

Date: 23.02.2024

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

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

Dear Sir/Madam,

Sub: Transcript of the earnings call for Q3 FY 2023-24

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

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the transcript of the Earnings Call for Q3 Results of FY 2023-24 held on Tuesday, the 20th day of February, 2024 at 4:00 PM (1ST).

The transcript is also uploaded on the Company's website at www.powermechprojects.com

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

**Regards,
For Power Mech Projects Limited**

**Mohith Kumar Khandelwal
Company Secretary**

Encl: A/a

POWER MECH PROJECTS LIMITED

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

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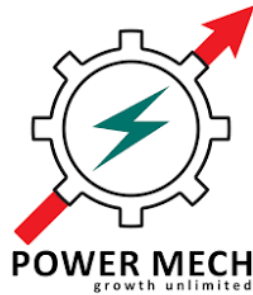


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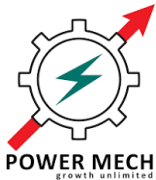
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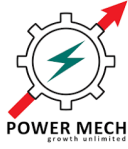
“Power Mech Projects Limited
Q3 FY’24 Earnings Conference Call”
February 20, 2024

Disclaimer: E&OE: This transcript is edited for factual error(s). In case of discrepancy, the audio recording uploaded on the Stock Exchange(s) on 20.02.2024 will prevail.



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

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



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Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '24 Earnings Conference Call of Power Mech Projects Limited, hosted by Nirmal Bang Equities Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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. Natasha Jain from Nirmal Bang Equities. Thank you, and over to you.

Natasha Jain: Thank you, Yashashri, and good afternoon to all participants. Nirmal Bang Institutional Equities welcomes you all to the Third Quarter FY '24 Earnings Conference Call for Power Mech Projects Limited. From the management team today, we have Mr. S.K Ramaiah, Director, Business Development; Mr. Rohit Sajja, President, Business Development and Operations; and Mr. N. Aravind, Chief Financial Officer.

I now hand over the call to the management for opening remarks, post which we can take questions from the participants. Thank you, and over to you, sir.

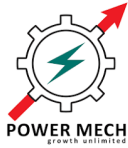
N Aravind: Thank you, Natasha. Good afternoon to you all. This is N. Aravind, the CFO of Power Mech. I have with me Mr. S. K. Ramaiah, Director Business Development; and Mr. S. Rohit, President Business Development and Operations. I welcome you all to the earnings call quarter 3 and 9 months of financial year '24.

The performance for quarter 3 and 9 months for the financial year continued as per our set targets for the entire year. The reported total income for quarter 3 financial year '24 is Rs.1,115 crores and the EBITDA is Rs.141 crores. PAT is Rs.61 crores. During quarter 3 of last financial year FY '23, the reported total income was Rs.912 crores and EBITDA was Rs.106 crores, and PAT was Rs.51 crores.

So on a quarter-to-quarter basis, Power Mech has demonstrated almost like a 22% growth on the top line. And with the growth of top line, EBITDA has gone up almost by 34% and PAT has gone up by 21%. Q3 financial year '24 performance was satisfactory and on expected lines, despite a little slowdown due to 5 states elections.

The revenue mix for quarter 3 FY 24 is as follows

Mechanical business has contributed around Rs.231 crores; civil business, including railways and water distribution, Rs.596 crores; O&M Rs.260 crores; and electrical business close to Rs.21 crores; and other income close to Rs.7 crores, whereas during the last year FY '23, quarter 3, the contribution for erection business was Rs.144 crores, civil Rs.492 crores and O&M was Rs.260 crores, and electrical business Rs.12 crores and other income was Rs.3 crores.



Mechanical and civil has shown growth of almost like 60% and 21%, respectively. Electrical has shown growth of 71% O&M more or less remained flat. But however, this number again will go up significantly going forward.

During quarter 3 of financial '24, domestic business has contributed almost like 94% and the balance, 6% has come from the international market. Similarly, power sector has contributed 47% and non-power sector is almost like 53%.

Similarly, the total reported income for 9 months of financial year '24 stands at Rs.2,923 crores, and the EBITDA is Rs.364 crores and PAT is almost Rs.164 crores, whereas during 9 months of last financial year, the reported total income was Rs.2,435 crores, EBITDA was Rs.281 crores and PAT was Rs.134 crores.

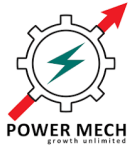
On a year-on-year basis, for the 9 months, there is a growth of almost like 20% in revenue as compared to the last year and with the growth of top line, EBITDA has significantly gone up by almost 30% and PAT has gone up by almost 22%.

Revenue mix for 9 months is concerned, Mechanical business has contributed Rs.518 crores. Civil business, including railway, water distribution, around Rs.1,585 crores, O&M Rs.756 crores and electrical business close to Rs.47 crores, and others close to Rs.17 crores, whereas during the 9 months of last financial year, the contribution for erection business was Rs.458 crores, civil business Rs.1,235 crores, and O&M was around Rs.682 crores and electrical business Rs.52 crores and other income was Rs.8 crores.

Similarly, erection, O&M and civil business has gone up by 13%, 11% and 28%, respectively. And electrical business is down by 10% because not much order booking is happening on the electrical business. And the mix between international and domestic, the domestic business has contributed around 92% during the 9 months of FY '24, and rest has come from the overseas business, it is around 8%. And the mix between power and non-power business stands at 52% and 48% during the 9 months of this financial year.

FY '24, because of the healthy order book, water business will continue to contribute close to 23% of the total business. Other civil works in both power and non-power contributes close to 34% and O&M will continue to be around 23% plus, and the mechanical will continue, both domestic and internationally contribute almost like 18% plus and transmission distribution will contribute 2%.

we will see that FY '25, there will be a significant change in the business mix because of healthy order book. The contribution from O&M is going to be almost like 18% and erection business is expected to go up almost by 27%, and railways expected to go up to 1%. And MDO this year, we will start with a small number, and this is expected to go up significantly in the next 2 years. It is expected to be almost like 7%. So there will be a significant change in the business mix because of the increase in the O&M pie and the MDO business.



Improvement is also seen in overall margin profile, and same is further expected to improve gradually. And on reaching MDO to peak during FY '26, the margin profile will improve to a greater extent.

Depreciation cost as a percentage remained lower side on account of control of capex spending and the finance cost, keeping aside interest on tax impact as a percentage to revenue remained lower side and continue to be controlled on account of improved working capital and cash flow.

With reference to our income tax search during July '22, as you are aware of the search operations conducted by the Income Tax department the company received notices under Section 148 of the Income Tax Act. In response to the said notices, the company filed a return of income for the assessment year 2016-'17 to until 2021-'22 assessment year. And as a prudent measure to cooperate with the department and to avoid further protracted litigations, the company offered additional liability of Rs.26.21 crores towards the income tax and Rs.11.91 crores towards the interest on income tax and paid the entire amount during the financial year '24. We do not foresee any need for further provisioning in the income tax matter is concerned.

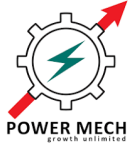
With a better deployment of capital, improvement in margins, we have also seen improvement in the return on capital employed, and this is expected to again go up significantly.

Other developments include the operating cash flow for the period is almost positive by Rs.21 crores, which is quite healthy. We are working on the same to improve further. Also, the average monthly collection of the company continued to be healthy.

Net current days, excluding cash and cash equivalents has substantially improved on account of improved working capital cycle, change in the business mix, and change in the customer concentration. Net current days have come down to 125 days from 131 days and on stabilization of the MDO business from financial year '25 and '26 onwards, we can expect significant improvement in net working capital days, and this can help the system generate larger operating and free cash flow, we can see quantum jump in free cash flow.

More importantly, the gross debt and net debt remained controlled despite growth in the business and the order book. As on 31st December '23, the gross debt is close to around Rs.499 crores, and the net debt stands at minus Rs.23 crores. But if we see, as on today, we can proudly say that Power Mech is a net debt-free company. And the debt-to-equity ratio as on 31st December stands at 0.28, which has significantly come down because of the improvement in the cash flow. But if you see net debt today is nil because of the net debt is almost 0.

The status of the two MDO operations. Coming to the two MDO projects, a lot of developments and ground activities are happening in both the projects. The first project Kotre Basantpur Stage 1, Forest Clearance from the government we got in November '23 and applied for Stage 2 clearance and the report is passing through various levels to the Additional Chief Secretary,



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Jharkhand, and they've forwarded the file to MOEF&CC on 13th February. And also consent to operate application filed and awaiting the approvals from Jharkhand State Pollution Control Board to start the works. These approvals are expected to be received in the next 2 months; therefore, we can start the ground activity of OB removal from the month of May '24 and coal mining will start from July '24.

Coming to the second project, Kalyaneswari Tasra project, the major required equipment mobilization was completed for initial mining activities. Environment clearance for setting up 3.5 MTPA capacity of washery is under progress and expected to receive the approval by July '24. R&R Colony building construction of 190 units in 4.5 acres of land is under progress. Mining works have already started and OB removal and the coal production works are in progress. Since January '24, approximately around 80,000 tonnes of coal excavated and targeting to excavate 3 lakh tonnes by end of this year.

Coming to the order book, order backlog, as of 31st December is around Rs.55,858 crores with both the MDO. And excluding the MDOs, the backlog is almost Rs.16,125 crores. Similarly, the order book backlog as of today is around Rs.57,328 crores with both the MDOs. And excluding the MDO, it stands at Rs.17,595 crores. For the entire year 2023-'24, the company has set a target of Rs.10,000 crores order inflow and we keep the target as it is. We have received orders worth of Rs.6,768 crores as on today, plus three projects worth Rs.1,780 crores are in L1 status and project worth of Rs.5,500 crores, which are bid and awaiting for the results. So we are likely to see the balance order addition in Q4.

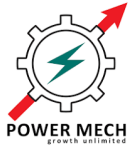
During FY '24, large order increase is expected from the power sector, both in the O&M and mechanical and civil construction. Our focus will continue to be an industrial plant, O&M, railway, water and MDO projects.

All the existing projects are on track and moving as per the schedule. This financial year, revenues will be in the range of Rs.4,500 crores to Rs.4,700 crores, depending on the traction of FGD and MDO business. EBITDA margins remained the same as Q3. FY '25, we should be able to achieve 30% to 35% year-on-year growth. Margins will be stable, may see a bit of upside depending on the mix from FGD and mining. We do not foresee any decline in the margins. Similarly, order book target for the current and next financial year looks to be comfortable.

Power Mech is well set to demonstrate execution and conversion in the range of 32% to 33% of its opening order book in a year. In addition to that revenue from MDO business also ramping up coke coal production plant. Going forward, O&M and MDO business will drive the substantial growth in a significant way and we have some more developments from the business side. I will request Mr. Ramaiah to add, please.

S.K. Ramaiah:

Yes. Thanks, Aravind. Thanks, Rohit, and our team here, and thanks for the participants. Aravind has given the overall numbers and various aspects of the business, financial and other inputs also. But what is happening in the market is a substantial bullish approach in terms of the



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investments coming up and opportunities opening up, and we can also see a change in the product mix for the better. What was a downside in the power sector is looking up substantially, that has been reflected significantly in the mechanical business, the order backlog has gone up from Rs.6,878 crores close to Rs.7,034 crores with a 22% increase.

Civil has gone up by 27% to Rs.7,800 crores. O&M is playing a major role because a lot of new projects are getting commissioned of what was the backlog available by various private players and then NTPC and other players, the O&M side of the order back log has gone up to 997 cr for Q3 from Rs 600 cr and as on date it has further augmented to Rs 1260 cr

And that is where we have made a lot of significant achievements in terms of substantial increase in the order booking there in the current year. Then, electrical, of course, it will have a subdued role based on the current situation and also the competition and other factors. And from the overall perspective, what we are seeing is that, in all these sectors, there is going to be continued investment that is what is driving the business.

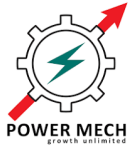
In the power sector, if we take it, there are three segments in which it is driving the business. They are new unit capacity 19000mw of - projects which are already identified, with NTPC planning , additional 6,000 megawatts.

And then the other utilities across the country, with around another 13,000 megawatts. And then private also is there, Adani is coming up at Mahan. And then if we add up the stressed projects of the 5,750 megawatts in the first stage and 6,700 megawatts in the second stage, all these stressed projects are under resolution and many of the orders of these opportunities are getting converted and we have taken the benefit of that in JSPL Angul, and then in Vedanta, Singhitarai accounting to 1725mw of stressed projects revival programme. And then recently, in the case of Meenakshi project of 1050mw also, both the revamping and the O&M job has come up.

So that is a positive factor for the mechanical business. Installation, which traditionally, we are very strong. O&M, the order backlog has gone up by 66%. And one more development is there on the O&M side. What we can say is the -conversion, which will come up for the O&M also in the drinking water scheme, where we are doing about Rs.2,725 crores of job, the conversion is happening faster.

And now the order status also is that whatever orders are available , at least 3% of that will come as O&M contract for the next 10 years. For that, that is to be added as a part of the order and now that comes to Rs.681 crores. Therefore, if we add up the total O&M profile in terms of the power, non-power and also the drinking water, the order bookings will go up almost to Rs. 2400 to 2,500 crores by end of the year and that should give a significant growth for the O&M progress and also better margins in the coming year.

Now apart from that, the new unit business also is looking up with orders grabbed from Mahan, Rs.825 crores; BHEL Talcher Rs.354 crores; and then Vedanta for the stressed project at Singhitarai is Rs.379 crores. So that is a positive development. This will continue to happen.



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Another major thrust has been the railways apart from the roads. Railways, we have taken significant strides, on that recently, we have been awarded the - Yavatmal-Nanded job, about Rs.375 crores. With all these developments, what we can say is that the present opportunities together with the L1 position of the pending FGD orders with the Goenka Group. And then one micro irrigation project and the railway project, we have around Rs.1,800 crores of L1 position. If that happens, significantly improve the overall order backlog. And apart from that, around 15000 cr of order -- follow-up is under progress in various segments for the different opportunities.

Now coming back to the overall push in the power sector itself, BHEL has got orders of Rs.55,000 crore with capacity addition of about 7720mws. If we take the previous year also, which is getting some conversion in the case of Lara, & Yamunanagar, which has been ordered recently to BHEL. Mahan, which has been ordered by Adani Group., then Talcher, which is already ordered, and then recently, Talabira 3 x 800 megawatt. Altogether, BHEL's order book has ballooned like anything to almost Rs.55,000 crores extra.

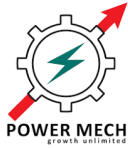
And this improved order status of BHEL we are hoping to get the conversions happening faster in the coming year also, and the last quarter also to some extent. And after -- the total projects which have been awarded in all these cases including by NTPC, of Lara 1800mw then there is - - 7,720 megawatts of new orders to BHEL that leaves us more scope for the conversion for Power Mech as a subcontractor.

Our estimation in that is that something like Rs.12,000 crores to Rs.15,000 crores of opportunities will come up in the next year also. And some of the projects, we can see how much is happening in the current year also.

Now coming back to the overall capacity addition in the power sector. The present position is that the coal and lignite capacity stands at 214 gigawatts, it will go up to 280 gigawatts by 2030. In that, about 27,000 gigawatts are under implementation, another 30,000 megawatts will be under ordering and execution, which has started, as I told you, about 7,720 has been already awarded to BHEL along, and then balance also will also come up.

That should help us, & that should throw overall supply and EPC contracts for mainly may go to BHEL, unless L&T doesn't take a major call or some of the Chinese players, outside players will come. The estimated opportunity for the coming year in all these new projects for the overall supply is more than Rs.2 lakh crores. Therefore, our own estimation is that at least Rs.15,000 crores to Rs.20,000 crores of opportunities should come up in the overall power sector in the coming years also.

Then there is the railways. We have seen the annual investment is exceeding Rs.2.5 lakh crores as part of National infrastructure pipeline, and that will continue to happen. And then Metro projects, the present mileage of 870 kilometres will go up to doubling of the track, the Metro stations to almost 1,700 kilometres. And then the major investments, which are very much useful



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for us is coming in the railway maintenance shops, workshops and then maintenance depots for the Metros also, which we already entered there.

So that will add up a lot of opportunities, which will be focused because railways gives good terms of payments with the provision of advances also. And that is a major focus for our opportunities. Then roads is there. We have already completed a major part of the work for Adani in KK Road in -- Kodad Road in Telangana of Rs 645 cr. That should give us reference in terms of bidding for the good projects in the future for Road sector opportunities..

Therefore, the -- our assessment is that presently, Rs.50,000 crores of opportunities are closely being following. Some may also get close in the current year. We have to see how much would happen based on the election season also on when the Election Commission will give a date for the , election. Then that depends on the ordering also to some extent. So what we can say is that next year, the way we are looking at all the opportunities in terms of power sector, O&M and then in non-power sector, particularly in the railways, then Metro projects, and then irrigation, and then of course, the road projects, perhaps it is easy to target Rs.40,000 crores to Rs.50,000 crores and should see the growth potential and increase in the order backlog. That is what is I can say.

Therefore, further development on the MDO and, the international operations and many other developments of the company, Rohit will bring out the facts.

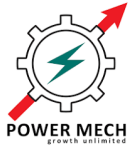
Rohit Sajja:

Hello. Good afternoon, everyone. Thanks for having us on the call. This is Rohit. So as Aravind has touched upon our mining operations briefly. I'll give you the other data in detail. So we have already started mining in the recent MDO that we have won, and we have already mined around 85,000 tons of coking coal over the last 1.5 months. And we expect this capacity to touch 2.5 lakhs to 2.8 lakhs by the end of this financial year, in the next 1.5 months. So we'll be booking significant revenues from Tasra.

And coming to the first mine, I think all of you are aware of the political situation in Jharkhand. Forest Clearance Stage 1, there were some compliance points raised by the authorities. So we had to refile it. And after refiling, the Secretary and because of the political disturbances happening in the state it got there is a slight delay, I think, a month's delay, but we expect to break ground in the month of May as Aravind had said, and by July, we'll be starting mining here as well.

So that's about both the MDOs. And coming to overseas operations, we are making significant strides in overseas operations as well, and we have added a couple of new clients this year. We have also won a small maintenance project in Qatar. We have added Qatar as a new geography.

And we are making significant strides, putting in some efforts in Saudi Arabia. There's a lot of spending happening in the power sector. They have plans to Saudi Arabia, in general, has plans to add more than 25 gigawatts of capacity over the next year. This is mostly combined cycle capacity.



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And Power Mech is having experience of executing combined cycle power plants in the past in the region. So we are one of the frontrunners. We have been talking to EPC companies, and they've already collected quotes from us.

And the maintenance, I think this year, we have won a maintenance project in Bangladesh, and you'll see this going forward, you'll see this long-term maintenance contracts and this trend, Power Mech taking more and more long-term maintenance contracts for the years to come. And because a lot of public sector utilities, they were always giving out contracts, but they have started giving out long-term contracts. So slowly, the trend is changing. And you will see Power Mech taking more contracts in the next 1, 2 years to come in the maintenance space with different power utilities. We have already working with the likes of DEWA (Dubai Electricity and Water Authority) SEWA (Sharjah Electricity and Water Authority) ADNOC, (Abu Dhabi National Oil Company) we are doing some work for the refinery and also the power plant there.

We are also executing a long-term maintenance project in Nigeria with the Dangote Group, where we have constructed the power plant and consequent O&M order was also given to us. So this is an update on MDO and overseas business.

S.K. Ramaiah:

We can proceed with the question-and-answer session.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We have a first question from the line of Nirav Vasa from ASK Investment Managers.

Nirav Vasa:

Yes. So sir, first thing I wanted to know is out of the pending order backlog that we have of almost Rs.17, 596 crores. What percentage of order backlog would be from BHEL? Sir, even if you have a rough-cut number, it's fine.

S.K. Ramaiah:

No, BHEL, that separately is there, but we have to compute and give that information. Separately, it is there.

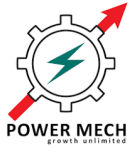
Nirav Vasa:

Sure. Get your point, sir. And, sir, I wanted to understand about the competitive scenario, like what we have seen is that in the thermal power for a very long period, there was practically lull. So lot of EPC contractors and the supply chain which was operating in the thermal power system are not in the best of the financial and technical shift?

So according to your assessment, as this scenario opens up in forthcoming years, how do you see competitive scenario panning out? Do you expect these smaller players to again bounce back or do you see a scenario wherein you along with some of the other small -- other peers would be the major players who would be benefiting from the consolidation of it?

S.K. Ramaiah:

Yes, there are two aspects in this. Let us first understand how the ordering will happen. As for the major competition for the EPC players, so BHEL stands significantly. We have seen they have taken almost more than 5,500 megawatts of orders in the recent times in the current year, with new order of nearly of Rs.55,000 crores in the last 1.5 years.



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Now, L&T it is there, but we have seen some sort of a drift in their bidding strategy, maybe they're loaded with a lot of orders in Middle East and domestic market in other sectors of their business, and they will be having a second look at Power sector which contributes less to their overall business. Now another part from the EPC point of view, the third player, perhaps can play a role is in General Electric.

Of course, as an MNC, they've got consent in terms of bidding structure and the risk management perspective, they have to figure out for the Indian market because being MNC, they are more risk averse. But they are still pursuing to look at it, but they would need to have the partnership in BOP segment also .Because of the undergoing of the many organisational changes and also certain developments which are happening on mergers and amalgamations with the various power sector entities in the international market also. For that they need some inputs also for the main plant equipment.

Now, unless the Chinese players come as a backup in the later stage, like what Chinese players played a leading role in market or 15 years back, unless that happens in a big way , we feel that, BHEL continue to play a role and they've got a capacity of 14,000 to 15,000 megawatts of manufacturing capacity with strong engineering and manufacturing base. They can easily cater to 5,000 to 7,000 megawatts per year without any problem provided the working capital costs are managed.

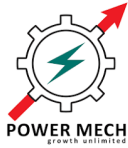
Now coming to the contracting, subcontracting, if you look at it in there are two, three segments. One is the main plant equipment and the balance of plant equipment and then the civil works. So in both the cases, we have got a significant presence as Power Mech, We're the leading player with a substantial market share in the main plant boiler, turbine packages for equipment suppliers , and also EPC segment of orders going to manor players like BHEL

And then the civil also, the main plant with the balance of plant, except for the cooling towers, and even chimney we have done one project. Most of the civil works in a plant we can do. Therefore, there are many players in the civil package, at least 7 to 8 players are there. In the mechanical also, there are players

What has happened over the years, owing to the downward trend in the market in the power sector investment and competitor's inability to grasp the opportunities in non-power sector, there has been a downtrend in the appetite for many of Power mech competitors, and that is to be seen because recently at , Mahan, we have taken a major job without much of competition

With even BHEL, we have taken a job, at Talcher and then with Vedanta also w r t Meenakshi 1050mw stressed project getting revived. k. So that shows the trend, at least 50% to 60% of the market share of the power sector business, we should continue to get it,.

That is mainly because the Power Mech has established a strong presence in execution capability, which we can proudly say, not many can match in terms of resources management,



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equipment resources, construction management, or the construction support services, what our team can provide with our huge headcount, both in the installation business and other segments.

The synergy of our operations, we are one of the few people, perhaps next to L&T, who can undertake the end-to-end solutions in the construction, then operation maintenance and then civil work, structural work, mechanical work. That type of synergy, there are not many players. You've got Simplex or JMC for the civil work. Or you can have Indwell and Texel for the mechanical work but they may not have a combination as a player who can do the civil, structural, mechanical, and O&M and that is where the advantage is what we have seen in Mahan recently by the Adani. And we have seen even with BHEL also and then Vedanta Group also.

Therefore, competition can be subdued there is appetite for so much as BHEL gets more orders, suppose next year, they get 7,000 to 8,000 megawatts, then that would add up to another Rs.60,000 crores to BHEL. Therefore, this will continue another 2 to 3 years at the rate of Rs.50,000 crores to Rs.60,000 crores for BHEL. Therefore, accordingly, there is a further scope for us to enhance our potential in the power sector, that is what our assessment is.

Nirav Vasa:

This is really helpful. So sir, if you can help me understand your scope of offering per megawatt can be how much crores? Like I wanted to compute your scope of work per megawatt in crores?

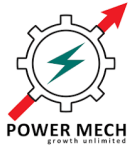
S.K. Ramaiah:

I tell you, the present market rate going is Rs.8 crores to Rs.8.5 crores. Of course, that is a comprehensive EPC job, it's a entire solution of a total package. That is engineering procurement construction. In that, 55% goes to the main plant equipment, that means almost Rs.4.5 crores to Rs.5 crores per mw

And the balance of plant will be around Rs 3.5 crores to Rs. 4 crores. Normally, the construction part of the business, the mechanical equipment for the EPC contract will come to about 10% to 12%, that we can say around Rs.80 lakhs to Rs.90 lakhs or Rs.1 crores per megawatt.

Now if it further comes down to the base level as a subcontractor, it can be something like , 6% to 8%. Therefore, I can say roughly, suppose if it is -- customer is 80 lakhs to 90 lakhs for BHEL per megawatt for the services portion and the main plant only for the equipment, our portion can be something like 40 lakhs to 50 lakhs per megawatt. Of course, in the case of civil, that will add up another 10% to 15% of the EPC contract value based on the scope and how the contracting is done by the EPC player for civil scope of work with material or without material.

That means if customers gives the material, like cement, steel, then the overall value of the contract will go to almost 10 lakhs to 12 lakhs per megawatt, , that means, again, it is another 80 lakhs to 90 lakhs. I will say both together can go up to almost, equipment, erection, installation and then civil work, structural work, if we add up all these things for the services part of the work at site, out of Rs.8 crores, you can take Rs.1.5 crores to Rs.2 crores per megawatt as overall opportunity .



Now that is as far as the new installation is concerned. Now as far as the O&M portion is concerned, once it comes operations, because all these plants, nowadays customer is outsourcing as a policy .. For that, we can take about Rs.10 lakhs to Rs.15 lakhs per megawatt. , in that way, opportunities are there for Power Mech in the areas of installation, civil work, structural work once it is commissioned as an O&M work also.

Nirav Vasa: Great, sir. This is really very helpful. Sir, my second question is pertaining to what is the amount of debt that you can borrow to fund your growth? End FY '23, the net worth of the company was Rs.1,277 crores. So if you can help us with the banking limits available to chase this growth?

N Aravind: As of today, we are running with debt of around Rs.499 crores. So we are running around Rs.500 crores fund limits with the working cap lenders, roughly around Rs.50 crores is our equipment loans. So more or less, we are maintaining within the existing limits only and we recently increased the fund limits from Rs.450 crores to Rs.500 crores.

So out of which we are using only a 75% to 80% only working capital utilization we are doing. So we are getting the mobilization advance from the new works, and we are managing the working capital. So, so far, we are not foreseeing any increase in the fund limits. We are maintaining with the existing mobilization advances from the customers.

Nirav Vasa: No, my question was, because the growth can be really very high and sector has seen massive consolidation, the odds of order inflows for your company can increase exponentially. So I wanted to understand what is the maximum capital employed which can come? So Rs.1,277 crores is your net worth. So what is the maximum amount of debt, which banks are currently ready to lend to you, both fund and non-fund?

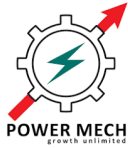
N Aravind: No, they are working to as long as the rating is good and if my projections are good, in line with the projections, up to 25% of my projections, they are ready to fund. And my top line of 4500 Cr if I'm doing business, they can be able to fund up to 25% of that turnover.

Nirav Vasa: 25%?

N Aravind: We can borrow another Rs.500 crores to Rs.600 crores, it depends on my top line. So we are not planning to raise any debt, and we want to go with the low debt and we are managing mobilization advance.

Nirav Vasa: Right. Sir, other point is like apart from power, what is expected is that the hydrogen-related capex can also increase exponentially. Any update? Are we chasing that opportunity? How do we intend to get into that entire ecosystem? Any updates can you share?

S.K. Ramaiah: Yes. Actually, the government's plan is to have a capacity of 5mtpa by 2030. Now, already some - pilot projects or experimental projects have been started by private players like Adani. Reliance is making a massive investment, Rs.75,000 crores, Adani is making Rs.75,000 crores. Now, a lot of players are coming up.



Now as far as we are concerned, is a part of the service business. Suppose the total investment comes to 5 million tons need about Rs 8 lac cr then the service portion of the same can become an opportunity for site execution.,

It can be lakhs of crores of investments. Therefore, again, what I can say is that in terms of doing the work, civil, structural, mechanical, and piping work, there's no big deal in that. We can easily do that. It is consisting of vessels, piping systems, civil work, structural work. And some inquiries have started coming, but we have to see it should come in a substantial way. That means pilot projects are coming up, not in a big mass scale.

I think that will take another maybe 1 year or 1.5 year. Once it comes, perhaps that will add up to the additional delta in terms of the opportunity. But we have to work out the real details on that because things are not very clear in the market.

Moderator: We have a next question from the line of Mohit Bhansali from Aryan Group.

Mohit Bhansali: Yes. My question is regarding your MDO. First one is Kalyaneswari Tasra, which you spoke about. Have you started mining? And when the billing will start? And what kind of coal you are generating, like coking -- it's a metallurgical coal or it's a normal coal? Please, sir.

Rohit Sajja: Yes. Thanks for the question, Mr. Bhansali. So KT -- yes, Kalyaneswari Tasra is in short known as KT MPL in abbreviation. In KT MPL, we have started mining and we have already mined 80,000 metric tons of coking coal, this coking coal, which is used as raw material in steel plants and its washery grade coal. KBP, the second MDO, we plan to start mining in the month of May. So probably by FY -- yes.

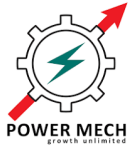
Mohit Bhansali: Sir, I'm asking for 80,000, you have already mined and what is the future plan? So you will continue to raise it to what level, sir? I hope you -- you said that you will raise it to 3 lakhs by the end of this year, 3 lakhs tons per month.

Rohit Sajja: We'll be mining 3 lakhs in total quantity, 2.8 lakhs to 3 lakhs in total quantity by March 31, 2024. we plan to ramp up the production to slowly by next financial year, we plan to do 2 lakhs and then 3.5 lakhs because the mine peak rated capacity of the mine is 4 million metric tons per annum. And we are also awaiting the environmental clearance for the washery, for which the Terms of Reference has been minuted and submitted. So once washery is up and running, that's when we want to achieve our peak, which is 4 million metric tons per annum by end of by end of FY '26.

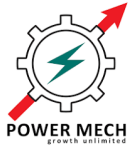
Mohit Bhansali: Okay. So next year we'll be mining around 2 million tons, that's what you are saying?

Rohit Sajja: Yes. Next financial year we'll be mining around 1.5 million metric tons.

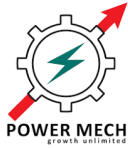
Mohit Bhansali: So this will be then what -- because you don't have washery right now, what will happen to that then?



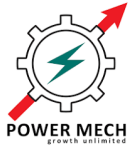
- Rohit Sajja:** No, we are still billing. We have a different price until the washery gets commissioned. So we expect to raise our first bill in the month of February.
- Mohit Bhansali:** Okay. Okay. Fair enough, sir. Fair enough. Thank you. Thank you for that comment.
- Moderator:** Thank you. We have a next question from the line of Riya from Aequitas Investments. Please go ahead.
- Riya:** Thank you for giving me the opportunity. My first question is in regard to the water projects of the Jal Jeevan Mission. So where are we looking at right now? And post-election, how do we see the traction following up?
- N.Aravind:** Water projects?
- Riya:** Jal Jeevan Mission?
- N.Aravind:** Jal Jeevan Mission. Can you repeat your question?
- Riya:** So basically, I wanted to have -- yes, water projects, yes.
- SK Ramaiah:** Yes, madam, of course, overall scenario is like that RS.3.6 lakh crores of the planned government investments started in 2019. It may go up to 2025, 2026 also. And as on today, around 14 crores households have been connected. . We are doing in UP, three major projects, about Rs.2,729 crores for about 1,950 villages.
- Now some more projects are at bidding stage. We are continuing to be there because we are focusing on the conversion of those orders. Apart from that, many other water projects in urban infrastructure, sewage treatment plants, and there is micro irrigation. We already bid, we have still L1 position for irrigation project in Madhya Pradesh for Rs.600 crores including taxes.
- Therefore, we find drinking water is a very good market for us. And as the tenders come in different states, for example, Maharashtra, Madhya Pradesh, then Tamil Nadu and Karnataka and other projects also, we will definitely go for that. We'll try to see what more we can do in this segment.
- Riya:** Got it. But I was asking more in terms of post-election. So we see a slowdown in ordering?
- S.K. Ramaiah:** No, we are...
- Sajja Rohit:** Riya, can you repeat your question?
- Riya:** I was asking in terms of post elections; do we see any slowdown? Or are we seeing any slowdown right now in ordering? I'm sure the execution pace has picked up.



- S.K. Ramaiah:** No, I don't think any of the projects –can slow down, what we have done now 17,595 cr order backlog, what we are having, all the projects are in progress. We are not seeing stoppage of the work or slowdown of the progress or local issues. As on today, it's not there. Everywhere the customers are outsourcing the projects aggressively. That type of any major hiccup we have not noticed. We continue to believe that all these projects will come up.
- Riya:** And currently, what does the pipeline look like?.
- S.K. Ramaiah:** Yes, there is an L1 status of roughly around Rs.1,900 crores. Of course, the FGD area where we stand L1 for the Goenka Group of projects about 1,950 megawatts, around Rs.970 crores, we continue to pursue it. They are seeking extensions. And then there is an Irrigation project of Rs.600 crores, in Madhya Pradesh. And then a railway project is also there. The only thing we hope if elections doesn't come in a way, perhaps we can get some more orders in the current year.
- Apart from that, the ongoing process, we have got about Rs.5,500 crores of offers submitted out of the total immediate opportunity of Rs.15,000 crores in infrastructure, in railways and then in power, etcetera. But we have to see how much we can get it converted immediately. But next year, as I told earlier, we can easily track projects -- opportunities of Rs.40,000 crores to Rs.50,000 crores, , if not more.
- Riya:** Got it. That's very encouraging. That's it from my end. I will join the queue for the questions.
- Moderator:** Thank you. We have a next question from the line of Anupam Gupta from IIFL Securities. Please go ahead.
- Anupam Gupta:** Good evening, sir. A couple of questions. Firstly, the guidance which you said that next year, you're looking at 30%, 35% growth, that is basically only for EPC business right? So, what you are saying is, the guidance of 30%-35% growth which you talked about for FY25 that is prior to including revenues for mining or that include revenues for mining?
- N Aravind:** That is including everything, sir. The margins depends on the mix of FGD and mining, that's what I have told you earlier. Should be between the range of 30% to 35%, including the variation between the FGD and mining. Depending on the mix from FGD and mining...
- Anupam Gupta:** No, I'm not talking about margin, I was talking about the revenue growth, which you said, 30%, 35%.
- N Aravind:** Regular business, yes -- see, this current year, so far we have almost 20% year-on-year growth. 25% we'll touch this year. And we received the more order book during the current year and additional new works also we received during the current year. So we are targeting 30% to 35% plus including FGD.



- S.K. Ramaiah:** Anupam, this Rs.17,000 crores of backlog, 40% conversion if we can take 35% to 40% that is [Rs.6,000 crores.]
- Anupam Gupta:** Understood. Yes. Understand. If you -- can you just update on the status of the FGD project or the Adani, which is somewhere around Rs.8,000 crores of the total Rs.17,000 crores. What is the status as of now?
- S.K. Ramaiah:** Yes, I think the order Udupi project. Now another Rs.250 crores -- I think we have done almost Rs.1080 crores of ordering. Another Rs.200 crores of ordering will happen in this month, if possible. Therefore, that will up some modest conversion this current year.
- N Aravind:** in Q3, we have recognized around Rs.117 crores we recognized, sir. And whatever the orders we have placed on the customer, we may recognize some FGD orders by before March.
- Anupam Gupta:** So basically, this part of the Adani order book will get executed over FY25-FY26 fully? Or what is the timeline you're looking at?
- S.K. Ramaiah:** Udupi project is going strongly of 2 x 525 megawatt. Now out of the total 8,460 megawatts, we have to see in other projects. And there are so many other issues, environment, and then local clearances and PPAs also. I think this is one of these things because they need to have a delta of PPA for the existing power purchase agreements and that should reflect some factor in that. And that is where FGD is facing some hiccups yes. And then engineering integration because it's retrofitting which has to be done in a confined space, it is taking more time.
- Anupam Gupta:** Okay. So ideally want to look at a three-year sort of execution from now? I think that should be a reasonable assumption?
- S.K. Ramaiah:** Yes. We can be there for Udupi, it is going strongly. We have to see how it shapes up for other projects also. Some sort of waiting for so many aspects, in the clearances, engineering, retrofit issues, and then the PPA issues. There are so many things are there, that's why a little bit of slowdown can be there.
- Anupam Gupta:** Understood. And sir, coming to the mining side of it. So, Rohit highlighted the target production for Tasra mine, which is 1.5 for next year and possibly reaching 3.5 in FY26. What should one -- what are you targeting for the CCL mine in terms of product ramp-up over the next two, three years?
- Sajja Rohit:** Hi, Anupam. So CCL, so we plan to break ground in the month of May and perhaps the first year's contracted quantity is around 400,000 metric tons, and we will achieve 400,000 to 450,000 metric tons in FY 25. And the year next to -- in FY26, the contracted quantities are around 1.5, and we plan to do around 1.6 to 1.7. So there is a ramp-up schedule for this -- ramp-up schedule.
- And then the subsequent year is around three and the peak rated capacity is five, which we are going to do in two and half to three financial years from today, which is FY27 is when we



*Power Mech Projects Limited
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achieve 5 million metric tons per annum. But yes, CCL is on its way, we'll start producing the first batch of coking coal and we sell it to CCL starting July onwards.

Anupam Gupta: Understood. This is useful. And one question on the international projects which you are taking, so you have the projects that you have added, and you're looking to take big steps in Saudi as well. So those would be on the same lines as you did historically right? So basically, it is an ETC contract which you are looking to do and not material risk on your books, right?

Sajja Rohit: No, no, no. It's only ETC. We don't plan to venture out into the civil or any of the transmission and distribution space at the moment. All we want to focus on is ETC plus O&M, ETC plus O&M in all the sectors that we are present at. It's predominantly power and oil and gas.

Anupam Gupta: Okay. Thank you, sir. And that's all from my side. Thank you.

Sajja Rohit: Thank you.

Moderator: Thank you. We have a next question from the line of Mohit Bhansali from Aryan Group. Please go ahead.

Mohit Bhansali: Yes. Thanks again for the opportunity. Sir, I just want to -- you told me that in KTS, you are going to mine in a big way in the next one or two years, but your washery is still -- you're going to get the approval. I came to know that BCCL has just opened one big washery very near to your mine, that is known as Madhuban Washery. So management have any plan to send their coal like outsourcing for washeries to get the coal washed and again send back to the principal?

Sajja Rohit: Yes. Mr. Bhansali, so the -- our contract says that we cannot use any outside washeries to wash the coal until we construct our washery. So there is a Chasnalla washery. And we are aware of this Madhuban. I think it's internal to SAIL on what they do with this coal. So what we are currently doing is we are stocking it up at stockyard and now we have to deliver it at Chasnalla washery. Initially, if it's any other washery until we construct the washery, then we'll have to decide it -- SAIL has to decide internally, let us know. If it's away from Chasnalla more kilometers, it will be compensated as well.

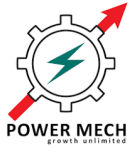
Mohit Bhansali: Okay. And sir, once again, you said that next year from Tasra, you're going to mine around 1.5 million ton to 2-million-ton coal. Is that correct, sir?

Sajja Rohit: That's 1.5 to 1.6.

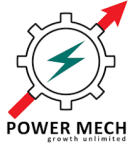
Mohit Bhansali: Million-ton next year. So it will be around 1 to 1.5 tons every month -- per month?

Sajja Rohit: 1 to 1.5. Yes, yes, yes -- 1.5 lakh, 150,000 metric tons per month -- million metric tons per month.

Mohit Bhansali: Okay, okay, sir. Thank you for my queries. Thank you.



- Sajja Rohit:** Thank you.
- Moderator:** Thank you. We have a next question from the line of Subrata Sarkar from Mount Intra Finance. Please go ahead.
- Subrata Sarkar:** Thank you. My question has been answered. So, thank you.
- Moderator:** Thank you. We have a question from the line of Sabyasachi Mukerji from Bajaj Finserv AMC. Please go ahead.
- Sabyasachi Mukerji:** Yes. Hi. Thanks for the opportunity. My first question is, you have currently about Rs.8,500 crores of order book in the civil business. And similarly, if I look at the Erection segment, almost against Rs.7,500 crores kind of backlog. What is the expected execution timeline over here? And do we have capacity to execute at such pace?
- S.K. Ramaiah:** Yes, I think this is doable based on the resources. We are having -- the headcount itself is 32,000. In that, of course, 10,000 to 12,000, we can take it for the O&M side, balance 20,000 head count, they are mainly focused on civil, structural, mechanical and EPC jobs. And then the cycle time on all these projects, based on the ordering what they have done is, it varies from 30 to 42 months, 40 months, something like that, average you can take over three years.
- Therefore, if you look at the order backlog as of today, for the civil and mechanical work together, it comes to around Rs.16,000 crores. Therefore, what we have done, peak in many of the EPC business and civil work we entered somewhere in 2012 to 2015, a lot of orders came adding up and a lot of capacity -- annually, the capacity increase happening at that time of about 15,000mw/year in the power sector. Therefore, at that time Power Mech played a major role.
- In fact, today, the largest number of the ultra-critical projects we have installed about 27 units across the country we have executed. And also, as I told earlier, we have got integrated approach of doing civil, structure, mechanical, EPC and the post-commissioning O&M also. So we get a lot of synergy in terms of resources, and then capital equipment, experienced manpower etc &. and this is perfectly doable for us.
- Sabyasachi Mukerji:** Okay. You said close to three years, that is almost 36 months, 12 quarters. So basically, if I just do a simple math of what would be our quarterly run rate in 12 quarters, you have to probably execute Rs.16,000 crores to Rs.17,000 crores, which boils down to somewhere around Rs.1,300 crores to Rs.1,400 crores quarterly. Is my math correct?
- S.K. Ramaiah:** Yes, you are perfectly correct because the last month, we achieved Rs.1,100 crores. Now this month -- this quarter for us, it will go to Rs.1,400 crores to Rs.1,500 crores. And now, of course, in the last two quarters -- you get a better output and better results because of all ideal conditions. Now taking that Rs.1,200 crores to Rs.1,300 crores is doable because of the enhanced order backlog, it will go up to 20%, 25% to each year.



And with the conversion also, it will improve. And, in fact, it will add up to our better utilization of the assets, manpower and equipment also. That is a positive thing for us with this type of conversion for us.

Sabyasachi Mukerji: Got it, sir. My next question is on the guidance. Just to clarify, you gave a guidance of Rs.4,500 crores of revenue for FY24. And on top of that 30% to 35% growth in FY25. Did I hear it correctly?

S.K. Ramaiah: Yes, sir.

Sabyasachi Mukerji: Yes. Okay. So the follow-up to this thing is that you have currently about Rs.17,000 crores of order book, if I exclude the MDO contract. And let's say, you end around the same number, Rs.17,000 crores, Rs.18,000 crores of order book in FY24, that becomes the opening order book for FY25. If I do a 40% kind of a conversion, it comes to around Rs.6,800 crores or something around Rs.7,000 crores, which is, again -- I mean the growth number then it is very big if I look at from FY24 to FY25. Where am I missing?

S.K. Ramaiah: Yes, yes. I think there are many large orders for us, railway orders then for example, road sector orders. Even the capacity -- the order size of the installation business has gone up. For example, Adani have this Rs.825 crores, BHEL Rs.350 crores. What we used to do, Rs.100 crores, Rs.150 crores orders, it has doubled up, tripled up. Therefore, that gives on the shorter cycle time, more packages in the same period, civil, structural, mechanical. And then with the common establishment, it is doable.

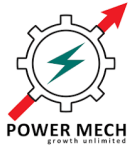
N Aravind: So with Rs.4,500 crores, assume that FY24 is my turnover, then 30% it will be around below Rs.6,000 crores. So my order book as of today is around Rs.17,000 crores even if you reduce Rs.6,000 crores of FGD. Further, I may have to add another Rs.2,000 crores to Rs.3,000 crores of orders expecting to receive.

Around Rs.12,000 crores, I said in my opening remarks also, we generally do on the one-third of my order book as a turnover every year we are executing. So it's easy, we can be able to reach this number. And again, MDO operations also will add to this number.

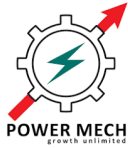
S.K. Ramaiah: And the next year order booking also will come. First two quarters, whatever orders booked, that will come for conversion in the third and fourth quarter also.

Sabyasachi Mukerji: So we can hit around Rs.6,000 crores FY25 ballpark?

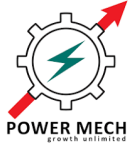
N Aravind: Yes. That's what we are targeting, sir. 30% of the current whatever the turnover we are going to achieve in FY24. Even if you take Rs.4,500 crores as a minimum, then on that, Rs.5,850 crores will be my top line number for the next year.



- Sabyasachi Mukerji:** Got it. Last question from my side. What -- all these revenue numbers, what it will kind of have an impact on the margins? Do you have -- I mean we'll see some bit of operating leverage, how the margin should move?
- N Aravind:** Sir, we are more or less maintained Q2 and Q3 margins at the same level. And compared to the previous year, there is an upside increase of 30% margins. Depends on the mix of FGD and the mining, probably the margin will go up. Otherwise, we do not foresee any drop in the existing margins, it will continue at the same level.
- Sabyasachi Mukerji:** Okay. That's it from my side. Thank you, all the best.
- Moderator:** Thank you. The next question is from the line of Anupam Gupta from IIFL Securities. Please go ahead. Give me a moment please. Mr. Gupta? Please go ahead.
- Anupam Gupta:** Yes. So, sir, just wanted some clarity on the capex. So what is the capex you'll do for the EPC business? And what is the capex, which will go towards the mining business in FY24, FY25-FY26?
- N Aravind:** With reference to washery is concerned, approximately around Rs.690 crores, which we projected the capex -- total capex, out of which Rs.240 crores, we raised funds through QIP. And balance Rs.450 crores, we are raising a loan at Power Mech level. So by over a period of '26, the major capex requirement will be around Rs.690 crores for the washery itself.
- Apart from that, SPV level, we are raising funds for the HEMM requirement and other plant requirements. we have already procured the machinery and the mining activity is going -- it depends upon the requirement of the site, we may raise additional equipment's at SPV level.
- Anupam Gupta:** Okay. So let's say, if I look at the consolidated level, what will be the yearly capex, which you are budgeting broadly including SPVs and the EPC business?
- N Aravind:** EPC business level, Rs.690 crores is the capex requirement. And at the SPV level, then it depends upon the availability of land and other issues, we can fund through internal accruals, there is no challenge in raising the loans at SPV. At this juncture we are not incurring any major capex at SPV level.
- Anupam Gupta:** Okay. That's it from my side. Thank you.
- Moderator:** Thank you. We have a next question from the line of Riya from Aequitas Investment. Please go ahead.
- Riya:** Hello. Thank you for the follow-up. I would like to ask what is the current portion for international orders for us?
- N Aravind:** Rs.113 crores.



- Riya:** Sorry?
- S.K. Ramaiah:** Rs.113 crores backlog as of today.
- Riya:** Rs.130 crores?
- S.K. Ramaiah:** Rs.113 crores, 1-1-3.
- Riya:** Rs.113 crores backlog, okay. And currently, in this quarter, you see that order intake on O&M has increased significantly. So what would be the top major orders that we received during the quarter?
- S.K. Ramaiah:** Yes, there are many orders received in Q3.
- Riya:** Any major ones?
- N Aravind:** Yes. We received one Ghatampur Thermal Power project around Rs.263.57 crores. Meenakshi Energy, around Rs.675 crores, And from Rajasthan, we received 2 x 91.5 megawatt Dariba, Udaipur, Rajasthan -- Hindustan Zinc, around Rs.229.2 crores.
- Riya:** So going forward, with the increasing contribution from O&M and with higher share of mining and new orders coming into our numbers, what kind of margins are we seeing for the upcoming quarters and next year?
- N Aravind:** With reference to MDO operations are concerned because initially, there will be a low revenue and cost will be less. there's a change in the mix during next year. It depends upon the mix between the FGD and the mining. Probably we can be able to tell you detailed guidance after Q4.
- Riya:** Got it. Thank you so much. My questions have been answered.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing comments. Over to you, sir.
- S.K. Ramaiah:** I thank for your participation and the very interesting questions asked. I think we have -- continued to be bullish with the growth what Aravind has brought about and there are many developments Rohit has explained on the MDO and also international operations. I think the NIP, which is contributing immensely for the opportunities, National Infrastructure Pipeline, both in infrastructure, power sector, energy sector.
- And then which is getting converted and perhaps most of the customers and even investors, they are very bullish on all these investments with projects being followed for aggressive implementation. We feel this profitability growth, EBITDA, enhancement and then the order backlog enhancement will continue to play in our operations. And one advantage for us,



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obviously, is that the more and more projects commissioned in the power sector, for example, 27,000 megawatts of power projects are under implementation.

And that will come with some sort of O&M opportunity to come next year also. That's why we have seen almost Rs.2,000 crores of O&M orders coming as on today, which is a huge jump in our order booking in the O&M. And also the spurt in the orders what we've got in the installation business and the civil works also, for the power plant -- that is what we expect to continue to be there in the coming years, at least two to three years.

Moderator:

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