



VISHNU PRAKASH R PUNGLIA LIMITED

ENGINEER, CONTRACTOR & DESIGNER

An ISO 9001: 2015 Certified Company

November 15, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street, Fort,
Mumbai – 400 001

BSE Scrip Code: 543974

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

NSE Scrip Symbol: VPRPL

Dear Sir/Madam,

Sub: Transcript of earnings call held on Monday, November 11, 2024.

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/Madam,

In continuation with the earlier intimation, please find enclosed transcript of earnings conference call held on Monday, November 11, 2024 at 2.00 PM (IST). It is also available on the website of the Company at www.vprp.co.in.

You are requested to take the same on record.

Thanking you

For VISHNU PRAKASH R PUNGLIA LIMITED

Neha Matnani
Company Secretary and Compliance Officer
M. No. A-69247

CIN: L45203MH2013PLC243252

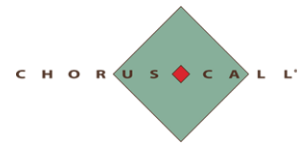
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VISHNU PRAKASH R PUNGLIA LTD.
Engineer Contractor & Designer

“Vishnu Prakash R Punglia Limited
Q2 FY '25 Results Conference Call”
November 11, 2024



**MANAGEMENT: MR. MANOHAR LAL PUNGLIA – MANAGING DIRECTOR
MR. SARFARAZ AHMED – CHIEF FINANCIAL OFFICER.**

**MODERATOR: MR. SUMANT KUMAR – MOTILAL OSWAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen, good day and welcome to the Vishnu Prakash R. Punglia Limited Q2 FY '25 Earnings Conference call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sumant Kumar from Motilal Oswal Financial Services. Thank you. Over to you, sir.

Sumant Kumar: Thank you. Good afternoon, everyone. And a very warm welcome to Vishnu Prakash R. Punglia Limited Q2 FY '25 Post Result Earning Call hosted by Motilal Oswal Financial Services. On the call today, we have management team being represented by Mr. Manohar Lal Punglia, Managing Director, and Mr. Sarfaraz Ahmed, CFO. We will begin the call with key thoughts from the management team. Thereafter, we'll open the floor for Q&A sessions. I would now like to request the management to share their perspective on the performance of the company. Thank you. And over to you, sir.

Manohar Lal Punglia: Thank you sir

Moderator: We'll be speaking with Sorry to interrupt. This is the moderator. Sir, the line is not very clear for you. This is slightly better, sir. Please go ahead.

Manohar Lal Punglia: I am here to give you information about the past work and progress done by the company and want to discuss the future guidelines of the company way forward, we welcome everyone to this conference call. Whoever, who doesn't know the company, I would like to start with the company information for them.

The company was founded in 1986. Vishnu Prakash R Punglia Limited is one of India's fastest-growing Infrastructure Development Companies, with the presence in almost in every states in India, such as Rajasthan, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Haryana, Gujrat, Maharashtra, Manipur, Goa and also in Daman union territory. We have deep experience in completing the projects of Central government and State government infrastructure work.

We have the most experienced engineers in the company. The company is growing every day with the dedication and hard work of our employees. We had undertaken the major roadways works of State government. We are mainly working for the government work. In the last year WSP have contributed around 77% whereas in this half, it was around 76%. We had undertaken the work of water storage tank, reservoir, water treatment plant, forest and compound pipeline.

In the railway segment the contribution of the sector was 13% to the company's revenue in the first half compared to 12% from last year. The work includes construction of the building, platform, bridges and other ancillary work.

In the road segment, it contributed around 5% to company's revenue last year compared to 6% contribution in this half year where the company works in development of roads and highways, bridges and flyovers. And apart from this, there is some remaining work.

For this work We have about more than 500 vehicles and all kinds of new and new-generation construction equipment are in place. The company's focus in the present is to develop in-house construction related facilities through backward integration. This is in line with the company's raw material cost savings. This Includes Ready-Mix Concrete, Crusher unit, Hot mix Plant, Steel Structure, material testing laboratory and workshop for machinery maintenance.

We are capable of decreasing the cost because of our self-dependence on our own backward integration. Last year due to election the projects phase has been disturbed. I am sure that because of the experience we are able to conquer these kind of difficulties. There have been some financial obstacles in the way of payment. Due to the heavy rainfall in many parts of the country, there are obstacles in the way of operations of the companies.

Due to these challenges, the operation of some companies has been reduced. Such obstacles have come to us in the past, which we have successfully passed. I believe that with the help of the company's 38 years of experience, self-developed machinery, and high-tech team, we will be able to successfully complete this project.

Till September 2024, our order book is worth INR 5,086 crores. The company received a new orders of INR 1,104 crores in this financial year till September 2024, which will be executed within 36 months. The new order book consists water supply projects worth around INR 342 crores while railway's order book is worth around INR 762 crores. Our company is in the trends of new projects in various sectors.

Our company is capable of fulfilling all its human and mechanical needs with full quality and time by various agencies. I believe that with the help of the company's 38 years of experience, self-developed machinery, and high-tech team, we will be able to successfully complete this project. I would like to thank all of you for your trust in the company.

I would like to hand this opportunity to our CFO, Sarfaraz Ahmed, for providing financial and operational information about the company.

Sarfaraz Ahmed:

I take this opportunity to address you all today and provide an overview of the company's financial performance for Q2 financial year 2025. It is my responsibility to present a comprehensive picture of our financial health and the factors that have influenced our results.

For the Q2 under review, our revenue from operations stood at INR335 crores, which increased by around 13% on year-on-year basis. The EBITDA was reported at around INR49 crores, which increased by around 27% year on year with the EBITDA margin reported at 14.51%. Net profit for the quarter stood at around INR24 crores, which increased by 12% year on year and PAT margin for the quarter stood at 7.08%.

For the first half of the financial year 2025, our revenue from operations reached INR591 crores, which increased by 3% year on year basis. EBITDA was around INR82 crores, representing a year-on-year growth of 16% with an EBITDA margin of 13.90%. Net profit for the period was approximately INR39 crores, which grew by 2% year-on-year, and the PAT margin stood at 6.51%.

The quarter under review saw some marginal impacts from the monsoon season. However, we are well positioned moving forward. Our order book stands strong at approximately INR5,086 crores, with the operations expected to accelerate in the coming quarters. We remain confident of achieving robust growth. During the first half of the current financial year, we secured new orders worth around INR1,104 crores, further strengthening our project pipeline.

Additionally, we are pleased to announce that we have expanded our operations in the state of Goa as well. Looking ahead, we have a strong pipeline of prospective new bid value at approximately INR5,000 crores. The bids are expected to be opened in the coming months, which will help us to sustain our momentum and enhance our operational outlook for the future. With this, we can now open the floor for question and answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vishal Singh from Finvestors. Please go ahead.

Vishal Singh: Congratulations sir first of all, for your good results. My first question would be, sir, what we are doing for the trade receivables, which we posted last quarter, which was posted in March, so that within 6 months the trade receivables will be received like that.

But as per your balance sheet, we cannot see that. Further, which makes me realize that borrowing has been increased and due to that, the interest cost has increased, which is actually hampering our PAT numbers. So, what we are doing for that, sir?

Sarfaraz Ahmed: Yes, sir. Initially, due to the election impact, some payments were held up. So, they have been released. But the further work we are doing, there are some budget issues with the departments. But by the time, the recovery from the previous recovery, the department is releasing funds for the next recovery as well. So, in the next coming quarters, sir, we hope that the work will continue, and the availability of funds will also be there.

And due to the increase in loans, we have never stopped our work. So, when it will be regularized by the departments and the state government, then it will be normalized again.

Vishal Singh: So, what is the expected timeline for it, sir? Till when is it possible?

Sarfaraz Ahmed: Sir, it will be normalized in the next 2-3 quarters.

Vishal Singh: Thank you, sir. And sir, what is our working capital currently?

Sarfaraz Ahmed: Yes, sir.

Vishal Singh: What is our working capital currently, sir?

Sarfaraz Ahmed: Working capital days?

Vishal Singh: No, no. Working capital. How much capital is required for the work of a quarter? What is the working capital currently? Not days. Days is posted in the balance sheet.

Vishal Singh: Yes.

- Sarfaraz Ahmed:** Sir, the working capital requirement is of INR750 plus crores.
- Vishal Singh:** Pardon me, sir.
- Sarfaraz Ahmed:** Sir, it is of INR750 plus crores.
- Vishal Singh:** INR750 plus crores.
- Sarfaraz Ahmed:** Yes, sir.
- Vishal Singh:** Okay, sir. Sir, what we are thinking about? Are we thinking of reducing the debt? When will we reduce the debt? When our cash flow will be correct in the next 2-3 quarters, are we thinking about reducing the debt or not, sir?
- Sarfaraz Ahmed:** Absolutely, sir. We have not even increased the debt to that level. The debt-equity ratio is 0.74 now. And it is not as aggressive as before.
- Vishal Singh:** But the ratio that is increasing is quite worrisome for us investors. So, we feel like we should know that. So are we going to do anything about that after the cash flow goes good?
- Sarfaraz Ahmed:** Obviously, sir. Obviously, sir. The big thing is that there is a trade limit, sir. The material that we have to procure is the reason for debt increase and once the cash flow stabilizes it will obviously be less. So, it will be less. Okay.
- Vishal Singh:** Thank you very much, sir.
- Sarfaraz Ahmed:** Thank you, sir.
- Vishal Singh:** Good day, sir.
- Moderator:** Thank you. The next question is from the line of Raj Saurabh from Finvestors. Please go ahead.
- Raj Saurabh:** Sir, Namaskar, sir.
- Sarfaraz Ahmed:** Namaskar, sir.
- Raj Saurabh:** Sir, my question is in the same continuation. Sir, all the ratios are getting worse now. Short-term borrowing is 370 to 496. Long-term borrowing is 25 to 67. Debt-equity is 0.5 to 0.74. Working capital is 71 to 137. Receivable is 670 to 852. Payable is 339 to 476. Sir, you said that it will be normalized in three quarters.
- That means that we need more debt to carry out our further operations for the next six months.
- Sarfaraz Ahmed:** Sir, there will be some requirement of debt. But as the work is going on, payments have also started coming according to that, sir. So, we are not expecting that there will be more updates. Gradually, the budgets of the departments have also come. So, as soon as they are released, we will not have that much requirement, sir.

- Raj Sarraf:** Sir, your short-term borrowing is of INR496 crores. If it is normalized in two to three months, should I expect this to stop at INR496, decrease or increase?
- Sarfaraz Ahmed:** Sir, let me tell you about the bifurcation. Our total gross borrowing is around INR560 crores. I have a bank limit of INR200 crores. My term loan is around INR100 crores. Rest, there is a trade limit, which is an unadvised limit, which is bid on the trade portal. To procure material for me. This limit is sanctioned. I utilize it as much as the requirement is.
- Raj Sarraf:** Sir, I got that. My question is that whatever is your gross borrowing, you must be understanding the trend well. You said the same thing in the last quarter. In the next quarter, a lot of payments will be released. So, receivable days, payable days, and all other borrowings will be normalized. Now, you are saying that it will take another three quarters.
- Now, sir, you tell me that whatever is your gross borrowing, is this gross borrowing going to stay here or is it going to increase further?
- Sarfaraz Ahmed:** Sir, it will not increase much. We are also expecting that as soon as our payments are released, the borrowing will ultimately decrease.
- Raj Sarraf:** Sir, when will we be able to see the positive cash flow?
- Sarfaraz Ahmed:** Sir, look at the positive cash flow. The company is in the growth phase. And as soon as we grow, my working capital is an intensive industry. So, as we are in the growth phase, we will have a requirement. As the rotation increases, there will be a positive cash flow.
- Raj Sarraf:** Sir, I have a question on the guidance. You said in the last con-call that the company's growth phase is above 30%. But still, you took a conservative mode. You talked about 15%-20% guidance on a conservative basis. Now, in this first half, we have given INR591 crores. If we invest 15% in the lower band, then we need to double what we have done. And if we do that, will there be a growth in the PAT due to the debt?
- Sarfaraz Ahmed:** No, sir, there will be. Because our major work comes in the third and fourth quarters.
- Raj Sarraf:** You told that, sir. Last quarter you told that.
- Manohar Punglia:** Sir, We had a 5-year election time period. We have a problem in the first and second quarters. As soon as the election quarter ended, the rainy season also started. The rain was also very good. So, there was a little problem. In the next quarter, you will see for yourself what growth we have done.
- Raj Sarraf:** Sir, can I take 15%-20% of the revenue growth or the PAT growth?
- Manohar Punglia:** It will be good, sir.
- Raj Sarraf:** Sir, if you can quantify that a bit sir.
- Sarfaraz Ahmed:** Yes, sir.

Raj Sarraf: PAT growth, sir?

Sarfaraz Ahmed: Yes, sir.

Raj Sarraf: Okay. Thank you very much sir. Congratulations, sir. You have posted good numbers in this monsoon season.

Sarfaraz Ahmed: Thank you.

Raj Sarraf: And sir. I think, sir, and we also think that you will do well in the next quarter. Sir, the track is good. The debt level should be controlled. You will see good things in the financial management.

Sarfaraz Ahmed: Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Prateek Bhandari from Art Ventures. Please go ahead.

Prateek Bhandari: Yes, hi, sir. Thanks for the opportunity. I just wanted to know the order inflow for this particular quarter. We have stated that out of INR110 crores of total order inflow that we have secured during the year, I wanted a break-up of this particular quarter.

Sarfaraz Ahmed: Sir, this particular quarter we have got orders of INR161 crores. Up to June and July, we have got INR943 crores orders, and we got INR161 crores orders more in this quarter.

Prateek Bhandari: Okay, INR161 crores of order in this particular quarter. And what would be the break-up, the segmental break up of these order inflows?

Sarfaraz Ahmed: Sir, we have got orders of water supply project of INR342 crores.

Prateek Bhandari: No, no. The order inflow of INR161 crores in the second quarter?

Sarfaraz Ahmed: Okay. This is water supply, sir.

Prateek Bhandari: No, the total order inflow of INR161 crores...

Sarfaraz Ahmed: This is water supply of INR161 crores.

Prateek Bhandari: Yes, so how much is the water supply from that?

Sarfaraz Ahmed: The water supply was of INR342 crores till June and July. After that, what we have got is of the railway for this quarter.

Prateek Bhandari: Okay, this INR161 crores is for the whole railway?

Sarfaraz Ahmed: Yes, sir.

Prateek Bhandari: Okay. And sir, going forward, where do we see EBITDA margins for the future?

Sarfaraz Ahmed: Sir, we will maintain EBITDA margins.

- Prateek Bhandari:** These are the margins, 13%-14%?
- Sarfaraz Ahmed:** Yes, sir, 13%-14%.
- Prateek Bhandari:** Okay. And sir, you have given the timeline of receivables. Next two to three quarters?
- Sarfaraz Ahmed:** Yes, sir.
- Prateek Bhandari:** Sir, does this look feasible or recovery?
- Sarfaraz Ahmed:** Absolutely, sir. Recovery is happening and if we talk about October, we have got a lot of payments released at that time. And going forward, the entire payment will be released.
- Prateek Bhandari:** Because sir, in working capital days, if you can save the working capital days of this second quarter?
- Sarfaraz Ahmed:** Sir, I don't have the second quarter, I have the overall working days. I will send you the rest through IR.
- Prateek Bhandari:** Overall 137 days, right?
- Sarfaraz Ahmed:** Yes, sir.
- Prateek Bhandari:** Okay. And sir, what is the capex plan for the entire year?
- Sarfaraz Ahmed:** Sir, capex plan generally depends on the type of work we get. We have to purchase some specific machinery. By the way, our overall capex plan is of INR30 crores.
- Prateek Bhandari:** For this particular year. And how much have we done?
- Sarfaraz Ahmed:** We have done approximately INR16 crores.
- Prateek Bhandari:** Okay. Means we will do INR14 crores, INR15 crores more in the next two quarters.
- Sarfaraz Ahmed:** Yes, sir. If there is any specific requirement, we have to purchase it. Because we have to start the project on time.
- Prateek Bhandari:** Okay.
- Sarfaraz Ahmed:** Yes, sir.
- Prateek Bhandari:** Great, sir. Thank you.
- Sarfaraz Ahmed:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.
- Rajesh Bhandari:** Good afternoon, sir. In fact, the results of this quarter were better than the previous quarter. Sir, I would like to ask one thing. Normally, what is the turnover that you show? Do you show the

amount of work you do quarterly? Or do you show the work that is completed, the job that is closed? How do you show it, sir?

Sarfaraz Ahmed: Sir, any project lasts for at least 3, 4 years. Sir, the amount of work that is completed, the amount that is certified by the department or the client, the amount that they keep certifying, that is what we get in the billing, sir.

Rajesh Bhandari: Okay, the amount that they certify. It is possible that they have done more work than that.

Sarfaraz Ahmed: Sir, the work remains more than that. The amount that is certified is the company's policy.

Rajesh Bhandari: I was with McNally Bharat. So, there are different ways of turning contracts. You do the billing according to what is certified. You tell the turnover?

Sarfaraz Ahmed: Yes, sir.

Rajesh Bhandari: But how much total order do you have with you now, sir? We have just received the old order of INR1104 crores this year. So, how much is the old order, sir? How much is the total backlog, sir?

Sarfaraz Ahmed: Sir, the backlog is not much, but the total order is INR5086 crores order book we have.

Rajesh Bhandari: INR5086 crores?

Sarfaraz Ahmed: Yes, sir.

Rajesh Bhandari: So, the total order book that you have received this year, add it up, sir.

Sarfaraz Ahmed: Yes, sir.

Rajesh Bhandari: And many of them are already in the running.

Sarfaraz Ahmed: Yes, sir.

Rajesh Bhandari: So, sir, tell me one thing. If your total order is INR1500 crores in a year, which is pushed a lot in the last quarter. So, this is more than 3 years, sir, to complete?

Manohar Lal Punglia: Some projects have been completed, sir. As soon as the billing is done, it will be boosted.

Sarfaraz Ahmed: It will be boosted, sir.

Rajesh Bhandari: Okay. So, what do you have normally, sir? Do you have government projects or private ones as well?

Manohar Lal Punglia: No, only government projects, sir. Only government projects, sir. That's why the last quarter is very important for us. We get a lot of revenue from it.

Rajesh Bhandari: Yes, I understood that sir. Do you have private companies as well? What is the normal percentage of private companies?

- Manohar Lal Punglia:** No, sir. We don't have a single job of a private company, sir.
- Rajesh Bhandari:** So, we don't take it as a principle, sir?
- Manohar Lal Punglia:** Yes, sir. We take it only as a principle.
- Rajesh Bhandari:** No, no. There are many private companies, sir. There are steel plants, refineries. So, all your work, except the railways and roads, water treatment, effluent treatment, all these things, sir, are done in private plants as well, sir.
- Sarfaraz Ahmed:** Sir, our focus is always on government projects, on infrastructure development projects. Apart from that, if we get a better opportunity, we will go for it, sir.
- Manohar Lal Punglia:** Right now, we have all government projects. Almost.
- Rajesh Bhandari:** Okay, okay. So, there are big orders in the private sector as well.
- Moderator:** Sorry to interrupt. We request you to please rejoin the queue for follow-up questions.
- Rajesh Bhandari:** Only one more question now. Sir, why don't you do a QIP, so that your financial burden is reduced?
- Sarfaraz Ahmed:** Sir, actually, look, the position that we have, as MD sir said, we have to consolidate it every five years because of elections. So, this time, there were elections, state elections, and central elections as well. So, we have to consolidate it a little. This is a specific year, sir. Going forward, I don't think there will be such a requirement.
- Rajesh Bhandari:** Okay, okay.
- Moderator:** Sir, sorry to interrupt. We request you to please rejoin the queue if you have further questions. The next question comes from the line of Siddhartha from Caprize. Please go ahead.
- Siddhartha:** Hi, sir. So, I just wanted to, I don't know, the receivables at the end of October yes. So, by the end of October, could you tell me the receivables that you have on balance sheet?
- Sarfaraz Ahmed:** For October receivables, sir?
- Siddhartha:** Yes, yes.
- Sarfaraz Ahmed:** I told you, we received lots of payments. Do you want figures?
- Siddhartha:** Yes, we need figures. So, to gauge the reduction in the receivables.
- Sarfaraz Ahmed:** Sir, figures can't be disclosed, right.
- Siddhartha:** Okay. Sir, and so to meet the guidance that you have given your revenue in H2 should be twice that of the revenue that you posted in H1.
- Sarfaraz Ahmed:** Sorry, pardon, sir.

- Siddhartha:** So if you want to reach your guidance you have to clock twice as much as revenues that you have made in, you know, H1.
- Sarfaraz Ahmed:** Sir, we have already executed the work, but certification is pending from the department and as if they received, got the budget and they will approve our work, it will surely boost.
- Siddhartha:** So how much is the revenue per, I mean, incurring, sir?
- Sarfaraz Ahmed:** Sir, we are expecting growth of 10% to 15%, sir.
- Siddhartha:** In top line?
- Sarfaraz Ahmed:** Top line, sir.
- Siddhartha:** So that means, okay. Q3, Q4, will be very strong, according to you.
- Sarfaraz Ahmed:** Sure.
- Siddhartha:** Yes, sir. Okay. Thank you.
- Moderator:** Thank you. The next question comes from the line of Omkar Chitnis from Trade Brains Private Limited. Please go ahead.
- Omkar Chitnis:** Sir, I have a couple of questions. In first question, can you provide profit margin in water supply, railway projects and road projects in the Q2, sir?
- Sarfaraz Ahmed:** Sir, this is almost same in railways, water supply and roads. Almost same.
- Omkar Chitnis:** Yes, sir. Okay, sir. And the second question is, due to some geopolitical tensions and due to economic uncertainties in the market.
- Sarfaraz Ahmed:** Sir, your voice is not audible, sir, properly.
- Omkar Chitnis:** Okay. Sir, due to some geopolitical tensions and due to economic uncertainties, uncertainties in the market, cost of raw materials are rising, like steel, cement and to some extent labor cost. What actions are you taking to maintain your profit margin for FY24?
- Sarfaraz Ahmed:** In most of the projects, there are price variation clause in the tender document, sir. We got the benefit of price variation if there is increase in any material cost or labor cost.
- Omkar Chitnis:** Can you elaborate on that, sir?
- Sarfaraz Ahmed:** In many projects, which are of the department, in the tender document, there is a clause of price variation. In that, any type of price varies or increases. So, the department gives reimbursement for the price variation.
- Omkar Chitnis:** Okay. Do you have any plans to acquire any cement companies? Because cement prices have substantially increased in the last one year.

- Sarfaraz Ahmed:** No, sir. We are receiving cement from the manufacturer directly. As of now, we don't have any plans to acquire any company.
- Omkar Chitnis:** Okay. Sir, my last question is, you already have a joint venture with VA Tech Wabag. Are there any future collaborations with VA Tech Wabag for waste management projects and to global reach? Are you planning with that?
- Sarfaraz Ahmed:** Yes, sir. We are searching the opportunity with our joint partners also. If there is any opportunity, we would like to collaborate further.
- Omkar Chitnis:** Okay, sir. Thank you.
- Moderator:** Thank you, sir. Thank you. The next question is from the line of Prateek Bhandari from AART Ventures. Please go ahead.
- Prateek Bhandari:** Sir, what is the status of the upcoming water treatment plants that were discussed at Telangana in the last quarter?
- Manohar Lal Punglia:** Till now, no such tender has come in which we have progressed. We are still in the planning stage. If there is a good tender, we will participate and move ahead.
- Prateek Bhandari:** Okay. And, sir, what is our bid success ratio? If there is a bidding of INR100, how much will we get?
- Manohar Lal Punglia:** Our bid success ratio is 17%.
- Prateek Bhandari:** So, you are saying that the pipeline of INR5,000 crores is open?
- Manohar Lal Punglia:** Yes, sir.
- Prateek Bhandari:** Okay. Okay, sir.
- Moderator:** The next question comes from the line of Rakesh from Omkara Capital. Please go ahead.
- Rakesh:** Yes, sir. Hi sir. My first question is regarding, sir, how much order you are looking for FY '25 and FY26 and overall, sir?
- Sarfaraz Ahmed:** Sir, as of now, we have mentioned that our current order book is INR5,086 crores and we have a bidding pipeline of INR5,000 crores. And as per last historic success ratio, it was 17%, sir.
- Rakesh:** So, for FY26 how much order inflow you are looking?
- Sarfaraz Ahmed:** Sir, we try to maintain our order book ratio, sales to order book ratio at least three times, sir.
- Rakesh:** Okay. And, sir, last question, as you mentioned, you get INR131 crores order inflow. 131 or 161?
- Sarfaraz Ahmed:** INR161 crores.

- Rakesh:** 161. Okay. Thank you, sir. Thank you, sir.
- Moderator:** Thank you. We have the next question from the line of Subhash B from Value Investments. Please go ahead.
- Subhash B:** Hi, sir. You said that we can expect 10% to 15% of growth in FY '25, right? The revenue achieved until now is INR592 crores. So, to meet the 10% to 15% growth compared to FY24, the expected revenue in H2 should be around INR1,100 crores. So, do you expect around INR500 crores each quarter in the next two quarters?
- Sarfaraz Ahmed:** Sir, as I said earlier, the third quarter and fourth quarter cover around 45% of our total revenue. The third quarter is also aggressive. So obviously we are expecting that we will get the growth that we have executed.
- Subhash B:** Okay. So, do you expect 10% to 15% of growth compared to last year?
- Sarfaraz Ahmed:** Yes, sir.
- Subhash B:** Okay. Great. Thank you. And also, historically, if I see your data, you have always guided conservative numbers. So, can I assume this 10% to 15% as a conservative growth that you are expecting?
- Sarfaraz Ahmed:** Yes, sure, sir. Obviously. Okay.
- Moderator:** Thank you. The next question comes from the line of Manish Kunwar, an individual investor. Please go ahead.
- Manish Kunwar:** Sir, congratulations for the good set of results. But however, I was expecting something more, sir. My most of questions have been answered, but I would like to ask, can you throw some light on that? For the bidding of INR5,000 crores, you said your conversion cycle is 17%. So, can you give the distribution segment-wise? In what segment, how much bidding you are doing, sir? Like, water segment, railway, and others?
- Manohar Lal Punglia:** Sir, in this, we have maximum in water supply and also in railway.
- Manish Kunwar:** Yes, sir.
- Sumant Kumar:** Approximately, only 30% and 10%. Okay, sir.
- Manish Kunwar:** Sir, only 30% and 10%. 30% is in water segment and 10% is in railway.
- Manohar Lal Punglia:** 60% in Water supply Project.
- Manish Kunwar:** Okay, sir. Previously, last year, as I can see, your PAT last year, it was near about INR122 crores. And this year, we were able to do only INR39 crores. And as you say, third and fourth quarters are robust. And last year, if you see, your PAT was INR67 crores in the fourth quarter. But in December, the third quarter, that was nominal. So, if we go by this, to beat last year's PAT, as you are saying, 10%-15% revenue growth.

So, it doesn't seem like there is a lot of pressure on the company that we have to give more PAT growth or give a lot of revenue increase. Because, as an investor said, you said that you have to generate revenue of INR1,000 crores in two quarters. So can you throw some light on the chances that we will be able to do it in the third quarter and the rest in the fourth quarter?

Sarfaraz Ahmed: Sir, it is not like giving. According to the execution that is going on, what we are able to see in the future, according to that, we are giving you guidance, sir.

Manish Kunwar: Yes.

Sarfaraz Ahmed: And all this is government work for public welfare. So, obviously, the focus of the government is there. But due to budget issues and because of this, there were some problems in certification. So when that thing becomes clear, then we are expecting that it will be very good, sir.

Sumant Kumar: So, sir, will we be able to beat PAT last year or will we be able to stay around it? What is the hope?

Manohar Lal Punglia: We will do well, sir.

Sumant Kumar: Will we do well?

Manohar Lal Punglia: We will do well, sir.

Sumant Kumar: Yes, because, sir, looking at debt management, I am also an individual investor, so I was a little worried. Because, according to what I expected, according to that, we will do well, sir. Okay, sir, one small question, sir, just last. As I am able to see, in railway projects, like in the water segment, your result is very good in parts of the country, but in the railway segment, the orders you are getting are only up to Rajasthan. So is it only up to Rajasthan or, sir, are you bidding in other states as well, sir?

Manohar Lal Punglia: Yes, sir, we are bidding in other states as well. We are bidding in Maharashtra as well.

Sumant Kumar: Sir, but this time it is not in the order book. I mean, I feel that the bidding will be in the pipeline.

Manohar Lal Punglia: No, sir, we have already done it. Our work is going on there. So, now, like in Goa, we are bidding in Goa as well. The state of Goa is also connected in this year. We are working on connecting. It's not like we are only doing it in the Rajasthan. But in Rajasthan we are local hence we get more benefit, but we are working everywhere.

Sumant Kumar: But in road segment I am seeing, that revenue is decreased from last year. Is it because we are not able to get the bid, or company is focusing more on Rail and Water?

Manohar Lal Punglia: We are focusing in right direction. We are bidding more on rail. Now we have lot of work, hence we are not that aggressive.

Sumant Kumar: So in road segment company has earned less revenue and less order book and revenue?

Manohar Lal Punglia: We have already given the information about it.

- Moderator:** The next question is from the line of Rakesh from Omkara Capital. Please go ahead.
- Rakesh:** Sir, one last question. Sir, you are getting some delay from the state government regarding end receivables. Sir, which state government you are getting this type of delay from receivables?
- Sarfaraz Ahmed:** There are mostly -- majorly from Rajasthan government.
- Rakesh:** And mostly -- if you say overall receivable number, how much percentage is from Rajasthan and top three?
- Sarfaraz Ahmed:** Top three, it is firstly Rajasthan.
- Rakesh:** How much percentage, sir?
- Sarfaraz Ahmed:** It is around 55%, sir.
- Rakesh:** Okay, and then MP?
- Sarfaraz Ahmed:** MP is approximately 20% to 25%, sir.
- Moderator:** Thank you. The next question is from the line of Siddhartha from Caprice. Please go ahead.
- Siddhartha:** Hi. Sir, few follow up questions from my end. So, my first question is, I mean, my estimation is that, I mean, so can we make a PAT of 150 crores in this particular financial year?
- Sarfaraz Ahmed:** Sorry, sir 150 what?
- Siddhartha:** Flow in PAT?
- Sarfaraz Ahmed:** Sir, as I told you, there will be growth in the guidance, but cannot fix the figure or anything.
- Siddhartha:** Okay. Do you have any guidance for the next year? Our order book is around INR5,000 crores. It will be executed in 2 or 3 years?
- Sarfaraz Ahmed:** Yes, sir. It will be executed in 3 years on an average.
- Siddhartha:** So on an average, we will do the INR1700 crores with this order book. If I'm not wrong.
- Sarfaraz Ahmed:** We have also done the bidding.
- Sarfaraz Ahmed:** We have also done a lot of tenders.
- Siddhartha:** Yes, sir. So that's why we are asking that your -- what are your thoughts on the upcoming FY '26 or FY '27? I mean, can you could you throw some light on, you know, how do you think, you know, the revenues will pan out in the next 2 years?
- Sarfaraz Ahmed:** In top line, we can expect 10% to 15%, sir.
- Siddhartha:** This is conservative guidance?

- Sarfaraz Ahmed:** Yes sir, conservative.
- Moderator:** The next question is from the line of Rajesh Bandari from Nakoda Engineers. Please go ahead.
- Rajesh Bandari:** Namaskar sir. Hello sir, one point that was incomplete was that in this, sir, probably, see my experience is that I was in the turnkey contracting of 45 years with McNally Bharat. So this turnkey contracting, TechPro, ACPC, which was previously Rami PC, McNally Bharat. This was a problem for everyone because of their interest.
- Their interest cost was too high. So, servicing of interest became a big issue and everyone had a problem. We have a very good chance here, sir, that if we bring QIPs, QIPs are very common nowadays, then our interest cost will at least reduce. It will boost our profits also. So, due to that, you people have a tension. I can understand what kind of tension you have?
- Payment is not on time. So that will help in that also at least. That everything will run smoothly. And for QIP, people are standing in line nowadays. And for good companies, for such infrastructure companies, 10 years is a very big scope. So anybody would be ready. So that many people come to QIP?
- Sarfaraz Ahmed:** Thank you for your suggestion, sir. Once management will decides.
- Rajesh Bandari:** No, no. In fact, I am speaking from my 45 years of experience.
- Sarfaraz Ahmed:** Sir. Absolutely sir. We will talk about this.
- Rajesh Bandari:** Yes sir. By the way, I am also from Jodhpur. Okay. Yes, right in front of your office in Sastri Nagar. Yes, yes. I am settled in Bombay.
- Manohar Lal Punglia:** Okay. Sastri Nagar, 164 number?
- Rajesh Bandari:** No sir, in the G sector, in front of you, this sector, there was my great-grandfather Amrit Nanda ji and in front of him Dr Suresh Bandari.
- Manohar Lal Punglia:** Yes sir, thank you sir.
- Moderator:** The next question comes from the line of Dharmesh, an Individual Investor. Please go ahead.
- Dharmesh:** Thank you for the opportunity. I have answered many questions, but there is one simple question. We had a top line of INR657 crores in March, will we be able to beat it in the coming March quarter?
- Sarfaraz Ahmed:** Sir, the expectations are obviously we are expecting a growth. And we hope that we will do better in the next coming March.
- Dharmesh:** Better numbers will come for March. There will be numbers of 657 upwards.
- Dharmesh:** Hello. Yes, sir. We are expecting 657 upwards, sir, according to the guidance?

- Sarfaraz Ahmed:** Sir, I am telling you according to the guidance that whatever growth is there or what we are expecting, it will be good. It will be better.
- Moderator:** Thank you. The next question comes from the line of Raj Sarraf from Finvestors. Please go ahead.
- Raj Sarraf:** Sir, my follow up question is, in the last con-call, there was a discussion that the work that we get from the railway has a little more margin. You also said that the railway has a little more focus so that it can increase the margin. So how much will we go ahead on that now, sir?
- Manohar Lal Punglia:** Sir, we said the same thing last time that our railway also gives equal margin in water supply, almost. And still we have the same theory. Okay, we have a focus on railways but there is no difference in margin. If you compare this to the out of projects, which has been awarded of INR1100 crores, out of that, only INR762 crores are of railways.
- Raj Sarraf:** So, it's the same margin? The margin is the same for railways? Okay. Okay, one more thing. You have reduced the revenue guidance from 10% to 15%. You said 15% to 20% on a conservative basis. So you are now lowering your guidance?
- Sarfaraz Ahmed:** Sir, it's not like lowering. According to the government's budgeting issues, we are giving you guidance according to the certification that is being done. We are not giving any wrong guidance. So we are giving it according to that.
- Raj Sarraf:** No, sir, I mean, the figures are like I think it is a figure of 15%-20% Now the 10-15% zone has come. So the guidance is just from what you are saying the guidance is lowered by 50% at least And debt increases which everyone is concerned about So when debt increases and guidance is just mediocre. It is very difficult for the path to move forward but still we are hopeful that things are complete, and you get the payment in time.
- Moderator:** We have the next question from the line of Dheeraj Ram from Ashika Institutional Equities.
- Dheeraj Ram:** Hi sir, in H2 FY25, what projects are we going to deliver, and how much client retention money will be released from this?
- Sarfaraz Ahmed:** Retention money is mainly due or undue portion. Our due portion is due portion, where the work is completed, and the defect liability period is completed. That is called due portion. Undue portion is the one that is released after completing the defect liability after the period of a year. So, whatever is going on a regular basis is being released and new add-ons are also being added.
- Dheeraj Ram:** Okay. Sir, can you give me some number of the release according to the guidance?
- Sarfaraz Ahmed:** Sir, it will be released according to the previous one. There is no exceptional retention in this. The regular one is this. The previous due is now being released and the undue is being added in the next one.
- Dheeraj Ram:** Got it. So, it will be as per the previous H2 FY24.
- Sarfaraz Ahmed:** Yes.

- Moderator:** Thank you. The next question is from the line of the Dharmesh an Individual Investor.
- Dharmesh:** I know you spoke about growth, but I would like to ask a question which might be asked previously by an investor. So can you give a little bit of direction. Can we achieve INR150 crores of PAT in FY25?
- Manohar Lal Punglia:** Sir, how can we tell you now? We will grow. This is for sure. We can't tell you figures but we will grow.
- Dharmesh:** You are growing -- same as the previous investor asked. Initially you gave guidance of 15%-20% but now it has gone down to 10%-15%. We also want to grow with you as individual investors, but the assumption is that the guidance has gone down. In that way...
- Sarfaraz Ahmed:** So we are expecting that we will do well.
- Moderator:** Thank you. We have no further questions, ladies, and gentlemen. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Sarfaraz Ahmed:** Thank you all for participating in this earning con-call. I hope we have been able to answer your question satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR managers at Valorem Advisors. Thank you.
- Moderator:** Thank you. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you all for joining us. You may now disconnect your lines. Thank you.