of the increased enforcement and penalties, royalty avoidance and the seized quantities has reduced substantially during the current year.

Mahesh Patil: Okay. But in this current quarter, is there some amount that is comparable to last year, is there any penalty amount booked in this quarter?

N Nani Aravind: Around INR 30 crores seized quantity only we have recognized, in terms of value as compared to the previous it is very less, sir.

Mahesh Patil: Okay. So, no one-off as such in this quarter, right?

Mahesh Patil: Okay. And sir, in terms of margins, I think you have also mentioned some impact from the cost escalations due to the Iran conflict. So, if you can just quantify it, and just wanted to understand, don't we have an escalation clause for this in our contract?

N Nani Aravind: See the mining side, in the standalone level our EBITDA margin has improved compared to the last year, because of the new orders, which we received and we managed the cost in the standalone level.

At consolidated level, our major consumption is the diesel and oil rates are increased, and that has impact on the profitability.

Mahesh Patil: Okay, sir. Got it. And sir among the two mines, I think, we have done INR 84 crores of revenue from mining this year, right? Can we get a breakup of this?

N Nani Aravind: The breakup? KBP, we did around INR 57.54 crores and in Tasra we did around INR 26.34 crore

Mahesh Patil: Okay. Thank you so much. Sir, sorry, one last question. Sir, despite the margin in Q1, we are still confident about achieving our 7.5 % of guidance. So, what gives us the confidence, is it just the mining production ramp-up, or it is something else that we are so confident of achieving this much guidance?

N Nani Aravind: For KBP, even though as per the agreement is 1.5 million tones, but the clients areis ready to take it up to three million tons during the current year. And conservatively, based on the present production run rate, we've projected INR 350 crores of revenue based on the current production average basis, but we can do more than that also. Conservatively we are projecting at INR 350 crores, and we are confident of getting INR 500 crore standard revenue.

Mahesh Patil Okay. That is the key margin driver that will lead to our guided level, right?

N Nani Aravind: By Q4, our washery will be ready, and we are expecting that at least one or two months production will be there in the Tasra also. Overall, both together we can give you target of around INR 500 crores turnover.

Mahesh Patil: Okay, sir. Got it. Thank you.

Moderator: Thank you. Next question comes from the line of Mudit Bhandari with IIFL Capital. Please go ahead.

Mudit Bhandari: Hi sir, thank you for the question. Sir, previously, we had stated that, and in this call also, that there will be many projects from NTPC and Adani coming up, like Lara, Yamuna Nagar, Raigarh, Mahan or Mirzapur. So, I think we got Singrauli and Mirzapur. So, can you tell what about various projects, in the last let's say one year how many projects were awarded and how many we got, in terms of whether they have been delayed from the awarding, or any any other player getting any other scope of work? So, what's the history been and coming ahead let's say within the next one year, which major projects are we targeting?

S.K. Ramaiah: See, what I told you earlier, I will tell in terms of megawatts. Based on the tendering done so far of whatever tracking I said about 58,000 megawatts. Tendering, which has been completed by BHEL and Adani comes to around nearly 28,000 megawatts to 30,000 megawatts out of 58,000 megawatts.

The ongoing tenders or opportunities, which we are tracking as on today is about 24,000 megawatts. That is where the opportunity comes to what I said earlier, the immediate opportunities is about INR 20,500 crores, that is as on today. But there are about a dozen projects, which are in the pipeline for tendering from BHEL, then Adani, JSW, and then expected tenders to come from L&T also.

And to some extent BHEL's tendering has been delayed for a variety of reasons and there is a packaging issue also. Unlike a vertical composite package, integrated package, which Adani gives it in terms of end-to-end construction solution, which fits into our execution philosophy, we prefer to work there, where the size of the package will be more. And there is additional advantage of doing that work along with undertaking the civil structural work.

Therefore, most of the projects what we have done in Mahan, Mirzapur and now Raipur and now what is expected in JSW also we're planning to do both civil structural and mechanical work. Therefore, from that way, we are tracking closely with both Adani and JSW to see how it develops into BHEL tendering methodology. That's where that opportunity has been mapped. And then we continue to be more bullish on the Adani and JSW jobs.

Mudit Bhandari: Got it, sir. I was looking for if any projects that we are targeting but not issues.

S.K. Ramaiah: No, no there are projects, which we have already, like, for example, in the case of Adani Pirpainti is there, then Assam project is there, and opportunities exist in other Projects at Anuppur in the case of JSW there is Salboni, and another similar project is coming up in Assamt. Then some more projects to develop for them and that is expected to come for the tendering.

And BHEL, many opportunities to come up at Ramagundam, Korba West, Durgapur etc yes, because of the packaging philosophy and on that have to take a call on that, and then on the balance of plant packages, there are some specific projects, which we are targeting, Durgapur is there, as on today. Therefore, these are all very specific projects on which work is going on for tendering.

Mudit Bhandari: Got it, sir. Thank you so much. And when we say we have been impacted because of raw material price increase, so what specific raw material are we looking at, is it basically the commodity or anything else?

Rohit Sajja: Now one, one is the cost of a few base metals has increased, that has directly impacted the prices of raw materials like steel and alloy steel. And because of, you know, when the war had started in the initial stages in the month of February, March, there was a spike in LNG prices as well. And this is also trickled down to increasing cost of gases that we use in construction, and of course the recent prices, as you can see the crude price has been up and down and there is also an increase in diesel price over the last two months, which we use predominantly in our mining projects. So, majorly it's these three.

We have PVC clauses that compensate for most of these increases, but these PVC clauses sometimes kick in a quarter later when the indices get updated, sometimes if it's a private client we usually try to approach immediately and most of the increase has been factored in, part of the increase has been factored in.

Mudit Bhandari: Got it, sir. And for FY27, at console level what revenue are we looking at? So, for second part, in this first quarter FY27, O&M revenue was only INR 413 crores, and if I look at last few quarters, it was a little higher than this level, so any specific reason or just a quarterly impact, quarterly phenomenon?

N Nani Aravind: Actually, last year we have done some one-time overhaul jobs for power plants, which resulted higher revenue during the last quarter of previous financial year. We expect to undertake similar one-time jobs during this year also , However, as of now, the projected numbers are based on our existing order book.

Mudit Bhandari: Got it, sir.

Rohit Sajja: A few R&M projects, Renovation & Modernization projects of a few plants that a few IPPs have purchased, we were also getting revenues from those plants in last year, and those we have already commissioned, and for some of those we have already got O&M contracts. So, on account of that there is a slight decrease also in revenue. And overall guidance for FY27 is INR 7,300 crores, and we are on track to achieving that.

Mudit Bhandari: Got it sir. All the very best.

N Nani Aravind: And if you look at the overall year-on-year basis, we are targeting around 28% growth in O&M, last year revenue was around INR 1,760 crores and this year we are targeting around INR 2,089 crores. So, quarter-on-quarter there is a variation because of the timing of the project execution, we remain confident of delivering 20% growth.

Mudit Bhandari: Thank you, sir. Looking for that figure.

Moderator: Thank you. Next question comes from the line of Abhinav Mandowara with Aequitas Investments, please go ahead.

Abhinav Mandowara: So, my question was whether our contracts are variable or fixed-price contract, as we can see that there has been increase in the cost such as gases, mineral and base metals, and it has impacted our margin.

Rohit Sajja: Yes. So, most of the contracts have PVC clauses factored in, so they are variable contracts, but sometimes it doesn't compensate to the extent of the market price increase because they take some time to update the index. But in such cases especially with private clients, we take up with the client and see whatever is not factored or protected as per the formula, any erroneous increases, sometimes the clients pay back, so in most cases the clients are paying back.

S.K. Ramaiah: Actually, to add on to what he said, basically most of the contracts cover with the price variation clause during the contract period and extended period, and there is an element of what is called fixed cost compensation, overrun cost. That also is a fixed amount. But what happens is when the major portion of the work is done after the contract period, the problem arises, and in such a case, we must resort to claims management, and of course in a very unforeseen circumstances, we can also invoke the arbitration and dispute resolution mechanisms.

That is an exception case, generally we try to settle it, and as Rohit said private customers, they try to settle it and pay across whatever is their reasonable assessment, or they will try to do in a business way in future jobs we'll take it, and then it gets some sort of an understanding on that.

But in a public sector there are rules for them, and therefore, they have to go by that, and then as a last resort, we have to resort to dispute resolution putting a proper claim, when we find the additional cost have exceeded ,on whatever our cost we are incurring.

Abhinav Mandowara: Okay.

Ria: Yes. Just wanted to understand what is the order backlog from Adani, NTPC and BHEL, these being the larger customers? And my second question is in terms of receivables, what is the nature of receivables we are seeing since our order size is increasing, is there any change in payment cycle, or what is the newer payment cycle for the current customer?

S.K. Ramaiah: Yes. What I can say on this, on the BHEL side, we got a broad classification. On the installation side, we got a backlog of INR 1,586 crores. On the civil and power sector about INR 4,282 crores. On the O&M side, which is mostly in the private sector that is about INR 3,500 crores, and the balance of plant what we are doing with BHEL that is about INR 2,675 crores. And specific backlogs are there, railways INR 780 crores, electrical balance works INR 684 crores. And then the other sectors like roads and then drinking water about INR 1,000 crores. Then like that we have got a breakup of the backlog available, and pending work has to be completed.

N Nani Aravind: With Adani, we are h having an outstanding order book of around INR 2,400 crores orders worth -- total orders worth pending. across around 14 projects currently under orders we're executing on right now. And in BHEL side, we have around INR 5,300 Cr worth of orders spread across with five major projects, which we are currently under execution executing. So, these two are the major.

NTPC, we do are not having much of exposure and Vedanta, we have another private player, we are executing six projects with Vedanta, which is around with an outstanding order book of INR 1,551 crores. of order backlog is there.

NTPC we are not having much of exposure and Vedanta, we have another private player, we are executing six projects with Vedanta, which is around INR 1,551 crores of order backlog is there.

Ria: Got it. And the Adani INR 2,400 crores, how many years and also for BHEL?

N Nani Aravind: The order execution timelines, so generally, it will be typically ranges from two to three years for construction. For O&M the typical contract period is around three to five years, and the construction, civil and all, two to three years between. You can reasonably consider average execution period of 2.5years.

Ria: Got it. And in terms of receivable based, Aravind, what is our current cycle of payments, and are we seeing any delays from these bigger, larger players or do we have any different terms?

N Nani Aravind: No, generally Adani and other private players, after a submission of bill they take another 15 days to 30 days. Initially they will give 70% payment on submission of the bill and after that, before month end, they will pay the balance 30%. In the case of BHEL, their period is 30 days from after we submission of the bill to them.

S.K. Ramaiah: Most of the contract's payment schedule is within 30 days, after the certified bills are attached and then the payment is due.

Ria: Got it. And is there any amount kept for retention?

N Nani Aravind: 5% general retention money is there. As per the agreement clauses, we are submitting bank guarantee and we are receiving full RA bill without the deduction of retention.

Ria: Got it. For the last question, for current year, we have guided for around 12.5% margin. And considering around 21% to 23% for MDO, what will be the normal MDO margin right now, are we seeing a dip in that?

N Nani Aravind: The present MDO EBITDA margin is at 15%, However, its contribution to the turnover is only 5% to 6% at this point of time. The remaining 94% to 95% of business comprising our core business EBITDA margin is 10% to 11%, considering the higher margin O&M business and contribution from MDO, blended EBITDA margin in the range of 12 to 13%

Ria: Got it, got it. I think that would be helpful. Thank you.

Moderator: Thank you. Next question comes from the line of Suhas Naik with Kridha Capital. Please go ahead.

Suhas Naik: Hi, thank you. Can you share your view on the O&M business, how it's likely to scale up in the next two to three years? And what, kind of, margins we enjoy in this business at operating level?

S.K. Ramaiah: Yes, I think O&M continues to drive the business topline as well as the bottom line, and we have seen it has a share of almost 30%to 35%,of our overall business. And the major push for the O&M continues to be the capacity additions as I said earlier, which is going to happen in the next five to six years at the rate of 8,000 megawatts to 10,000 megawatts.

The importance of the O&M is from the private sector for outsourcing and whatever plants are getting commissioned, as there is a plan for Adani to complete more than 20,000 megawatts, then JSW has got plans, and then Vedanta is having plans, therefore, these plants will definitely come for O&M business as part of private sector focus on outsourcing the O&M services, that is a long-term outsourcing.

And the opportunity size will be about INR 800 crores per annum, and based on long term outsourcing, the opportunity can multiply manifold and that depends on how much is the outsourcing is done of the total plant needs, and we expect most of the projects in the private sector commissioned will come up for outsourcing. And the public sector is a question of how they take it as a policy matter. This is in addition to the expected renewals of ongoing contracts, which can enable sustained growth.

But recently what we have seen is that about five plants we are working on O&M, long-term O&M, that is an indication that public sector also is interested to add on to the O&M profile to see that their plants are better managed with better margins and outsourcing than in-house management. This is possible for new capacity additions where add on manpower and plant infra has to be created, We expect more opportunities in the public sector also. Therefore, the growth will be there, what we have seen the growth will continue to be there in the O&M side in the coming five to six years as for as the power sector capacity additions.

Suhas Naik: And what about margins? What kind of margins do we enjoy in this business?

S.K. Ramaiah: Yes, around what we are having 18% .

Suhas Naik: That's good. Great. And one more question is about our execution capacity. Both human capital as well as balance sheet, how much of orders we can execute on a yearly basis based on our current strength, both of manpower and the balance sheet?

S.K. Ramaiah: Yes, one is the financial capacity and working capital management, I will bring out the physical capacities. The organization is having a huge HR base, client base with about 4,000 engineers and supervisor and then about 50,000 workforce, that is a basic strength. Another important aspect is the two areas of project management and construction management for delivery management, we have got very specialized groups in each of the segments. These groups also take up the adequate planning needs and requisite inputs, required for doing the new projects, so that resource management, in terms of manpower, supervision and construction equipment and also understanding the project execution needs are properly factored before taking up the work

In that way, in fact, the organization's capacity to enhance the resources is quite substantial, last time, about one year back, we had about 40,000 headcount, today it has gone up to 50,000 based on the requirement of the manpower and the increased O&M business and also some of the new installation jobs, which has come up in the private sector with the power also.

And another matching important capacity requirement is in terms of handling equipment, construction equipment, in civil, mechanical, cranes and then in all the civil area of the equipment which continuously are augmented , and we are providing capital budget for that, for new add-on capacities. And that way and where only in exception cases where the capacities are very high, craneages like 500-ton capacity or 700-ton capacity we resort to hiring, otherwise 80% to 90% is managed with in-house capacities.

N Nani Aravind: In addition to that sir, what Ramaiah sir said, from working capital perspective , 30% of our revenue is comes from the O&M business where there are limited material and equipment requirement. So, major working capital requirement is one-month salary.

So, the remaining 70% of the business, our construction and EPC business, significant portion of these projects were executed through LC backed material procurement. So, considering the present level of working capital limits with the present staff, we can do up to INR 10,000 crores of revenue. Only thing we need to add every year INR 100 crores, INR 120 crores of capex for the new orders requirement.

Suhas Naik: Great. One last question is about the trajectory of operating margins. What we are talking about is we are getting into BoPs more, Balance of Plants more, then we are talking about MDOs here, and the third is the O&M. All these businesses will have a higher margin. So, overall, at the company level, do we expect the margin profile to improve as we go in say '28 and '29?

N Nani Aravind: Yes, because it depends on the mix of our O&M and mining business, year-on-year your EBITDA margin will go up. So, we are targeting around 0.5% jump in every year and till 2030, and after 2030, it will touch almost 14% of EBITDA margin from the present 12.5%.

Suhas Naik: Thank you, sir. Thanks for the response. Thank you.

Moderator: Thank you. Next question comes from the line of Dhananjay with Centrum Broking, Mumbai. Please go ahead.

Dhananjay: Yes. Thanks for the opportunity. Sir, in this quarter the ETC business has, I mean, in terms of revenue it has come down from INR 250 crores to INR 217 crores, and also, we didn't have any order inflow in this segment. So, how do you see overall revenue in this segment, because last year we had a very strong growth, annual basis we did about INR 1,300 crores from ETC segment. So how do you see this segment to do in current quarter, looking at order pipeline?

N Nani Aravind: The major thrust out of this segment, we used to do the Athena Vedanta project and Udupi FGD projects, there was an unfortunate accident during Q1, project activities were impacted for 3 to 4 months. because of the accidents happened at Athena project last year, three, four months back, first quarter we have an impact of revenue in the Q1,work has now resumed and now recently they started the work, and revenue expected that will be covered in the from Q2 onwards.

And in Udupi FGD project, the major also we almost completed the major work has already been completed, and we are nearer to completion of the work. s and we are near to the completion, maybe in this quarter we'll try to close that entire FGD balance works also, because of this, comparatively, it's lower revenue in the ETC business due to temporarily slowdown in Athena. Additionally and, again, EPC, internally our erection and civil teams people are internally deployed for in house BOP EPC activities and the revenue reported under EPC segment they are working on the internal, in-house EPC business, that will come under th.

During Q1e EPC turnover of INR 96 crores was recognized under EPC., which they are engaged with the EPC works also.

Rohit Sajja: So, whatever shortfall we'll have here in given Q1, the power plant construction is also partly because of some of the skill has been diverted to doing industrial construction, EPC, the BoP EPC project that we have taken up with BHEL. So, it's similar nature of work, so we are using the same skill to execute some amount of work there. So, you will see some growth there, but overall power construction and EPC together, you will see a good growth. You'll see a growth of 20% to 22% if you club both of them.

If it's only power plant construction, erection, testing, commissioning, we believe we have maximized our execution potential, we are able to execute 14 to 15 boilers, 800-megawatt boilers around at the same time. And we plan for this to only increase by one or two boilers year-on-year, which will only contribute to a minor increase of 5% to 7% growth here. But on the other hand, EPC is going to grow at 20% to 22%. So, an average growth of 14% to 15% is what can be expected from the power sector.

S.K. Ramaiah: Now looking at the backlog, if you see the trend previously in the year 2024-2025, we had a backlog of INR 14,387 crores and we achieved a revenue of INR 6,000 plus crores. Therefore, today the backlog is INR 16,228 crores from that angle even 40% plus the new orders will come up should give reasonable growth for the current year also apart from the current year new contracts to add on to the revenue.

Moderator: Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

S.K. Ramaiah: Yes. Thanks for your participation. I think at the beginning of the quarter we have seen what the directions are, which the company has to go with a diversification into balance of plant, that's a huge growth perspective, and then new opportunities are going to come up there. And then the continued investment in the power sector with add-on capacity of 60 gigawatts in the coming six years, we will continue to focus on that. There can be opportunities in metal and steel sector which we need to focus for more diversification.

And the resultant O&M opportunity, which has come up with a new plant capacity added , which will be there. And then the focus on the infrastructure side of railways and then other sectors that will be stabilized and then the international business, we are doing pretty well in terms of O&M and maintenance jobs with a better margin.

And we expect that with the new opportunities coming up in West Africa and then the Middle East and GCC countries should enable us to grow in the international sector also. And definitely new two, three opportunities are being closely worked out with the EPC contractors there and that will substantially add up to the installation jobs and service jobs, like, what we had done earlier before 2023-2024 that will come back on the pipeline once this space comes into the function there.

Moderator: Thank you. On behalf of Power Mech Projects Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.