KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

# "Kalpataru Projects International Limited

# Q4 FY '25 Earnings Conference Call"

# May 19, 2025

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**Moderator:** Ladies and gentlemen, good day, and welcome to Kalpataru Projects International Limited Q4 FY '25 Earnings Conference Call hosted by DAM Capital. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhoomika Nair from DAM Capital. Thank you, and over to you, Ms. Nair.

**Bhoomika Nair:** Yes. Good morning, everyone. A warm welcome to the Q4 FY '25 Earnings Call of Kalpataru Projects International Limited. We have the management today being represented by Mr. Manish Mohnot, Managing Director and CEO; Mr. S.K. Tripathi, Deputy Managing Director; Mr. Amit Uplenchwar, Director, Group Strategy; and Mr. Ram Patodia, President, Finance and CFO.

At this point, I'll hand over the call to Mr. Mohnot for his initial remarks, post which we'll open up the floor for Q&A. Thank you, and over to you, sir.

**Manish Mohnot:** Thank you, Bhoomika. Good morning, everyone, and thank you for joining us on the call today. I'll begin with an update on the key highlights for Q4 and full year FY '25 financial results, followed by operating context and performance of individual businesses. Subsequently, I will conclude with the outlook for financial year '26.

We have concluded FY '25 on a remarkably high, achieving highest ever revenue, EBITDA, PBT and order book, driven by exceptional project execution and strong diversified order backlog. More importantly, our balance sheet has grown stronger with sharp reduction in net debt, improved net debt to equity, improvement in ROCE and notable decline in net working capital days.

Additionally, we have made visible strides in enhancing the quality of our order book by securing large-sized complex orders in segments like underground metro rail, HVDC transmission and substation, design-build B&F projects, airports and industrial plants.

These strategic steps are helping us to improve our competitiveness and build niche capabilities in the EPC business in order to be future-ready along with delivering sustainable and profitable growth going forward. Getting into more details on the financial performance front. First, at the stand-alone level, we achieved one of the best ever performance in Q4 '25 with revenue, PBT and PAT growth of 21%, 49% and 61%, respectively.

Our stand-alone revenue for full year '25 rose by 13% Y-o-Y to reach INR 18,888 crores. Our growth in EBITDA, PBT and PAT was 16%, 20% and 22%, respectively, for full year '25. Our stand-alone PBT margin was up 110 basis points to reach 5.9% in Q4 '25, while full year FY '25 PBT was up by 30 basis points to reach 4.9%, which is in line with our target for annualized PBT in the range of 4.5% to 5%. Our improvement in profitability outpaced revenue growth in Q4 and full year '25 on the back of higher operational efficiency and better project mix.

Coming now at consol level. Our full year revenue crossed INR 22,000 crores mark with 14% Y-o-Y growth in turnover. Our consol EBITDA was up 13% to reach INR 1,834 crores and PBT grew by 17% to INR 823 crores. For Q4 '25, growth in revenue, PBT and PAT was at 18%, 40% and 29%, respectively, on a consol basis.

On the balance sheet and working capital front, we have further strengthened our working capital profile on back of our relentless focus on efficient working capital management, fund raised through QIP and timely project closures. Our stand-alone net debt witnessed sharp decline of 40% Y-o-Y to reach INR 1,107 crores and consol net debt declined by 25% Y-o-Y to INR 1,953 crores at the end of FY '25.

Our net working capital declined by 5 days at stand-alone level to reach 94 days and consol net working capital improved to 79 days. As guided at the start of the year, we were successful in bringing down our net working capital much below 100 days. We've also maintained finance cost as a percentage of sales at guided level of 2% at the stand-alone level.

The strong performance on the debt and working capital front is despite the elongated receivable cycle in the Water business. We have also made investment in capex throughout the year totalling to around INR 600 crores, staying true to our strategic intent of continually strengthening our capabilities to improve project delivery and drive competitiveness.

Our consol order book reached all-time high of INR 64,495 crores, embedded with good diversity across businesses, markets and project mix. More notably, we have surpassed the order inflow guidance by securing orders worth INR 25,475 crores in FY '25. Nearly 90% of the order wins in FY '25 are from our flagship T&D and B&F business, which provides us good visibility on the margin and execution front in the coming quarters.

Now coming to performance of respective businesses. Our T&D business sustained its strong growth trajectory with turnover crossing the INR 10,000 crore mark, recording an impressive 28% Y-o-Y growth in FY '25. Our order inflows in the T&D business in FY '25 reached INR 14,461 crores with strong growth of 30% compared to FY '24.

Our India T&D order book reached an all-time high of approximately INR 9,500 crores with major wins in the HVDC domain, improving our market position and providing good visibility for growth in the coming quarters. Our subsidiary, LMG Sweden reported its best ever performance with revenue growth of 79% and highest ever order inflow of over INR 2,800 crores in FY '25. LMG's order book stands at all-time high of INR 3,535 crores as on 31st March '25.

In Fasttel, Brazil, there is still some ground to cover, and we are working to improve our operations and strengthen the organization. Fasttel Brazil also posted around 35% revenue growth for FY '25 and ended the order book with an order book of INR 900 crores. Business visibility in the T&D business, both in India and international markets remain robust given continuous focus on energy transition, grid strengthening and rising power demand.

We remain confident that our T&D business will continue to sustain and deliver robust growth in coming quarters and in the next few coming years. Our Buildings and Factories business delivered healthy growth of 22% in FY '25 with order inflows of INR 8,225 crores and a closing order book exceeding INR 14,000 crores. We secured large orders in the residential and airport segment, along with strengthening our market position and addition of new clients.

Our focus in the B&F remains on securing large-sized design build projects and enhancing our competitiveness based on a strong delivery track record and robust execution capabilities. In our Oil and Gas business, we are progressing steadily on the Aramco project, while we deliver revenue growth in excess of 100% to INR 1,758 crores in FY '25. We expect the growth momentum in the Oil and Gas business to continue in the coming year. We continue to focus on international markets for future growth in the Oil and Gas business.

In the Water business, performance was impacted given delayed collections and deferred fund allocation, which has dented revenue growth in FY '25. However, we are witnessing good improvement in the collections starting Q4. Further, we expect momentum to improve going forward, and we have a healthy order book of over INR 9,500 crores, providing us a good visibility.

In the Water business, we continue to focus on closure of existing projects and remain cautious on future bidding. Having said that, the Water business has enormous potential in India and international markets on the basis of which we continue to strengthen our capabilities and business development efforts. Our Urban Infra business recorded revenue growth of 10% in FY '25, led by robust execution of the metro rail projects.

We continue to strengthen our team and capabilities in line with strong visibility in segments like elevated underground metro rail, elevated roads, tunnelling works, etc. In Railways, revenue stood at INR1,019 crores as we continue to focus on project closures and remain selective in new order booking due to intense competition.

Our road SPVs witnessed strong growth in per day revenue to INR 77.7 lakhs in Q4 '25 compared to INR 60.3 lakhs in Q4 '24. We have infused closer to INR 75 crores in our road business in FY '25, mainly towards repayment of debt. We are actively working to close the VEPL transaction in FY '26.

Moving into guidance for FY '26. We have surpassed the INR 60,000 crores order book milestone this year. A key aspect that has been instrumental in our journey has been the diversification of business and markets that we have built over the years. We will continue to further diversify the mix, expand to new markets and improve market position in existing business as we expect order inflows in the range of INR 26,000 crores to INR 28,000 crores for full year '26.

Our order inflows for FY '26 would be on better margins as compared to the orders taken in the previous few years, helping us improve our profitability in the long run. On back of a strong order book and execution momentum, we will target around 20% plus revenue growth for stand-alone and consol basis. We will focus to improve our margins as we expect stand-alone PBT margin in the range of 5.25% to 5.5%, improvement of 35 basis points to 50 basis points minimum over FY '24 and consol PBT margin of 4.5% to 4.75% for full year, which is improvement of closer to 100 basis points as compared to FY '25.

Last but not the least, capital management remains central to our strategy. We remain confident to maintain our net working capital below 100 days on a stand-alone basis and finance costs below 2% of sales at a stand-alone level. Similarly, our debt levels will continue to be in line with the business growth.

With that, I conclude my opening remarks and open the floor for Q&A. Thank you.

**Moderator:** First question comes from the line of Mohit Kumar with ICICI Securities.

**Mohit Kumar:** My first question is on, sir, the Water segment. Of course, we delivered very strong revenues in T&D and B&F segment, but Water has lagged, Water has declined Y-o-Y. Of course, some part is due to delay in payments and delay in execution. But how do you see this segment in FY '26? Do you think you can improve upon compared to FY '25?

**Manish Mohnot:** Mohit, as far as revenue is concerned, we definitely believe we would be doing better in FY '26 in the Water segment. As of now, we have not assumed significant growth in that business given still that we have challenges on old receivables. We did get payment of around INR 400 crores from some of our old receivables in the month of March, and we expect payments to further improve in May and June.

As of now, we have assumed a minimal growth of closer to 10% in FY'26 in our budgeted numbers in Water, but we will be revisiting this once we have more clarity on cash flow from the old receivables in the water projects. While we say so, we parallelly continue to explore some international projects on Water business and believe that during the year, we should at least have a few significant wins in this business in the international front.

**Mohit Kumar:** Understood, sir. My second question is, sir, is it possible to break the T&D order inflow between domestic and international? And can you give us the outlook on T&D domestic and Middle East separately? And do you think you can grow the order inflow on the high base of last year?

**Manish Mohnot:** So on the order inflow basis, if you look at the T&D business, we got order of approximately INR 14,461 crores in the previous year. The breakup is literally half and half. The domestic order book were around INR 7,300 crores and the international order book was around INR 7,200 crores. So international order inflow is concerned, it's been 50-50 in the previous year in international and domestic.

As far as the growth is concerned, we believe that there's a lot of opportunities over the next 2 years in T&D domestic. Lot many tenders already floated by Power Grid and PFC and REC in terms of creating a stronger infrastructure. Our own belief is that we should be doing better than this in terms of order inflow in our T&D business getting into the next year or getting into '26 itself.

**Mohit Kumar:** And anything on the Middle East and international growth, if you want to?

**Manish Mohnot:** So we're seeing a lot of traction in the international business also, Mohit, given that we see a lot of funding coming back in the African markets, huge opportunity in Middle East, driven by the entire growth pattern in some of these countries and also in Latin America, which is very strong for us, whether it is Chile, Guyana, Suriname and Brazil. So even on the international business, our first focus continues to be Latin America, then Europe, and Middle East and then Africa. And we believe that those businesses should also do reasonably well.

**Moderator:** Next question comes from the line of Gaurav Uttrani with Axis Capital.

**Gaurav Uttrani:** Sir, just wanted to check on margin, like we have seen that margins on the stand-alone level are stable, but we have seen some bit of drag on the consol level. So what was the main reason that we have seen that margins have declined on a consolidated basis? If you can tell any specific segment or subsidiary which have not performed well as per our expectation?

**Manish Mohnot:** No, I think on the consol front, when I look at stand-alone, there are 3 or 4 reasons why margins are down. One, as expected, our road assets still continue to be slightly negative, while they've significantly improved. Second, we have had some impact come from some of our T&D Saudi projects, which we had taken in our subsidiary, IBN Omairah.

These were projects of historical time during COVID time, which have nearly all closed and we have taken some hit there. Third, there are some losses in Fasttel, which were expected, although they've significantly improved. So they have significantly improved from the previous year. So it's a combination of all 3-4 things.

The good part is that we believe that we had done on majority of these losses, and that's why we have guided for a closer to 100 basis point improvement in consol margin getting into next year. So whether it is Saudi, whether it is Fasttel, whether it is road assets where one of them we're exiting and others, we have seen improved revenue. We believe that this was all in the last 2- 3 years on consol in terms of lower profitability is now behind us. And going forward from here, we should see consol margins improving much faster than the stand-alone margins.

**Gaurav Uttrani:** Got it, sir. Sir, second question is on the order inflow, which you have given the guidance of INR 26,000 crores to INR 28,000 crores. So where we can see that major improvement will be? Would it be largely driven by T&D and B&F? Or are we seeing some good traction into Water and Urban Infra segment as well for that? So I just want a broad breakup like how do we plan for this FY '26 inflows in terms of segment against the number of INR 26,000 crores to INR 28,000 crores?

**Manish Mohnot:** So our largest focus will still continue to be T&D and B&F, as I said on my call earlier. But why we say so, we're seeing good opportunities in Oil and Gas in Middle East. We are seeing some reasonably good opportunities in Urban Infra and selective sectors. We are seeing some good traction coming in Water in the international business.

So while we say so that our key focus would still be T&D and B&F, but unlike previous year, where T&D and B&F was more than 90% of our order book, I believe that getting into next year, they might be lower than that 90% because good traction is visible in the other businesses. The only business where we continue to stay cautious is Railway because we're seeing huge competition there.

And that's a segment where we might not even have any orders inflows in the next year unless a few international orders come through. Besides Railways, we continue to be bullish in all other segments.

**Gaurav Uttrani:** Okay, sir. Got it. Sir, similarly, on the margins, my last question. So we have given a guidance of, say, for more than 5% on the PBT level on a stand-alone basis. So as you mentioned that we are seeing a better margins order in the coming year. So would it be largely just contributed by T&D or B&F or we'll see a strong recovery in the water segment as well, which has been a drag for the company in FY '25?

**Manish Mohnot:** So I think just to correct yourself, my margin guidance is 5.25% to 5.5%. And I'm sure a 25 basis points in such volumes make a big difference. It's not 5%, but it's 5.25% to 5.5%. To answer your second question, yes, visible improvement, what we have assumed for the current year it comes across all our businesses.

Water, obviously, was a big drag last year, which would definitely improve because we've seen collections coming in March itself. T&D will continue to drive both top line as well as profitability given a healthy order book. B&F, we have been very selective in taking orders, high-value orders. So there also, you'll see margins going up significantly. So across all businesses, I think margins should go up.

In some places, maybe 50 to 100 basis points, in some cases, maybe 20 to 50 basis points. And Railways, I think, is somewhere where we will -- margins should not improve, but we shouldn't be bleeding further beyond where we are.

**Moderator:** Next question comes from the line of Mihir Manohar with Carnelian Asset Management.

**Mihir Manohar:** Congratulations on great set of numbers. Sir, I wanted to understand the substantial increase in cash balance, which has happened in this quarter, INR 850 crores of cash at parent level has gone up to INR 1,920 crores. Can you reconcile this how much has been received from JJM and how much is coming from operational improvement? I just wanted to get a sense from that.

**Manish Mohnot:** So Mihir, typically, for Kalpataru, our cash balance is always high because in the last week, we utilized our entire banking limits. So just so that you understand the framework in which we work as an organization. Every last quarter means -- every quarter, last 1 week or last 3 days, we utilize our full limits and keep the cash and cash in bank. So a significant portion of the cash balance, which you see were lying in FDs and liquid funds at the year-end. More than INR 700 crores to INR 800 crores of this number, which is in cash balance. It could be more than INR 800 crores. Ram, do you remember how much was it?

**Ram Patodia:** INR 850 crores.

**Manish Mohnot:** Around INR 850 crores was lying in a few fixed deposits and liquid funds, which were all utilized in April beginning for our routine business operations. So that's the nature of the way we do business operation, and you see that always for Kalpataru in our historical numbers also.

**Mihir Manohar** Understood. Sure. What was the receivable? I mean, how much was received from JJM? I remember at the start of the quarter it was some INR 720- 730 crores. INR 240-250 crores was in February, which we received. And the INR 400 crores that you mentioned is in March, right, which is on the top of that?

**Manish Mohnot:** Yes. So I think March, we got closer to INR 300-plus crores, if I'm not mistaken, on all water projects. INR 370 crores. Thanks, SKT. So March, we got closer to INR 370-375 crores. But while we say so April, we've still not seen much inflows in April because typically, budgets get frozen and utilized by March -- May. May, we are expecting some good traction coming from Water businesses and getting into Q1, things should be much better.

**Mihir Manohar:** Understood. My second question was on the large-sized projects. You mentioned that the incremental order book is on the HVDC and underground metro side. Just on a broad cut basis, I mean, large-sized complex projects, let's say, out of INR 65,000 crores, how much percentage would be large-sized complex projects versus, let's say, 2 years back, we were having INR 42,000- 43,000 crores. So just to understand the change in composition of these large scale projects in the order book.

**Manish Mohnot:** Sure. So it's important for us to understand that the biggest strength which we have as KPIL is the strength of the merged entity of KPTL and JMC. Let me give you some perspective on this. If you go back to FY '23-'24, our average order book size was around INR 280 crores. Getting into '24-'25, our average order book size is closer to INR 390 crores, closer to INR 400 crores, right?

So first, our average order book size itself has gone up and it will further go up. Second, if you look at the previous year, based on the combined strength, we have taken some very, very large orders, right? We took order for a large development in Hyderabad from a large developer, which is closer to INR 2,000 crores. We took 2 orders in Guyana on delivery and T&D, which was approximately both put together closer to $300 million.

We took airport at Bagdogra, which was closer to INR 1,000-plus crores. We took huge orders in Oil and Gas in Middle East, driven by a civil, mechanical and electrical strength, which is $800 million plus. We took large orders in Water in Amritsar, again, INR 1,000 crores plus. So typically, if you look at it, last year, we've got at least those 8 to 10 large orders, which were in that INR 1,000 crores plus, which constitutes maybe 50% of our order book.

And that's our focus going forward. Work with selective clients, large orders where we can utilize the strength of the merged entity. You can utilize the strength of having a good capex on our balance sheet and utilize our design engineering skills to make sure that profitability improves.

**Mihir Manohar:** Understood, sure. And just my third question was on the order inflow guidance. I mean, INR 25,000 crores of order flow we are having this year. Now given the fact that Power Grid itself has talking about 20%-25% growth in capex in FY '26 versus FY '25, also Middle East Oil and Gas business is doing well for you. So isn't this number on the conservative side? I mean how to understand the what sort of conservatism has been adopted while giving the order inflow guidance?

**Manish Mohnot:** No. So we've just given realistic guidance rather than conservative. But definitely, our guidance is with a backdrop of improving margins. Our focus -- whatever new order book we build now our focus is more on improving margins rather than looking at only the quantum. Where we sit today, we have visible order books of closer to 2.5-plus years, right?

So that's a very good order book in our business, and we believe that if we continuously focus on improving margins, that would be better instead of just taking that order book higher at an absolute level. So our focus next year would be improving margins on the new orders rather than just looking at numbers. And as I said earlier, a significant portion of the order book, I still assume would be T&D and B&F, but you will see good traction on the other businesses also.

**Moderator:** Next question comes from the line of Nidhi Shah with ICICI Securities.

**Nidhi Shah:** So my first question would be how do you see the order inflow and execution in the B&F business for FY '26?

**Manish Mohnot:** So, Nidhi, we're seeing good traction in the B&F business in FY '26. Our opening order book is very healthy, INR 14,000-plus crores. Across all our clients, whether it is residential, commercial, industrial, airports or data centers, we have a good team which is working on it. Also, unlike Q1 of last year, where we had elections where labor was a challenge, we do not see labor to be such a big challenge right now.

And that's also a strike positive compared to where we were at the same time last year. So on an overall basis, we're seeing demand coming up in B&F. It still continues to be strong in all the sectors I mentioned earlier. We have a good order book. We work with selective clients where we have a relationship of decades, which helps us.

And we continue to focus more on domestic orders rather than large international projects, although we will continue to explore orders in Maldives, which has been a good base for us. So with all of this, we believe that B&F will contribute significantly into both order book revenue and profitability for the next year. SKT, do you want to add something on B&F?

**S K Tripathi:** No.

**Nidhi Shah:** I had another question. So what will sort of drive the execution in FY '26? So you mentioned you have B&F and T&D, but within that also, what do we expect to drive execution in FY '26?

**Manish Mohnot:** I think, as I said earlier, execution in '26 is driven by all factors, a healthy order book, good set of clients, reasonable labor availability, reasonable, not necessarily what we need because that continues to be a big challenge. A strong balance sheet, a visible drive at both private sector as well as government level on delivery, improved international presence in a lot of countries. So a mix of this, we believe, would help us achieve this minimum 20% growth getting into next year.

**Nidhi Shah:** All right. Lastly, in the Water segment, other than collections, are we seeing any other issues in terms of getting orders or execution?

**Manish Mohnot:** I'll ask SKT to respond. SKT?

**S K Tripathi:** Yes, yes. So no, we are not seeing any other issue in the B&F sector.

**Manish Mohnot:** Water.

**S K Tripathi:** Water. Sowhat was the exact question? Can you repeat?

**Manish Mohnot:** Sorry, Water sector. Sorry, go on

**Nidhi Shah:** Outside of collections, was there any other -- are there any other issues that we're seeing cropping up in the water segment? So whether it's related to getting orders, competition or execution, are there any issues on any other front other than collection?

**Manish Mohnot:** So we don't see any other issue other than the collection, which so far during the 2 months in the current financial year, we are seeing some traction in some states. But overall, if I have to say that is there a positive direction, we are still cautious. We'll come back or we'll watch up to June how this sector opens up in terms of the collection. Otherwise, there is no other challenge. There are enough projects. Execution is not a challenge. We have enough strength to deliver the projects, but we will be looking at the cash flow as a driving factor to ramp up the revenue and the execution.

**Moderator:** Next question comes from the line of Bharat Sheth with Quest Investment Advisors Private Limited.

**Bharat Sheth:** Congratulations, Mohnot ji and the whole team on the excellent performance.

**Manish Mohnot:** Thank you.

**Bharat Sheth:** Manishji, a question on a little longer term, if we have to -- you said that we are looking for diversifying some of the geography as well as we have a strong order book, which is having a large portion of complex projects, better profitability. So if I have to look at from, say, 2 years perspective, how do we see when this complex will start rollout and further, is there room to improve the profitability? That is the first part on consol level?

**Manish Mohnot:** Sure. So Bharat bhai, first, let me just answer your question on the long term and our focus clearly. Our clear focus over the last 3 years post-COVID has been on, first, improving the order book value in terms of large orders; second, improving ROCE, right, where we have started getting out of our non-core things; and third, improving EPS along with strong delivery skills.

So if you look at EPS in the last -- from INR 32, we have reached closer to INR 40 in the previous year. And current year, based on numbers, we should be targeting a minimum of INR 50. As far as delivery in complex large projects is concerned, I think we have started delivery in majority of these projects.

Our Saudi Aramco project, we have delivered more than 1/3 of the project in terms of physical already. In terms of our large real estate projects, which were really big in size, we have delivered more than 40% of our project in the last 1 year. Next 2 years, we'll deliver and it's on time and schedule.

Our Maldives Airport project, the first one which we took is fully ready, and we will be handing over to them in Q2 itself. Our large Maldives project on buildings and factories, our residential building is fully handed over or 90% plus handed over. Our international projects in Guyana, right, and those area, Guyana, Chile, all of them have done very, very well.

So first, we have already started delivering on complex projects. Second, client has started a lot of belief in our capability of doing design, build and delivery projects, which is where the focus was last 3 years. And today, whether I look at B&F, whether I look at Urban Infra, whether I look at transmission, we do not like to do a simple core and shell or a simple project, which is only supplying of labor.

We would rather do a full EPC with design build, and that's our core strength. Today, at an organization level, our design team would be more than 300 people, right, across all segments, and it could be even higher. I do not have the exact number. This was the number.

**Amit Uplenchwar** It's almost 400.

**Manish Mohnot:** It's almost 400 plus Thanks, Amit. And that's where we are focused on. So our improvement in capabilities across the entire value chain, right, from design build to tendering in domestic and international markets to having a good capex base to having this delivery skill set and mindset saying that work happens first, whatever we do and improved profitability is what is giving us this confidence of improving all numbers.

If you go back to our Vision '25, we have slightly failed on it. We wanted to be INR 25,000 crores by '25, but we missed because of Water. But now we have extended that vision and said, in '26, how do we reach a number which is INR 25,000 crores plus, let's say, 10% or something like that, right?

And that's what we're striving. So today, where we stand, practically, if you ask me, our biggest challenges continue to be labor availability, which is a challenge for the industry and larger geopolitical global issues, which hopefully should be behind us, but that's something which none of us can focus or which none of us would have a predictability in any further.

**Bharat Sheth:** Correct.

**Manish Mohnot:** Yes. I hope that answers Bharat bhai.

**Bharat Sheth:** Yes. So,and I have to look at a second thing, I mean, from the domestic subsidiary, whether Road or SSL or this real estate. So when do we expect that will start, I mean, stop bleeding...

**Manish Mohnot:** Let me first answer the easiest question, real estate. I think Indore, we have sold up nearly 98%, except for 2 to3 shops, we have sold up fully. And we expect all the money to come in the next 60 to 90 days. So INR 130-odd crores of Indore is all expected in the next 60 to 90 days. So we are out of that. As far as road assets is concerned, VEPL, we have already signed a binding agreement and working closely with NHAI to get those approvals.

Even on WEPL, we have a cure period notice issued from our side as well as from NHAI to us. And that's something over the next 6 months, we'll have clarity on how do we want to progress with WEPL. BBEPL is a small asset where we're not actually losing money, and it has only 3 to 4 years left. So that will see its logical conclusion, but we are not losing money on that project.

As far as Shubham is concerned, we have actually, in the previous year, we have nearly been break-even. Our PBT was actually zero and INR114 crores of revenue. And we expect PBT to be at lower levels of, let's say, 0% to 1% only because that business still is not doing well. But even in Shubham, we have now exited the RSWC agreement because that had a minimum commitment kind of state.

So we have exited that, which will also reduce our bleeding to a certain extent. So even there, we see some improvement. So if you look at all the noncore, Indore will be out, Shubham improvement happening, VEPL will be out. WEPL, we are into a pure notice discussion with NHAI right now. So you'll only see things improving right from now. Even Q1 onwards, you will see things improving.

**Bharat Sheth:** And last 2, I mean, this LMG, we had a very high hope. So how do we see LMG over the next 2 -3 years from this INR1,000 crore revenue to earlier, you had guided much higher growth. And so from here, do we stick and further there is a room to improve order book?

**Manish Mohnot:** So Bharat, just to give you a perspective, our Linjemontage revenue for the previous year was INR1,800-plus crores. It was INR1,000 crores in FY'23-'24. In FY'24-'25 is INR1,800 crores plus. We expect that business to grow at a 20%-25% at least for the next 2 to 3 years, given the order book visibility. Even on margins, they have done exceptionally well.

So from, if you look at FY'23-'24, their PBT was around INR 21 crores, which has gone up to around INR 70-plus crores in the FY’24-25. That's a big number. While we say the Board has also approved appointment of bankers as well as intermediaries to look at fund options, fundraising options in Sweden Linjemontage in the last Board meeting, which we have declared to everyone.

So we'll be exploring whatever options are available in terms of fundraising and coming back to all of you all over the next 6 to 9 months in terms of what our plans are. As far as the market is concerned, we continue to stay very bullish in that market, given the huge opportunity in Sweden, Norway and the neighboring countries and with limited players, which gives an advantage on both top line as well as profitability going forward.

**Bharat Sheth:** And Fasttel side, sir, South America market?

**Manish Mohnot:** On the Fasttel side, our revenue was around INR 700 crores in FY'23-'24, which went up to INR 939 crores in the previous year. On the PBT front, we had loss closer to INR 70 crores in the previous year, which has come down to around INR 35 crores. We're working hard to break even this company in the next year, and the Board has decided to infuse some capital also, which we took the approval in the Board meeting, which happened on Friday.

So once we infuse some capital, which will reduce debt and provide some capex to that business, we expect that in the next 2 years, this business should start contributing profitability. But I can tell you confidently that numbers will be much better than what the numbers are right now going into the next year.

**Bharat Sheth:** And any new geography that you highlighted in your opening remarks?

**Manish Mohnot:** We continue to explore, and that's one success strength of Kalpataru over the last decade. We continue to explore new geographies. While we speak, we are looking at 2 to 3 more countries, but I'll keep those names with me. I'll be happy to declare it once we have some order wins there.

**Moderator:** Next question comes from the line of Vaibhav Shah with JM Financial.

**Vaibhav Shah:** Sir, what are the outstanding receivables from JJM as of March?

**Manish Mohnot:** I don't have the exact number, but it would be in excess of about INR 1,200 crores.

**S K Tripathi:** INR 1,500 crores.

**Manish Mohnot:** Approximately INR 1,500 crores, which includes billed and unbilled both.

**S K Tripathi:** Both.

**Manish Mohnot:** Billed would be around INR 800 plus crores. And there will be unbilled, which the final stages of billed would be INR 600-700 crores. So it will be total billed, unbilled around INR 1,500 crores. But from a billed perspective, it is INR 800-900 crores.

**Vaibhav Shah:** Okay. And sir, what amount total we received in Q4?

**Manish Mohnot:** On Water in Q4 we got closer to INR 500 crores. I don't have the exact number, but it should be in the range of INR 500 crores in Q4, we got on Water, right? SKT?

**S K Tripathi:** Yes, yes. It's about INR 570 crores.

**Manish Mohnot:** INR 570 crores.

**Vaibhav Shah:** Okay. And sir, this INR 1,500 crore number, what time frame do we expect to recover?

**Manish Mohnot:** Sorry, I missed your first question. Which number?

**Vaibhav Shah:** The INR 1,500 crores receivables over what time frame we expect to recover?

**Manish Mohnot:** So I'll ask SKT to answer.

**S K Tripathi:** Yes. So this is still a big question to answer. So if you look at the distribution of this INR 1,500 crores, about INR 400 crores is in Uttar Pradesh (UP), where we still do not have much visibility. Madhya Pradesh, we have about INR 300 crores, –where we have now visibility and the states have started responding positively. Odisha, we have about INR 500 crores. They are also synchronizing. They have started releasing money.

And Jharkhand, we have absolute no visibility. So if you say that today on INR 1,500 crores, we have visibility to the extent of about 60% to 70%. And it should start coming out either in the June or in the quarter 2, during July and August. But still UP is a big question mark. We will see how does it pan out.

**Manish Mohnot:** And just to add to SKT's point, we have inbuilt these assumptions into our projections for next year i.e. FY’26. So the worst case is already inbuilt. So even for some reasons, if the money does not come in May, June and come in July, August, September, it could just be a timing issue more than anything else from an annualized numbers perspective.

**Vaibhav Shah:** Okay. Okay. Sir, secondly, what were the EBITDA margins in Fasttel and LMG for FY '25? And what is the guidance for FY '27 -- for '26?

**Manish Mohnot:** So if you look at -- the easier one is Linjemontage, where we did an EBITDA of closer to 5% in FY '25. We expect this to only improve, so maybe in the range of 5 to 6% in that range. It's not going to go much higher than maybe from 5%, it might go to 6%-6.25%. As far as Fasttel is concerned, our EBITDA margin was closer to 2.9% in FY '25. We definitely expect this to go up to levels of 4% to 5% in the next 2 years, might not be immediate, but over the next 2 years, we expect these numbers to go to number closer to 5%.

**Vaibhav Shah:** Okay. And sir, what was our capex in FY '25 and guidance for '26?

**Manish Mohnot:** Our capex for FY '25 was closer to INR 620-odd crores. Our guidance for FY '26 is in a similar range of INR 600-650 crores. We have typically guided based on our depreciation, which we expect to be in the range of INR 400-plus crores in the current year and slightly higher than that. So capex should be in the range of INR 650-odd crores getting into FY'26.

**Vaibhav Shah:** Okay. And sir, loss funding for the BOT portfolio was around INR 75 crores for the year. So what amount should we consider for FY '26? And by what time do we target to monetize VEPL?

**Manish Mohnot:** Okay. So just to be very clear, the funding of INR 75 crores were not necessarily loss funding. A significant portion of it was repayment of debt. So loss funding was extremely minimal as far as the INR 75 crores number of previous year is concerned. While we stand today, assuming that VEPL happens in, let's say, in Q2, Q3, we still believe we might have to do a funding of INR 60- 70 crores in the current year, primarily to repay debt. Debt on the other two assets i.e. BBEPL, the entire debt is to be repaid in the next 2 years, right? And after that, we still have 3 years left for BBEPL recovery. Even on WEPL, there's a debt repayment, which is due in the current year. So worst case, it would be INR 60- 70 crores. But if VEPL money comes in Q3, these numbers would reduce significantly.

**Moderator:** Next question comes from the line of Uttam Kumar Srimal with Axis Securities Limited.

**Uttam Kumar Srimal:** Sir, my question pertains to on a consolidated level last year on non-T&D, we have grown only by 3%, while T&D has grown by 27%. So how do you see non-T&D business growing this year on a consol level?

**Manish Mohnot:** So if you look at the non-T&D business, right, our B&F business still grew at a healthy double digit, 20% plus, and I expect that to continue. So when I look at guidance in terms of growth for next year, we expect TL to do 20% plus. We expect B&F to be in the range of 18% to 20%. We expect water to do 10% plus, as I said earlier. Oil and Gas will still continue to grow at 100% plus given that large Saudi Aramco order. Urban Infra should be in a good 40% to 50% basis plus because of that lower revenue target, which they have.

Railways is the only business where we do not expect growth, and that should be going down from the current levels, maybe 10% lower than this. So majority business, except Railway, you'll see growth ranging from 10% to as high as 100% in the Oil and Gas business.

**Uttam Kumar Srimal:** Okay, sir. And sir, any progress on data center business?

**Manish Mohnot:** We are currently working on one project. We are hopeful of winning at least one more project in this quarter itself. And while we speak, we are focused on bidding for 2 or 3 large projects in data center, which could materialize in Q2 or Q3.

**Uttam Kumar Srimal:** And sir, what is the quantum of these projects?

**Manish Mohnot:** So this number being confidential because we will not still sign that, but all in the range of, let's say, INR 300- 700 crores kind of range.

**Uttam Kumar Srimal:** And the margins in these businesses are higher than the traditional business that we are in or it is similar to that?

**Manish Mohnot:** So margins will be that data center are typically similar to our B&F projects, but the ROCE is much higher because the data center projects do not require so much capex. So from a ROCE perspective, they are very good. But from a margin perspective, they are a similar range of, let's say, B&F at 8% to 10% or 9% to 11% at EBITDA level.

**Uttam Kumar Srimal:** Okay. And sir, in the quarter 4, our finance cost has reduced substantially. So this should be the run rate going forward?

**Manish Mohnot:** I think Q4 is always a good quarter when it comes to collections from clients. And that's why our finance cost not now, but last 10 years, you look at it, you'll see that it's the lowest in Q4. Also, current year Q4 had a positive impact of the QIP funds, which we collected of approximately INR 980-odd crores.

So that QIP funds, yes, that improvement is permanent in nature. Otherwise, on a Q-on-Q basis, from Q1 to Q3 interest will always be much higher than Q4. And Q4 is which balances because collections is always higher in Q4. So you'll see Q1 and Q2 debt as well as interest costs going up. That's the nature of our business.

**Moderator:** Next question comes from the line of Mahesh Patil with ICICI Securities.

**Mahesh Patil:** Sir, my question is on the order book. So out of the total order book, can you please guide us in terms of the -- how much of the order book is fixed price contracts? So just wanted to understand in terms of any cost escalations, how will this be absorbed?

**Manish Mohnot:** Sure. So if you look at today in terms of order book where we are, our fixed price order book is around 45—50% and variable is also around 45-50%. Significant portion of the variable order book is in more in that building and factories business where the entire order book is variable in nature. When you look at T&D, it is a lot more fixed, but B&F is variable in nature and some of the Railways business is variable in nature. But today, 45-50% is variable and balance is fixed in nature, approximately.

**Moderator:** Next question comes from the line of Bhoomika Nair with DAM Capital.

**Bhoomika Nair:** Yes, sir, you spoke about T&D activity being fairly strong. How do we see that kind of on such a high base kind of panning out for the next couple of years? Do we think that domestic T&D intake can jump up significantly? And also, if you can talk about the competitive intensity. While it has been quite decent so far, you've not really seen much of intensity kind of going up, but are you seeing any change now?

**Manish Mohnot:** So Bhoomika, in the T&D business, first, let me answer competitive intensity. You still have 5, 6 large players who are competitive enough and they've been in business for a long time. But the competition is a lot more sensible than what we had seen, let's say, 5 years, 7 years, even 3 years ago. As far as growth is concerned, the T&D business will require 3 critical segments.

One is your factory production capacity, which for us is significantly high, and we are further ramping up. We are adding further capacity of closer to 50,000 tons at the factories in the current year through investments in CNC machines and galvanizing facilities. Second is a requirement of a good team, which we already have, which we have built over the period of time.

Third is availability of bought-out items in the time of conductors, insulators, hardware, which we do not see any issues, except for some issues in high-end transformers, which are typically supplied by clients. And fourth is labor availability. I think to us, the biggest challenge in terms of growth would be the point number four because that's an area where you have to be cautious because T&D, unlike any other segment, is very, very scarce resources, right, whether it is erection, whether it is stringing, all of that. It's not easy to ramp that up at a level of the way you could ramp up any other business order book.

So to answer your question, we are very optimistic. We assume that a growth of 20% plus in terms of order book and T&D would be easy. We improved -- we assume that we were confident that margins will go up, but the biggest challenge will continue to be labor availability. And that's why we want to be more realistic rather than just running for order book where you start failing on delivery.

**Bhoomika Nair:** Sure, sir. This was helpful. Sir, similarly, on B&F, if I look at it in the last couple of years, the scale of the business or intake has really gone up materially. We used to be sub INR 4,000 crores of annual intake. And if we see FY'25 has been a very strong performance. And we've seen that order intake going up to about INR 8,000 crores plus with backlog also jumping up quite a bit.

While obviously, the visibility for the next 2 to 3 years is quite high, do you think on this high base, I mean if you can talk a little bit of private capex, how are you seeing the ordering activity, etcetera, out here? And do you think that the order intake can go to a INR 10,000 crore kind of a number in the next year or two?

**S K Tripathi:** So Bhoomika, SKT here. So the whole B&F sector on the back of real estate growth across the country, is seeing a huge upsurge in all the regions, whether it is the NCR, Mumbai, South, right? And as we see the traction currently, so if you look at last couple of years, 2 years or so, a lot of projects have been launched by the developers, and there is a good demand across the country on the real estate side in all the segments, whether it is a lower segment, middle segment and the very high value segments of the real estate.

And that is -- whole thing is driving the sector. To answer your question for next 2 years, we still see current momentum may not hold, but what we have seen in the last 2 years, there may be some slowdown, but because all the projects which have been launched, they have to be delivered.

And next 2 to2.5 years, the developers will be focusing on that. But still, we can see the 80% to 85% of current traction to continue over the next 2 years. And that will further broaden the base for us to ramp up the order booking as well as the growth.

**Manish Mohnot:** Just to add to what SKT said, Bhoomika, we're also seeing good traction coming on the industrial side, whether industrial coming from the central PSUs, whether it's industrial coming from specific segments in ferrous and nonferrous, whether it's industrial coming in OEM. So that's also an area where we believe that opportunity could be very good as we have built this significantly over the last 3 to 4 years.

So on an overall perspective, just adding to what SKT said, this business looks good from all perspective, and we have an additional advantage of working on projects in B&F at least where RERA is there. So at least we do not have the risk of fund issues or credit risk issues in any form.

**Bhoomika Nair:** Sure. Sir, on the INR 14,000 crore order book that we have roughly for this segment, how would it be split between real estate and say, factories?

**S K Tripathi:** So Bhoomika, about INR 1,500 crores or so will be the industrial and the major portion, INR 12,500 crores still remains the core building works

**Manish Mohnot:** So I'll just add airports INR 1,000 crores.

**S K Tripathi:** Yes.

**Manish Mohnot:** Airports is INR 1,000 crores, INR 1,500 crores is industry and the balance would be residential and commercial.

**S K Tripathi:** Yes.

**Moderator:** Next question comes from the line of Samarth Khandelwal with ICICI Securities.

**Samarth Khandelwal:** Sir, I wanted to understand, is there a difference between HVDC, T&D orders versus normal T&D orders in terms of margin profile and execution time line?

**Manish Mohnot:** So Samarth, in terms of margin profile, I think overall T&D domestic would be in a similar margin profile. There's not much big difference in terms of HVDC versus others. In terms of competitive spread, yes, HVDC, we still find some less competition, not everyone qualifies in HVDC substation projects.

In terms of delivery, yes, HVDC projects typically are slightly longer in delivery on substation because of the lead long lead items on procurement. As far as transmission is concerned, HVDC similar 36 to 42 months, which is similar to some of our normal projects. But profitability is similar across the board.

**Moderator:** Next question comes from the line of Mihir Manohar with Carnelian Asset Management.

**Mihir Manohar:** Sir, you mentioned about this 8 to 10 large-sized projects, INR 1,000 crores plus ticket sizes, which we have won over the last 2 to2.5 years. Just wanted to get a sense how would be the margins and working capital efficient working capital comes from these projects? I understand that margins would be better because that is where you are guiding a better margins in FY '26. On the working capital, how to understand these large-sized projects?

**Manish Mohnot:** So Mihir, when you look at large-sized projects, typically, margin percentages do not vary significantly, okay. Because margin percentages, they are all mature markets, you can't expect that you'll be having a very different margin profile, maybe 25 basis points here or there. What is different is your ROCE numbers.

Because large projects in terms of you have a reasonably good advance, you have capex which gets out of your advance and your return ratios are much better than doing 3 smaller projects at a given point of time. What is better is your capability to deliver on or before time because we're very much focused on doing one project at a given point of time with a much better team.

So to answer your question, the capability requirements are very different, which only a few players in this country, maybe less than 5 players in the country would have on various segments. The balance sheet requirement in terms of capex is very high, which is where we have a big advantage. The margin profiles are slightly better, but I wouldn't say significantly better, but the ROCE numbers are much better on such large projects because the advances, everything else is very good.

**Mihir Manohar:** Sure. Understood. So against the blended working capital days of 90 to 95 days, what would be the working capital days on the large-sized projects?

**Manish Mohnot:** No, as I said earlier, it would be similar in nature. Maybe it would be 85 days in some, maybe 90 days. But typically, international large-sized projects, working capital tend to be more in the range of 50 to 60 days. The domestic projects all tend to be in the similar range of 85 to 100 days, depending on project to project.

**Mihir Manohar:** Okay. Understood. Sure. Second question was on the subsidiaries. I mean, when you say FY '24, the parent minus consol is INR 7 crores of loss. FY '25, consol minus parent is INR 79 crores of loss. If you can reconcile this INR 79 crores, how is this split? I mean how are the -- what is the PAT numbers for LMG, Fasttel, Saudi asset, road asset and real estate across these 5 companies for FY '24 and FY'25?

**Manish Mohnot:** Sure. So when you look at losses coming in significantly, the significant loss which came in from Brazil which includes Fasttel and , which is closer to INR50 crores in the current year. There's a loss on IBN Omairah Saudi, which is what I said, some old Saudi projects, which are all at a closure stage, which is closer to INR 50odd crores.

And there's a loss coming on some of the other entities, which is around INR20-25 crores, which includes Senegal, Chile, some of them. On the gain side, there's significant gain which comes in from KPTL Sweden, which is around INR 65 crores. So that's how the tally on the road, SPVs has a loss of around INR 20 crores at a PBT level.

But more significant, as I said earlier, a significant percentage of the losses, whether it is Brazil, whether it is Saudi, whether it is Indore, all of that would no longer continue getting into FY'25-'26, and that's why we're guiding for much higher numbers on consol getting into FY'25-'26.

**Mihir Manohar:** Sure. Just one last question on this consol. I mean, we have guided for 100 basis points of improvement of the consol margins. So this improvement would largely come from which part of the pieces of the subsidiary? And what sort of conservatism has been adopted while this guidance?

**Manish Mohnot:** So Mihir, you see improvement on all fronts, as I said earlier. Saicharan, we will be exiting fully Indore, so that will be a positive. Road SPVs, we are exiting one of them in Q2 or Q3, so that would be a positive. Kalpataru Brazil, while still would be negative, but it would not be as high a negative what we have seen. Saudi IBN Omairah would get into a positive zone because those projects are nearly completed. So it will be positive across the board. The only negative which would continue would be maybe Fasttel to a certain extent, but to a much lower extent. Everything else should be positive getting into next year.

**Moderator:** Next question comes from the line of Mehul Mehta with Choice Equity Broking.

**Mehul Mehta:** Congrats on great set of numbers. My question is with relation to tax rate. For this year, FY '25, it has been 31% as compared to 26%. What explains this?

**Manish Mohnot:** So Mehul let me just start with and I'll ask Ram to add 2 or 3 aspects. One, a lot of our international projects have higher tax rate. Some of them as high as more than 30%. So that is one area where -- because majority of our projects are at a branch level and not through subsidiary. So that's where one tax rates are high.

Second is some projects where we have had losses, we've not necessarily created deferred tax assets. And that helped us because we realistically believe that creating that asset just for the balance sheet purpose makes no sense. So that's where some of those projects where we've had losses, but we've not taken the benefit of any deferred tax assets. So that's the second area. And I'll ask Ram to add anything else, which I might have missed out, Ram?

**Ram Patodia:** The third area is that earlier, we had a deferred tax asset in respect of capital gains. So that deferred tax assets rate has gone down. So there is an impact of about INR 11-plus crores because of the tax rate difference.

**Manish Mohnot:** Yes. I think that capital gains earlier it was 20%, is now 12.5%. So that is also some deferred tax asset was there, which -- to reduce the value. Yes. Thanks, Ram. That was it. But on an holistic basis, we still believe that our tax rates even for the current year would still continue to be in the range of 28% plus. We would not be at 25%-26%. It would be 28%- 29% itself because given that international orders are at higher tax rates.

**Moderator:** Next question comes from the line of Mohit Kumar with ICICI Securities.

**Mohit Kumar:** One clarification, sir, on the consol minus stand-alone, is it most of the losses in the subsidiaries has been booked in the Q4? Is that right? I see the difference is the consol minus stand-alone is skewed in the Q4, while Q1, Q2, Q3 has a much lesser difference.

**Manish Mohnot:** So to be specific, there are a couple of large losses which have come in Q4 driven by business. One, we have seen Saicharan properties, which is Indore where we have sold off the entire amount in Q4, you've seen some traction on that. Second, Kalpataru Brazil, typically, Q4 is where you see the highest revenue, so you see that cost incurrence accordingly.

So this two, yes, otherwise else, it's been uniformly distributed. As far as others are concerned, it's not been so bad in Q4, but only in Brazil and Saicharan, we have seen slightly higher number coming in Q4. And Saicharan was logical, we sold off our entire left out portfolio in terms of flats at Indore flats and commercial at Indore.

**Moderator:** Next question comes from the line of Ishan Verma with InCred Research.

**Ishan Verma:** Congratulations on the good set of numbers. I just wanted to know what is our L1 order book position as of now?

**Manish Mohnot:** Our L1 order book today should be in the range of INR 2,000 Crores and we have declared around INR 2,300 crores in the last week itself. Our L1 order should be in the range of INR 2,000-plus crores.

**Ishan Verma:** INR 2,000-plus crores. And also on the Oil and Gas segment specifically, there is no order inflow in this year, but we have -- we expect some orders to come in FY '26. So what leads to this optimism?

**Manish Mohnot:** So in the previous year, we consciously did not take orders in the Oil and Gas business because just before that, we've taken a huge order on Saudi Aramco. So our focus in the previous year was primarily in making sure that we ramp up execution, build a further strong team and do capex and all of that.

Now that we have ramped it up and we have seen delivery happening at very good levels as far as these projects are concerned, we believe that in the Middle East, whether it is Aramco, whether it is Abu Dhabi, whether it is Qatar or Oman, any of that, where we are all qualified, there could be good traction. So previous year was a conscious call given that there was a huge order book.

Getting into next -- the current year, we started bidding again. And given that there are only a few large players from India working in that segment of the world, we believe that there's a good probability we should get some good orders in the current year. While we say so, on the domestic Oil and Gas front, we are not so bullish. Our bullishness is more on the international Oil and Gas front.

**Ishan Verma:** Okay. Makes sense. So one thing more. On the capex side, you are targeting 50,000 ton capacity expansion, right? So what kind of capex would go into that? And what the capex will be done to what other segments will you be putting?

**Manish Mohnot:** Yes. So we're looking at expansion of close to 50,000 tons per annum, which is around 4,000 tons per month. I don't see huge capex, maybe in the range of INR 20- 25 crores should be enough as far as capex is concerned for the plant expansion. We've already done some capex in Q4. So in totality, it will be INR 30- 35 crores out of which INR 10 crores we have done and INR 20-odd crores further in the next 6 to 12 months.

**Ishan Verma:** Okay. What is our current capacity for T&D?

**Manish Mohnot:** So our capacity is more than around 2.5 lakh tons is what we are aiming for the current year. Right now we are at around 240,000 tons out of our both plants, Raipur and Gandhinagar put together.

**Ishan Verma:** Okay. Got it. And one thing, we see that the cost of sales for the quarter 4 has significantly gone up and it used to be in the range of 75% of sales, similar for the consolidated as well as for the stand-alone level, maybe leading to increase in subcontracting or construction costs. Could you just give some gist on that?

**Manish Mohnot:** I think it's just the mix of projects more than anything else, right. It's just a mix of projects which derives that. So for example, if the Saudi Aramco project has done significant in Q4, there's everything is into subcontracting and there's no bought out there. So it's only a mix of projects more than anything else, and it would be good to look at it on an annualized basis instead of looking at it on a quarterly basis.

**Moderator:** Ladies and gentlemen, due to time constraint, we have reached at the end of question-and-answer session. I would now like to hand the conference over to Ms. Bhoomika Nair for closing comments.

**Bhoomika Nair:** Yes. I would like to thank all the participants for being on the call and particularly the management for giving us an opportunity to host the call. Thank you very much, sir, and wish you all the very best. Any closing remarks from your end?

**Manish Mohnot:** I think thank you very much for being on the call. We hope that we can deliver better results getting into the current year. Thank you very much.

**Moderator:** Thank you. On behalf of DAM Capital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.