KILBURN ENGINEERING LTD.

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14th February, 2024

To
The Corporate Relationship Department
BSE Limited
P.J. Tower
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: BSE 522101

To,
The Secretary
The Calcutta Stock Exchange Ltd.,
7 , Lyons Range,
Kolkata – 700 001

Scrip Code: CSE 21022

Sub : Transcript of earnings conference call on the unaudited Financial Results for the quarter ended 31st December 2023.

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith transcript of the earnings conference call held on 9th February, 2024 to discuss the unaudited financial results of the Company for the quarter ended 31st December, 2023.

For **Kilburn Engineering Limited**

Arvind Bajoria Digitally signed by Arvind Bajoria Date: 2024.02.14 19:19:18 +05'30'

Arvind Bajoria
Company Secretary
& DGM (Costing)
M.no. ACS – 15390

Encl : as above

KILBURN ENGINEERING LTD

Q3 & 9M'FY24

POST RESULT CONFERENCE CALL

February 09, 2024 12:00 PM IST

Management Team

Mr. Ranjit Lala - Managing Director
Mr. Anil Karnad - Whole Time Director
Mr. Sachin Vijayakar - Chief Financial Officer
Mr. K. Vijaysankar Kartha - MD, M. E. Energy Pvt Ltd

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, I welcome you all to the Q3 FY'24 Post Earnings Conference Call of Kilburn Engineering Limited. Today on the call from the management team we have with us Mr. Ranjit Lala, Managing Director; Mr. Sachin Vijayakar, Chief Financial Officer; Mr. Amritanshu Khaitan, Director; and we also have Mr. K. Vijaysankar Kartha, who is the MD of M.E. Energy Pvt. Ltd., the recent company acquired by Kilburn Engineering.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded. I would now request the management team to detail us about the performance highlights for the quarter that went by. The growth plans and vision for the coming year post which, we will open the floor for Q&A. Over to you, Ranjit.

Ranjit Lala: Thank you, Vinay. Good afternoon to all. I welcome you all for the Q3 financial year '24 post earnings conference call. We are pleased to announce the quarter three results of Kilburn, which are as follows. The income from operations stood at ₹72.8 crores, which was an increase of 35% from the corresponding quarter of the last financial year. The operating EBITDA stood at ₹17.2 crores, which is an increase of 90% from the corresponding quarter of last year, which transleted into an EBITDA margin of around 23.7%, up by 687 basis points from the last quarter from the similar quarter last year.

The EBITDA margin for the nine-months of the current financial year stands at 22%. This is because of the mix of the orders which have been executed with higher margins. The profit before tax stood at ₹14.8 crores up 40% from the corresponding quarter last year, and profit after tax at ₹10.3 crores approximately 37% up from the corresponding quarter last year. Based on these numbers, we can say that we have had a sustained revenue growth across all three quarters in the current financial year, and we expect this to continue. We have maintained a strong and diversified order backlog of ₹236 crores as on December 31, 2023.

In Q3 FY '24, we also secured orders worth ₹95 crores, which indicates a sustained and strong demand for our products and solutions. I would also like to give you an update on M.E. Energy. In the last quarterly results meeting, we had apprised you of our proposed acquisition of M.E. Energy, and I'm pleased to inform that the acquisition process will be soon completed. And Mr. Vijay Kartha, the MD of M.E. Energy is also available on forum to speak more on the company and also address any questions from you all.

I would further state that a roadmap for the acquisition of M.E. Energy and KEL is worked out on a broader level, and detailed plan has been put in place. We have already started leveraging this new relationship to build businesses in new industries like steel and further penetration in the carbon black market. As far as the order book of M.E. Energy is concerned, the closing order book on 31st December 2023 stood at ₹118.5 crores. On the future outlook of Kilburn Engineering and M.E. Energy, I would say that on the order side, on the inquiry side, we have around ₹1,000 crores plus of inquiries, which we are addressing. And same is also applicable to M.E. Energy for their product portfolio. They have around ₹1,000 crores of inquiries.

The revenue expected for Kilburn in the current financial year is expected to be in the range of ₹290 crores to ₹300 crores by the end of Q4 on a standalone basis. The revenue for M.E., which would be added to the KEL share post acquisition would be in the range of ₹30 crores. The close order book for Kilburn as on 31st March 2024 is expected to be in the range of ₹260 crores to ₹280 crores, and for M.E. Energy is expected to be in the range of ₹70 crores to ₹80 crores. This would translate into an open order book of ₹330 crores plus on 1st April 2024. With the integration in place, we expect to achieve a turnover of ₹500 crores plus in the next financial year at the group level.

The EBITDA levels for KEL for the current financial year are expected to be in the range of 18% to 20%, and for M.E. Energy in the range of 15% to 20%. On the CapEx front, I would like to apprise you that we are expecting a CapEx in the range of ₹15 crores to ₹20 crores over the period of next 18 to 24 months.

With this, I conclude my briefing, and I request Mr. Kartha to give a brief background on M.E. Energy and about himself. This will then be followed by the question-and-answer session. Over to you, Mr. Kartha.

Vijaysankar Kartha: Thank you, sir. So, a very good morning to or rather good afternoon to all those who are present for the presentation today. My name is Vijaysankar Kartha, the short name is Vijay. And I'm part of the founding team of M.E. Energy. And I had been heading the organization since founding two decades ago. M.E. Energy started off as a very tiny organization with just three people, friends coming together and starting off. But the real growth happened in last 10-12 years. Like any other start-up venture, M.E. Energy had its own strength as well as weaknesses. The nimble operations, faster response, better customer services, all these positive strengths could not be matched with the required financial and market strength in the last 12-13 years of growth.

And we believe, the alignment with Kilburn Energy working together, being part of Kilburn Group is going to bring in and plug this weakness that we are faced for the growth of the company. So, we are also very bullish and looking forward to bringing a lot of growth to the group and the investors.

So, talking about M.E. Energy, M.E. Energy is fully into custom built systems, which are designed to specifications, and our focus is on thermal energy saving. We recover waste heat available, or coming out of processes in the industry. Put an equipment to capture it as well as reutilize it in a big way. So, over the last two decades, we have amassed a good reputation in the market. We have almost all the Tier-1 corporates of India as customers with us. Like you name it like Reliance or Britannia or HPCL, BPCL, IOCL, Shell, these kinds of Tier-1 customers. However, we had inherent weakness that we were not able to bid for larger value projects for the reasons I specified earlier.

So, I think, this untackling from this position is going to bring in a lot of strength to us. So, what we have seen is last two years, two, three years, the major businesses coming to us from steel industry, waste to energy where the incinerator for the waste heat recovery systems at the back end of incineration in systems in the industry. Food industry, specifically from Britannia where we have innovated and made a product specifically for them.

So, the future is bullish. Like Britannia, what we have done for Britannia is to reduce fuel cost of baking by almost 50%. And further we made systems suitable for baking biscuits using Agro waste like rice ash for other biomass briquettes, and the systems have been proven they're in operation. Currently, we are executing major projects for the current year, Britannia itself contributed around ₹30 crores turnover into M.E. Energy.

So going forward, we look forward to bidding for larger value project like ₹50 crores and ₹100 crores packages, and also acquire benefits from the market presence of Kilburn. The brand image of Kilburn, and the presence of a few locations other than our own office in Pune. So overall, M.E. Energy as a team is very bullish and happy to be associated with this group.

Talking about M.E. Energy's Group, we are approximately 100 engineers and managers, almost 25 of them have been added after the Kilburn acquiring has been announced, in preparation to the next two years of spurt in growth that we are looking for. So, prior to announcement or prior to planning of this acquisition, we were around 70 engineers and managers. Currently, we are at 100, and we have added the people to the organization looking at what is going to be installed in the coming and forthcoming financial years.

And our people strength is, very well spread out between people who are seniors with lot of experience in the planting systems that we do. That brings in a good amount of knowledge and capabilities. And we have a lot of young shoulders, young blood in the organization who brings in innovative thinking, out of box thinking, and lot of energy and nimbleness to the organization.

The average age of employee at M.E. Energy is around 30. That's one of our major strengths, and we look forward. There's ample provision within M.E. Energy's factory for expanding the productive area under crane, what we call. That is suitable for reusing these supplies for customer can be enhanced into 3x by a little investment so that we have planned in the near future.

So overall gentlemen, we are looking at a very bright aspect and whatever we have not been exploit until now against larger competitors in the market is going to be open for us. And with the Kilburn helping us to open boardroom opportunities, I think it's going to be better days, ahead. That's all. Thank you, gentlemen.

Question-and-Answer Session

Moderator: Thank you, sir. We'll now open the floor for Q&A. All those who wish to ask a question may use the option of raise hand, and we'll call you in the order of the hands raised. The first question is from the line of Garvit. Garvit, you can go ahead please.

Garvit Goyal: Hi, good afternoon. Coming to your guidance. So, in earlier con call, you were guiding for ₹400 crores kind of turnover. So now it is adding

₹330 crores, you mentioned in your opening remarks. So, what is the reason for it?

Ranjit Lala: Can you repeat your question, please?

Garvit Goyal: In earlier con call, you guided for about ₹400 crores turnover on consolidated basis for FY'24. And in opening remarks today, you mentioned ₹330 crores, so any specific reason for it or?

Ranjit Lala: Right. So, no, there has been some spill over as far as Kilburn is concerned into the next financial year. So that's why we would be in the range of ₹290 crores to ₹300 crores. And as far as M.E. Energy is concerned, we would get the share of the execution only to the extent after the acquisition is complete. So that would be in the range of ₹30 crores. Okay. That's the reason why this difference.

Garvit Goyal: So, the kind of numbers like you gave for the order books and revenue numbers. So, considering that, are you people looking for more than ₹100 crores kind of order inflows in this particular quarter for Kilburn?

Ranjit Lala: Yeah, as I said, we have a ₹1,000 crore plus pipeline. And we are at an advanced stage, and I'm sure we will touch on the range of ₹100 crores.

Garvit Goyal: And in your recent filing for the order books, we got an order of hydrogen chloride reactor. So, can you spend few moments on this product? And is this product in any way related to the hydrogen production scaling up in India?

Ranjit Lala: Well, I'm sorry, but I will not be able to give much details on that.

Garvit Goyal: Is it a new product, or are we already manufacturing it for the last year? Or is it a new product?

Ranjit Lala: Well, it's the customized product for them. And this is on similar lines, what do we have been manufacturing in the past. But I can come back to you with more details. We can take this question back.

Garvit Goyal: Okay Sir. And one last thing on the margin side. So, our current level of margin sustainable, like you mentioned in your opening remarks. The margins are at this level because of the product mix. So, the new orders that we are getting, so those orders are also in the range of higher margins, or what is the margin profile for those new orders?

Ranjit Lala: So, the margins keep changing from project-to-project. And consistently, we have said that, we would be having margins between 18% to 20%. So, there have been a couple of quarters where we executed projects with higher margins, but I think we will end the year in the range of 18% to 20%.

Garvit Goyal: When you say, FY'25, ₹500 crores kind of turnover, so on that level, what kind of margin do you anticipate like order books are currently not on hand. So, you, definitely know what is the margin profile for those orders. So, considering that.

Ranjit Lala: We expect the margins to be in the range of 18% to 20% for Kilburn and around 15% to 20% for M.E. Energy. A lot more clarity will come when we close the year.

Garvit Goyal: Okay.

Garvit Goyal: Understood. That's it from my side. I'll join the queue.

Ranjit Lala: Thank you.

Moderator: Thanks, Garvit. We'll take the next question from Ganesh Kumar Sankaran. Ganesh, you can go ahead, please. We'll move forward to the next participant. We'll go ahead. Manan, you can go ahead, please.

Manan Shah: Yeah. Hi. Thank you for the opportunity, and congratulations on good set of numbers.

Ranjit Lala: Thank you.

Manan Shah: I believe when we started this year, we started the year with an order book of almost around ₹350 odd crores, right?

Sachin Vijayakar: No, it was ₹240 crores.

Manan Shah: ₹240 crores, but I think by end of Q1, we were closer to ₹300 plus sort of crores order book, right?

Sachin Vijayakar: No.

Manan Shah: Okay. Fair point. But still for this year, again, we are targeting the year end order book of around ₹230 crores, ₹240 crores only despite, targeting for a much higher revenue growth for the next year. And I mean, it's for more than a few quarters now, we've been having an inquiry pipeline of ₹1,000 plus crores. And I mean, our conversion rate has not kept pace. So, anything that you can throw some light on that side?

Ranjit Lala: Well, when you say the conversion pace, you're talking about the revenue, the turnover part of it?

Manan Shah: No. The conversion of your inquiries.

Ranjit Lala: Right. So, I think as far as the conversion is concerned, I mean, we do see some delays in conversions of some orders. But by the end of this year, I'm sure we will in this current quarter, we're talking about ₹100 crores. See these are things which keep trading from time-to-time. There could be some delays in decision making by the management of our customers. There could be some other delays. There could be decrease of capital outlay from their end. So, these are part of business. I think what's more important is that we have a consistent inquiry pipeline, and we have a reasonably good conversion rate. And I think that's where we have paced very well.

Manan Shah: Okay. Then you are still confident that within closing order book of around ₹230 crores, ₹240 crores in the year end, we will be able to clock around ₹400 odd crores for Kilburn?

Ranjit Lala: For the next financial year.

Manan Shah: Yeah, next financial year.

Ranjit Lala: Yes. Absolutely.

Manan Shah: Okay. Sure. My next question was for Mr. Vijay. How has life changed post this acquisition for you and in terms of inquiry, in terms of business, and in terms of the atmosphere of the M.E. Energy employees and staff? I think you're on mute, sir.

Ranjit Lala: Mr. Vijay, you're on mute.

Vijaysankar Kartha: Yeah. Can you please repeat? I missed it.

Manan Shah: Yeah. I was just saying that how has life changed for you and M.E. Energy post this acquisition and in terms of inquiry and the business atmosphere and also in terms of the employees and how has life changed for you?

Vijaysankar Kartha: Yeah. See, post acquisition, there is an overall positiveness, people looking forward for bigger and larger things. As you would agree anyone wants to work on larger projects and bigger equipment and complete more the challenge for a Project Manager is to do a larger project. A challenge for a designer is to do more complicated things and first of a kind systems and things like this. So, people see this as an opportunity for their own personal growth in terms of professional aspirations. And as a company, we are looking forward that this brings in, opens a lot of doors for us and growth. This is the overall feeling within the organization.

And personally, for me being part of the only founding members in M. E. Energy as a Founder. For me, the growth of the companies, or the organization, the child that I have for kind of given birth to is uppermost in our mind. And our objectives have, topmost of the objective has always been to see that the company does well. And really speaking, just before COVID times, we were going to cross a major milestone of ₹100 crores, and then the COVID came and it went down. So, again like that ₹100 crore slogan is upright in everybody's mind. And the life is going to be good. That's what people expect.

Manan Shah: So, M.E. Energy would be closing this year at what sort of revenue?

Vijaysankar Kartha: This year, M.E. Energy will close anywhere ₹65 crores to ₹70 crores turnover.

Manan Shah: Okay.

Vijaysankar Kartha: That will be almost 90% of almost close to 2x of last year for us.

Manan Shah: Right. And this CapEx that we are doing is for M.E. Energy or is it for Kilburn?

Ranjit Lala: It's at the group level.

Manan Shah: It's at the group level.

Ranjit Lala: Yeah. The figure which I mentioned of ₹15 crores to ₹20 crores would be at the group level. Some of it would for function of the facility at Pune, which Mr. Kartha just mentioned in his briefing. And some of it be at our factory in Saravali, Thane District.

Manan Shah: Okay.

Vijaysankar Kartha: Just to add is, a small corollary to Mr. Ranjit Lala said. You see the Kilburn has a very good well-equipped factory in Kalyan, and we have one in Pune. Now we have an opportunity to do a lot of rationalization of making things which are most suited -- in the work that is most suited. For example, our factory is more suited for a little more bulkier, but lighter equipment. Whereas Kilburn has capability of manufacturing heavier equipment.

So, when we do some kind of product swapping between this factory, or source of manufacturing of or executing the orders. I think we are going to derive a lot of cost advantages, transportation costs, and many other things that contributes to the overall EBITDA of the company. So, this is one major aspect that is going to, we've seen on the bottom lines for the group next year. Just wanted to add this so.

Manan Shah: Okay. And with the kind of infra that you have at M.E., what sort of revenue potential do we have, and what is your aspiration for M.E. in in say two, three years. Where do you think M.E. can reach?

Vijaysankar Kartha: See M.E. Energy is a business is little different, as I understand from that of Kilburn in the sense. We have focused on larger systems whereby our own manufactured items revenue or value could be anywhere from 30% to 70%. So, when we pick up orders of larger value, the manufactured item cost tend to come down, and the other BOP item, what we call Balance of Plant item tends to increase, which gives us capability to cater to larger turnovers using lesser square feet areas under crane.

So, this is going to be the thing. So that also will improve M.E. Energy's EBITDA, because same but the turnover per person will go up when we start attacking on larger value orders. So, M.E. Energy's factory is not built for 150 or 200 tonne equipment, which Kilburn's factory is. So, these are little technical differences, but it's not that we have not done heavier one. We use different methods of metal moving or equipment moving in our factory than what Kilburn does.

Manan Shah: Okay. Sure. I'll get back in the queue. Thank you.

Vijaysankar Kartha: Thank you.

Moderator: We'll take the next question from Shubham Upadhyay. Shubham, you can go ahead, please.

Shubham Upadhyay: Okay. Good afternoon, everyone. I'm Shubham Upadhyay from the Microcap Minute. First of all, congratulations on a good set of number. So, my first question is, regarding, can you share the margin profile when it comes to the order which are executed at site versus order which are executed at factory, because the last time in the con call, you mentioned that the orders which are executed in this, at the site have lower margin profile. So, can we have that number?

Ranjit Lala: Well, for the one in the factory, I think we would definitely be in the same wage of 18% to 20%. And the one set site, it could vary from time-to-time. Currently, we have only one project going at site, which is an IOCL Paradip. But unfortunately, I don't have the numbers off hand. Sachin, is it possible for you?

Sachin Vijayakar: Yeah, What I can say is out of total closing orders of the ₹236 crores as on December, what is going to done at site is around only ₹20 crores to ₹25 crores.

Shubham Upadhyay: Okay. Just ₹20 crores, ₹25 crores.

Sachin Vijayakar: Yeah. Out of closing order.

Shubham Upadhyay: Okay. And what percentage of the order are being exported of the current order book?

Sachin Vijayakar: Our total closing order book is around ₹30 crores export out of this ₹236 crores.

Shubham Upadhyay: Okay. So, ₹20 crores, ₹25 crores is at site and ₹30 crores is at export?

Sachin Vijayakar: Right.

Shubham Upadhyay: Okay. Thank you. I will re-join the queue.

Sachin Vijayakar: Yeah.

Moderator: Thanks, Shubham. We'll take the next question from Richa Agrawal. Richa you can go ahead, please.

Richa Agrawal: Thank you for the opportunity. Sir, my question is that, if you could talk a little more about competitive space as well, the competition from China and Germany. So, when it comes to these order books of ₹1,000 crores that you're highlighting. Do you see a high competitive intensity, and how do you see the margin profile? Also, if you could name some of the peers in domestic listed space that are catering to the same kind of requirement for the clients?

Ranjit Lala: Mr. Vijay, can you take that question for M.E. Energy?

Vijaysankar Kartha: Sure. I can. You see, the China is known and good for replicating things, not in doing custom built things. When it comes to catering to the specific requirements of customer, China cannot compete with us. So, we have at M.E. Energy, at least, we have not seen many competition from them. Rather, I would say hardly any competition we have seen. Maybe one out of 100 opportunity we have seen China.

So that's in China that's not a competition at all for us, accordingly at M.E. Energy. Because each waste to energy or energy saving or custom-built thermal engineering system has a lot -- has a requirement of building a system or designing it from basic principles, which Chinese cannot compete with us.

So as far as M.E. Energy is concerned, this is not a competition for us. As far as Germany is concerned, we have done jobs for customers in Spain. We have done for Turkey. We have done for France. Most of the places we have had good prices, and we competed successfully with them, and we have not faced any competition from Germany.

Richa Agrawal: Okay. And within India, sir, who would you consider your peer? Like, I mean, this is a question for both Kilburn and M.E. Energy?

Vijaysankar Kartha: Shall I go ahead? Ranjit sir, I will answer for M.E. Energy. You see, M.E. Energy competes with, maybe one out of 4 or 5 times we compete with Thermax. Thermax is a much larger company, and they have a large product portfolio. So, the equivalent turnover of what we do in energy saving in the size and type of project that we do for at M.E. Energy if you take, we are almost, the same in competition with Thermax, and Thermax is going for larger and bigger systems.

So, our opportunities are growing in the space. And this is from Thermax. Another competition we face is a company called Thermal Systems in Hyderabad.

But their capabilities are more of a manufacturing, what we call as built to print. You give a drawing to them; they make it and give it to you. Then, offering a complete comprehensive system with main equipment and balance of plant turnkey, etc. So, they do -- so if you see, their profitabilities are much, much lower than us, because when it is a built to print job, it is like, it is typically the buyer knows the weight of the equipment. So, they put the price of fabric cost of steel and cost of fabrication and with the price, into the price. So, the price visibility is extremely high in such cases. So, they are not able to compete with us, when it comes to the system in terms of system building capability. And they will win orders where more of a price visible fabrication opportunity there when they are against us.

So, this is the main competition that we face in terms of energy saving projects.

Amritanshu Khaitan: I think, Amritanshu here. Ranjit has got logged out. I can just address a point, which was raised on competition. So, for Kilburn, I think the main competitors in listed spaces, it's very small segments. You have Walchandnagar Industries, which is listed. Apart from that, most of the players are unlisted, either it's in you have from China a competitor called Doright. You have Andritz from Germany. And then you have a lot of small manufacturers in the paddle dryer space, but no major listed players actually there in the segment, if that answers the question.

Richa Agrawal: Yeah. Thank you so much. And, sir, we cater to a bunch of sectors. And in the last recent con calls, we have been talking about expanding the scope of opportunities, perhaps to API and other sectors. So, if you could just give up some kind of update on, if we are making progress there. And when it comes to margin, is it sector dependent, or is it product dependent that we offer? And if it is sector dependent, what kind of range do we see in different kind of sectors that we cater to?

Amritanshu Khaitan: I think it is more product dependent. You have margins which can be high in the same sector depending on the type of customized order you get. So, I think it's more product dependent. When Ranjit re-joins, he can address that. Apart from that, what was your other question, please?

Richa Agrawal: So, first was on the margins, and the second was you were planning to enter some new segments like M.E. Energy?

Amritanshu Khaitan: New segments, so the M.E. acquisition itself is a step to diversify and add new sectors in place. We recently got an order from the steel industry from one of the largest integrated steel players that happened due to the strengths of Kilburn and M.E. coming together. Kilburn's balance sheet strength helped M.E. get the job secured and Kilburn bagged the order. So, I think our play into the steel sector will increase going forward.

Apart from that, API is something we're already executing a job for Granules, which is known. Once the prototype is set up and commercial production is done, then they would look at future expansion. So, API is something we have entered for equipment manufacturing. We have diversified into air preheaters in the carbon black space. All the products which M.E. has is also utilized. M.E. products are also complementing Kilburn's range in the carbon black space, where we will be able to cater to a much larger range of products for carbon black industry. Nearly, I would guess, 40% of all equipments would be available with us to set up a carbon black plant.

Richa Agrawal: Okay. And you have given a guidance, like of guidance of ₹500 crore by FY'25. So, is this CapEx of ₹15 crore to ₹20 crore enough to reach there? And how do you see moving forward from there? Like, will you need more CapEx? If yes, what kind of CapEx it would require to scale up the revenues to, let's say 2x of ₹500 crore. Some kind of sense there whether the expansion can be carried out…?

Amritanshu Khaitan: Basically, what Mr. Kartha mentioned and which even Ranjit had mentioned, a lot of our orders are solution based where some equipments are manufactured in house, and part of the equipments come are bought outs. So, if you see with this nominal CapEx, which is being planned, I think ₹600 crores to ₹700 crores revenue can easily be achieved by the two entities combined. Also, with the kind of technology which the company possesses and the team which is there, some level of outsourcing can also be done.

So, I don't see a massive CapEx being required in terms of achieving a higher growth trajectory. I think the two plants together can help scale up significantly. But tomorrow, if any other opportunities do come up to add more products and range then that might help.

I think Ranjit has now re-joined, so he can address further queries.

Richa Agrawal: Okay.

Ranjit Lala: Am I audible?

Richa Agrawal: Yes.

Ranjit Lala: Yeah. Sorry. Actually, I'm right now from Mr. Sachin's laptop. It was a crash. So, I'm back.

Richa Agrawal: Okay. Just one last question. There's a lot of talk about getting this bio, increasing the share of biogas in the entire energy mix. So, I mean do you see any significant potential or opportunity there if you could talk a bit about that?

Ranjit Lala: Yeah. So, Ms. Richa, I would say that we are going one step at a time. One year back probably when we had met, we said that we are looking at first going to ₹400 crores to ₹500 crores. I think that's our first step. And as we go forward, I'm sure we'll look in that direction also. But as of now, we don't have any blueprint on the deal.

Richa Agrawal: Okay. And what is the current receivable days?

Ranjit Lala: That was Sachin. Sachin, how much is it 60 days or…?

Richa Agrawal: 60 days, is it? Okay. Thank you so much.

Amritanshu Khaitan: Sachin, you are not audible.

Moderator: We'll move on to next participant. Sachin, do you have the answer to that?

Sachin Vijayakar: Yeah. I told that net working days around 60 days net working cycle.

Moderator: Yeah. We'll take the next question from Yashi Lohia. Yashi, you can go ahead, please.

Yashi Lohia: Hi. Thank you for the opportunity, and congratulations on the good set of numbers. So, I just had one question. So, like, as you guys have mentioned that we are receiving increasing orders from the steel industry. So, are there any specific factors contributing or there is any trend that is going on? Can you share some light on that?

Ranjit Lala: Well, when it comes to steel industry, I have to say that it is the success rate will be high due to collaboration with M.E. Energy and they always had a strong penetration in the steel vertical which will benefit us.

Moderator: Mr. Lala, you're not very audible. I would appreciate if you can come closer and speak to it.

Ranjit Lala: Yeah. So, I was saying that this success in the steel industry is thanks to the collaboration with M.E. Energy. And going forward, we expect the success to continue.

Yashi Lohia: Okay. And so, like…

Vijaysankar Kartha: I'd like to tendance on that. So, M.E. Energy is very, very strong in providing solutions to the steel industry. Steel industry as such is going for a massive expansion round. Most of the, players are enhancing capacities, accepting the public sector steel authority, this thing. So, if you see JSW or Tata Steel, everybody is increasing capacity. So, when they put up new plants, we have an opportunity because steel is a guzzler of thermal energy. And when they try to guzzle it down, something becomes waste, and we try and help them to recover and reutilize it.

So, whatever they do, there is opportunity for us. So now with the Kilburn's alliance between us, we can go for larger opportunities. We had been in the medium and smaller size opportunities in steel industry. Coming next two years, three years, we will go for larger this thing and this positive run-on steel industries likely to last for next two, three, four years.

Ranjit Lala: Yeah. I'm sorry that I had to drop out because of laptop crash. I'm back. Sincere apologies for the whole thing.

Yashi Lohia: Okay. And so, like going forward, what are the major industries that you think you'll get your orders from?

Ranjit Lala: Well, we have enquiry pipeline across all industries from petrochemicals, carbon black, soda ash. So, the industry is same. I mean, if you refer to our presentation, we have mentioned what we are into. And generally, we have enquiries all across the sectors. And we're also looking at a couple of other segments. This will continue.

Yashi Lohia: Okay. Thank you so much, I will get back.

Moderator: Thank you. We'll take the next question from Mahesh Attal. Mahesh, you can go ahead, please.

Mahesh Attal: Congratulations on great set of numbers. I'm fairly new to this company. So just wanted to know whether this acquisition that we have done of M.E. Energy. What have we paid for the acquisition and what is the percentage of our holding? Can you please answer this?

Ranjit Lala: Sachin, can you take that, please?

Sachin Vijayakar: Percentage of holding be 100% acquisition. It will be only on 100% wholly owned subsidiary, and our consideration is up to ₹99 crores.

Mahesh Attal: ₹99 crores?

Ranjit Lala: Yeah.

Mahesh Attal: And the highest revenue that the company has achieved is close to ₹65 crores, which will be this year, right? If I'm right, if you can correct me, Mr. Vijay, please.

Vijaysankar Kartha: Yeah. The revenue we have done was in 2017-18 that is ₹76.5 crores.

Mahesh Attal: And what were the margins back then?

Vijaysankar Kartha: I wouldn't remember.

Mahesh Attal: But generally, what is our margin? I mean, when we…

Vijaysankar Kartha: We would have booked, I think ₹6 crores or ₹7 crores of PAT that's what I remember.

Mahesh Attal: Can you translate this to EBITDA, please?

Vijaysankar Kartha: I mean, I'm not, see, typically our EBITDA levels are, 14%, 15%. That's what we had. But this may not be the accurate number for that year.

Mahesh Attal: Yeah. Fair enough. I mean that's a great achievement. One thing I just wanted to know, because waste heat recovery, I mean that's one way of generating power units, if I'm not wrong?

Vijaysankar Kartha: Yes, power units.

Mahesh Attal: So, what is the payback period when a company goes for waste heat recovery? Because if I am not wrong, and how are you going to compete with the likes of solar?

Vijaysankar Kartha: You see solar energy is and waste heat recovery are two different aspects in an industrial plant. When you use -- when you are forced to use heat in the process for producing a product in any industry, it is not possible to utilize 100% of the energy that you produce by burning of any fuel for using electricity. Some are going to go waste, and there comes the waste heat recovery opportunity, which is around 80% or maybe 75% of our revenues. So, whereas solar is an energy source. So, these are two things. So solar energy per se is not going to be a direct competition for energy saving. For example, if you're going to melt steel, you're going to burn some kind of fuel to melt steel, and the waste heat is going to come at the temperature at which the steel is going to be molten. So that, solar cannot replace that. This is the plain simple.

So, with respect to power generation, it's a very -- this application is very common where we actually use the waste heat for generating power. M.E. Energy has done a waste heat-based power plant in Bangladesh, which produces around 16-Megawatt electricity. It's in operation since 2016 or '17, I think. At that time, if I remember correctly, the payback period for the project for the customer was nearly eight or nine months only.

Mahesh Attal: Oh, eight or nine months?

Vijaysankar Kartha: Yeah. Eight or nine months.

Mahesh Attal: Okay. Great, I think that's slightly, I mean if we understand it, I mean, it's fairly less than what solar gives you, right?

Vijaysankar Kartha: Yeah, the one thing about the solar is the plant, the factors are very low in the sense you get the productivity, for only four to five hours a day. Whereas if you have engine-based or gas turbine-based power plant, the power plant will be working 24/7, so heat recovery works 24/7. We just now supplied a waste heat recovery boiler to Abu Dhabi on 15-Megawatt gas turbines for a paper mill.

Mahesh Attal: Is this also eligible for carbon credits, if or I mean, if the company is taking your plant?

Vijaysankar Kartha: Yeah, so until now the intermediaries, who are the manufacturers, suppliers, or installers of energy saving systems are not eligible for claiming carbon credit, but the end user, the people who buy and recover the heat and reutilize. They are eligible for carbon credit. And carbon credit is available to the end users.

Mahesh Attal: Fine. I mean, okay that that gives a great understanding of that. Even if a steel company is buying your product, he's going to get the carbon credit for that.

Vijaysankar Kartha: They will get the carbon credit, not M.E. Energy or Kilburn do.

Mahesh Attal: Great, sir. Sir, just on coming to Lala sir, I add just one question to him. Kilburn is majorly into the CapEx side. So do you see that, private CapEx kind of coming into like all this last three years, there was no CapEx from the private companies, not major CapEx. Are you seeing some kind of change in that environment like private CapEx coming up, because as capacities are already at the peakest stage? So, are they coming up with new capacities? Do you see something happening there?

Ranjit Lala: So, most of our customers so far in the last two years have been private sector. Okay. That means CapEx is happening out over there. And you can also see that we have our grown. So, obviously, the customers are somewhere or the other, installing or expanding the facilities both in brownfield as well as greenfield projects. Now probably, you are comparing with what the government is spending vis-à-vis the private payers. I think, that should not be the basis of comparison.

But for sure, definitely the private CapEx is on. It's not something which has stopped. There could be a dip on quarter-to-quarter basis or an upward moment, but it is a continuous process. And overall, it is an upward moment overall.

Mahesh Attal: And, sir, kind of I see that there is some rise in the margins that we have operating margins. So, is it because of the -- I mean cost optimization, or is it because of some leverage that we have? How exactly, should we take it going forward? I mean, do we still have a great operating leverage in our business? I think the M.E. Energy coming up. Do we see that going up by now?

Ranjit Lala: Right, so I would say it's a number of factors which contribute to the higher margins. First is the product mix itself. So, if you execute for the projects which have higher margins, so that is one contributor. Secondly, when you scale up your activities across any industry. So that's true also for us. That also is the contributor. And going forward, we see this to be intact though, we'll try to definitely better it with two factories in place now. I think, no Mr. Kartha already mentioned that we are going to rationalize the products which should be manufactured in this location, and that's how we explained that margins will stay good.

Mahesh Attal: Fair enough, sir. Thanks, and all the best.

Ranjit Lala: Thank you.

Moderator: Thanks, Mahesh. We'll first take questions from those who still not had a chance to ask a question. We'll take the next question from Alisha Mahawla. Alisha, you can go ahead, please.

Alisha Mahawla: Yeah. Thanks. Hi, good afternoon. I hope I'm audible?

Ranjit Lala: Yes. Very much.

Alisha Mahawla: Yes. So just one question. When we started the year, we were saying that we had an enquiry pipeline of about ₹700 crores, ₹800 crores. Now we're saying that's gone up to almost ₹1,000 crores. But yet the order inflows that we're expecting for '24 are lower than what we got in '23, despite all the strength in demand that we're talking about. So, is it that competitive intensity is increased or there was a larger order in '23, or has something else in the industry changed? And despite relatively lower order inflows, we're still talking of more than the 30% growth for next year.

So, again, are we expecting very strong order inflows in Q1, or how will we achieve this?

Amritanshu Khaitan: Alisha, if I can just intervene on this question.

Alisha Mahawla: Yes, please.

Amritanshu Khaitan: I think, there's a little bit of a confusion regarding the total order which you are mentioning. The expectation is that in the fourth quarter, we will have large orders coming in. So, the issue is not with the flow of orders. The first half, the order booking was on the lower side. There's a higher demand, a higher flow of orders in the second half. And we are going to end the year with a higher order booking, a higher closing order book then, which was an opening order book last year.

Also, when we are talking of a ₹1,000 crore pipeline, you have a lot of orders which we cannot predict whether it's going to be finalized in March or will it be flowing into April? But with, which month it's going to fall in, we don't know. So, we still expect quarter one to have strong order inflows to come in, which will thereby boost the turnover in the coming year, which was not the case in FY'24 where the first quarter had lower order booking, if that addresses your question. Because I could see there's a little confusion regarding the opening and closing order book.

Sachin Vijayakar: Because last year in March itself, we have received around two big orders amounting to around Rs.70 cr.

Alisha Mahawla: Okay. So, what I was referring to was order in 2023 full-year was ₹354 crores. And so far, based on whatever commentary we've given, doesn't look like we'll have inflows of ₹350 crores. It'll be close to probably or lower.

Amritanshu Khaitan: We should be at ₹350 odd crores or even it could be higher. But as I mentioned, a lot of orders might spill into getting finalized even in the month of April or May, because if the order pipeline which has been highlighted, these normally get concluded over the six-month period.

Alisha Mahawla: Okay. Let me put it this way. Are we just seeing, would delay in decision making or increase in competitive intensity or maybe, earlier we were talking of a higher conversion ratio, which probably would have moved lower a little bit? Is that leading to longer time to get the inflows?

Ranjit Lala: So, I would say that, it would be more often delay in the decision from our customers. As far as competition is concerned, I think they have existed and they'll continue to exist. So, you win some and you lose some. But these delays that we're talking about, orders going in from March to April or May is more of the delays from the customer-end.

Alisha Mahawla: Okay. And we've got some orders for silos last year. Have we got any incremental orders this year? Is there an update on that opportunity pipeline?

Ranjit Lala: Not yet. Silos orders typically are for the greenfield projects. So, there are couple of greenfield projects where we have bid. We need to wait and watch how it's going.

Alisha Mahawla: Okay. Great, thank you. Best of luck.

Moderator: Thank you, Alisha. We'll take the next question from Prolin. Prolin, you can go ahead, please. We'll move to Ganesh. Ganesh, you can go ahead, please.

Ganesh Kumar Sankaran: Yeah. Can you hear me?

Ranjit Lala: Yes.

Prolin: Hello, sorry, I just had -- I was on mute. Can I ask the question?

Moderator: Yeah, Prolin.

Prolin: My apologies. I was on mute. So, I have one question, right? I mean, from Kilburn's point of view as well as M.E. Industries point of view, who are our key competitors, right? I mean because from an M.E. point of view, I think Thermax and ISGEC will be our larger competitors. So how do we compete against them? What is something that, what is the reason why customer chooses us versus some of our larger peers who have a much more solid track record in terms of execution. So, can you help me understand the competitive landscape in both our core business and in our acquired business as well?

Ranjit Lala: Yeah. So, for the acquired business, maybe Mr. Vijay Kartha can answer. But for the core business, we are talking about Kilburn. We've always had competition from local players and from abroad as well. So, in the past, I have mentioned that when it comes to the carbon black industry, we have competition from 'Doright' from China, 'Arvos' from Germany. For soda ash, we have quite a few Chinese competitors, and then Andritz from Chennai. For one of our productive lines paddle dryers, we have three or four competitors, we have Raj Process, Arrowhead, Vapco, Mojj. Then for rotary dryers, we have F L Smidth, Walchandnagar, so these competitors stay.

So, I mean, they have been around and they'll continue to stay. And, I have mentioned that we have some strengths in terms of our knowledge equity in terms of the exotic metals, which we have handled for last many, many years. We have built up this knowledge base in our company and the experience that we have, okay? As far as M.E. Energy is concerned, I would request Mr. Vijay Kartha to throw some light on this competition and the strengths.

Vijaysankar Kartha: Yeah. Hello. So, about the competition, we already discussed about this. Actually, we do compete with Thermax in a few cases, but ISGEC we had not been competing because ISGEC is not very much into waste heat recovery systems. In fact, they have purchased from us, when they've ordered a waste heat recovery system to complete this scope for a public sector project, they purchased the waste heat recovery system from us.

So, Thermax, of course, we compete actually. But then Thermax, today wants to focus on larger and larger sizes and vacating the space. So, in our space where we are the medium size and lower size, may probably we have more orders than Thermax do. So, now is the opportunity for us to go into larger systems and high value systems. So, with Thermax, what happens is, we have the knowhow or technical capabilities to offer, steel for better system.

And at the same time, because we are a smaller organization where the responses are faster, and we move much faster. In a number of times, we find that by the time we reach the goalpost, Thermax is still working this. So, this is a very distinctive advantage. I want to very clearly say that we are not a cheaper alternative to Thermax. We also derive our good prices, and we give good production systems. We do not go in for cheaper components to keep price low and compete with Thermax. So, there is no price-level based competition. It is always the quality, the content, and the capabilities, and the know-how. That's what drives us in competing with these people.

Prolin: So, Vijayji, thanks a lot for that. One follow-up on that to Mr. Ranjit, would be when you say handling of materials, what is it that exactly, is our mode? Is it like, the chemistry part? Is it the for casting on metallurgy? If you can double click a little bit on the comment that you made on handling the metals?

And I have a follow-up. One more question to both of you would be, how much of our CapEx is linked to new projects and how much of it is in the existing project? Because this is more specifically to Mr. Vijay. But, Ranjit, you can also help me on that. Because, Vijay, what I understand is that globally, wherever there are these plants, right, where heat is used, there is lot of waste of heat, right so to say. So, I mean, there is a big opportunity in the existing installed base in terms of recovering this heat as well. So, if you can throw some light how much of our projects come from existing installed capacity and how much is it dependent on greenfield or brownfield expansion and, yeah, on the metals part as well?

Ranjit Lala: Right. So, from the metals part, I would what I meant is definitely the metallurgy. So, we handle an array of metals like aluminium, carbon steel, stainless steel, 316L, 304, then nickel-based alloys like cast alloy and Inconel, Monel, Titanium. But these are all exotic metals. And handling them as a part of the whole welding process is definitely a complex thing. This is where we have an edge. And as an organisation, we have like 350 to 400 welding procedures in place, which we have developed over a period of for many decades. So that's where I was coming from.

About the other question which you mentioned, of course, Vijay will mention about, M.E. Energy. From the Kilburn perspective, I would like to say that we have orders from both, from the greenfield as well as the brownfield. Like, we have customers like Birla Carbon, then Tata Chemicals. They have been the customers in the past, and they keep coming to us time and again, including Reliance. We have our installations, and sometimes they even need to upgrade the existing, installations, and that's where we come. So, we have a combination of both, the greenfield and the brownfield.

Yeah. Vijay, probably you can throw some light on your product portfolio.

Vijaysankar Kartha: Yeah. So, basically, when you talk about waste heat recovery system, the opportunities are new, replacement, and retrofit. Retrofit is when there is some equipment working at a lower efficiency. You try and put an equipment to enhance. Replacement is when there's something that's working and you put a new one, and new is a new. So, it's a new project that is coming up.

So, basically, maybe around 15 or 18 years back, after the '93 oil crisis, there was spurt of opportunities on waste heat recovery on retrofit. Then later on, people, the plant and equipment and suppliers and process licensees started incorporating the waste heat recovery system as part of their original offer. So, the retrofit market slowly started moving into the new.

When the new opportunity comes, you place an equipment. For example, we're doing a project for a customer in Gujarat. The early plant was working for 13, 14 years with some technology, which was a -- they did a retrofit for heat recovery. But then the new plant is coming with this thing, and we have joined with them for supplying the waste heat equipment.

So now, whatever has gone into the plant that typically waste heat system will have life of 20, 25 years. So, whatever has gone into the industry between, in the initial phase of oil price in 90s is going to come for replacement in replacement cycle very soon maybe 25, 30 years is the time when a boiler or a waste heat recovery thermal oiling system or a hot water system gets replaced. So that replacement market is going to come in a big way.

Having said this, today M.E. Energy, if you see almost 80% is new supplies. Maybe around 10%, 12% will be -- balance 20%, 25% will be retrofit in replacements. So, this is the situation with respect to the type of inquiries that we receive.

Prolin: Yeah. That was very clear. Last question and more to offer clarity. Did I understand it correctly that most of your projects, and this is for M.E. Energy that payback would be less than a year for on an average, for most of the projects?

Vijaysankar Kartha: Yeah. Not all the projects. There are quite a few of them. It depends upon the type of project we are talking about. So, when we talk about larger projects of a -- in waste heat recovery system. It cannot be just six months or seven months. It will be the same. But, typically, waste recovery systems in certain industries are paying back within two and a half, three years making it or maybe even up to four years customers accept, most of the industries.

But when low grade heat emitting industries, there are no opportunities. So, we cannot just say that all will be like one year. Another aspect is, for waste heat recovery system to be good in -- good payback periods in waste heat industry comes with the planned load factor. How many hours do you run your plant? I can make a plant to say, if it is a factory which runs batch type production, probably waste heat recovery system will payback much, much later.

So, there is no hard and fast that it has to be less than one year or considerable. It could be anywhere three to four years. Up to four years, we have seen customers accepting us -- accepting and going ahead with implementation for waste heat recovery purpose.

Prolin: Thank you, Mr. Vijay, and thank you Mr. Ranjit. All the best.

Vijaysankar Kartha: Thank you so much.

Moderator: Yeah. We'll take the next question from Ganesh. You can go ahead, please.

Ganesh Kumar Sankaran: Thanks for the opportunity. So, since we are developing custom built solutions for our customers, and I hear it as midsized customers. So, does it anyway limit our addressable market in terms of not necessarily capability, but from a scale standpoint?

Ranjit Lala: Well, our customers like Reliance and Tata's and Birla's are not midsize.

Ganesh Kumar Sankaran: Okay.

Ranjit Lala: Yeah. So, we have customers across all segments as I mentioned. So, the pharma's, the chemicals, even the midcap companies or the midscale companies they're our customers. We have all of those.

Vijaysankar Kartha: Okay. Just to add to this, you see when we say midsize or smaller size, the equipped package is midsize and small size. It is not the midsize and small size customers we are talking about. If you -- as far as M.E. Energy is concerned, we have top customers in India today. You name the industry top one or two or three will be M.E. Energy, where M.E. Energy has major supply. So, where it could be a Reliance, it could be a HPCL, it could be a BPCL, or Britannia, or Pepsi or this kind of customer.

So, we talk about midsize packages, not midsize customer. So, if our explanations carried that, the thing you just wanted to just correct it.

Ganesh Kumar Sankaran: Thanks a lot. So, alluding to your earlier answer. Retrofits new and additions. So, do you anticipate maintenance being a revenue stream at some point? Because, of course, everybody will require some sort of an annual maintenance, right?

Vijaysankar Kartha: Yes. At M.E. Energy, this year we are making the first bid for O&M of a project. So, we hope to add that into our basket going forward. The O&M is more of a people oriented 24/7 business. So, you need a little bit of different organisation or organisation structure to get into. So, we are gearing up. So, this year, it must be our first entry into this O&M space.

Ganesh Kumar Sankaran: Got it. Just one or two questions. So last year, we went through a significant amount of equity dilution. I'm assuming around 22% to probably 1% or 2% here and there. So, do you anticipate more equity dilution in the coming year or two?

Moderator: I would request, Amritanshu to take that question.

Amritanshu Khaitan: As of now, we don't plan, we don't see any major, any reason for any equity dilution in the current state of affairs. The free cash flows of the company will be strong enough to take care of the routine CapEx as well as going forward into its growth plans in terms of working capital. And whatever equity dilution has happened, that will give enough headroom for whatever growth plans the company has organically.

Ganesh Kumar Sankaran: Got it. One last question. What do you see as a conversion ratio in terms of the proposals that are -- that come to us and how much we succeed in getting converted to dollars?

Ranjit Lala: Well, that depends on the verticals that we're working in. We have a higher ratio in industries like soda ash, carbon black, in the tea industry. In the chemical industry for us is relatively lower. And we have recently stepped into the pharma industry, so there also we have a good conversion. So, I would say that, on an average, if you have a ₹1,000 crore pipeline, I mean, I'm comparing it with the pipeline that we have. So, I'm sure we can have a conversion rate of 25% to 30%, sometimes even higher, because we are very particular to what we addressed. It's not that we just filled up the pipeline of -- we have an addressable, let's say inquiries where we try to optimise our margins as well.

Ganesh Kumar Sankaran: Got it. So, I mean, looking at the economic situation, looking at how the country is growing, somebody alluded to the steel industry earlier. So, at a two-three year time frame, how do you anticipate the growth in the order pipeline to be?

Ranjit Lala: Let me answer this slightly differently. No, I mean, probably a year, year and a half back when we were speaking, we had made it very clear that our vision is to touch a figure of around ₹400 crores plus. Today, we are talking about ₹500 crores. So, as we move forward, we are confident that we will go beyond ₹500 crores, but we wouldn't want to count our eggs today.

Ganesh Kumar Sankaran: Yeah. Qualitatively.

Ranjit Lala: But definitely there will be an opportunity. So, we are very confident that we will continue to grow, as the nation grows.

Ganesh Kumar Sankaran: Great. Thank you. That's all from my side.

Ranjit Lala: Thank you.

Moderator: We'll take one last question for the day from the line of Garvit Goyal. Garvit, you can go ahead, please.

Garvit Goyal: Can you spend two minutes on giving an idea on the export as an opportunity for us. Like, you mentioned earlier, we do have product customisation capabilities, which Chinese player plan. So, going ahead, are we looking for exports as an opportunity to grab market share in global space?

Ranjit Lala: Yeah. That's a continuous exercise. We do have reasonably good export order book, especially on the VFBD for teas. Even for our equipment for carbon black, we have customers who buy from us in Europe and U.S. That's a continuous process. Now it may fluctuate from year-to-year, but I guess in the next two to three years, it should be an upward trend.

Garvit Goyal: Just last question on the -- like the numbers you've given in the opening comment, so going by that. Are you people confident enough to reach top line of ₹120 crores in this quarter with EBITDA of somewhere around 16% to 17%?

Amritanshu Khaitan: I don't think we give a quarterly guidance. So, I would…

Garvit Goyal: Actually, you mentioned for the yearly target. So, we and just that calculation changed to the number come back.

Ranjit Lala: Well, what I mentioned that we should end with 18% to 20% EBITDA.

Vinay Pandit: Garvit, derive your conclusions the management has given its annual guidance. Yeah.

Garvit Goyal: Okay.

Vinay Pandit: That was our last question for the day. So, would you like to give any closing comments before we end the conference call?

Ranjit Lala: Yeah. Once again, I would like to thank all of you for participating in this post earnings call. And I guess we will again be meeting after a quarter, and we will keep continuing, giving you an update from time-to-time. There are one or two questions probably which, I've taken back, and we'll try to address them.

Vinay Pandit: Right. Thank you so much. Thank you to all the participants for joining us on this call. I will also request Mr. Vijay Kartha if you would like to give any closing comments.

Vijaysankar Kartha: Yes. I'd like to. In fact, in my chat box, there is a question from somebody, as to whether M.E. Energy is tapping to the cement industry?

See cement industry, we have worked a very little bit, if you can compare it to the total opportunity available in that sector. That is only for replacement of certain items and manufacturing. But as far as, waste heat industry systems in cement industry as a whole. The packages are of larger size, like around each package. Lower size will be ₹60 crores, ₹70 crores and medium size will be ₹100 crores, ₹200 crores, ₹300 crores depending upon the size of the cement plant, number of locations, etc. So, M.E. Energy, though have the capability to design and manufacture in house, did not have the financial muscle to bid for this. I think that is in place now.

The next point we have -- next milestone we have to achieve to get into cement based, cement plant waste heat-based system is getting at PTR. So, we will have to -- we will work on this and maybe very soon, maybe four, five quarters from now, we will have our first PTR fast track record breakthrough, and I think we'll be home with the cement industry also. And I know that it's a very large opportunity, and it is only going to grow. So that's what I wanted to answer.

And also, this was a first-time experience for me to face the investors, and I think I did my best and continue to do that. And thank you very much.

Vinay Pandit: Yes, Mr. Vijay.

Ranjit Lala: One more question from Richa Agarwal. Maybe Sachin can answer that. She says that related to M.E. Energy acquisition, there was a plan to refinance, just to finance it through share issuance. Is this done or need to happen?

Sachin Vijayakar: Yeah. It is done. Fundraise has been done. The other processes are underway. Fundraise has been already completed.

Vinay Pandit: Right. Thank you so much to all the participants for joining us on this call. And thank you to the entire team at Kilburn and M.E. Energy for giving us their valuable time. This brings us to the end of this conference call, and thank you, everyone. You may log off now.

Sachin Vijayakar: Thank you.