Date: January 21, 2026

The Manager
Corporate Relationship Department
BSE Limited
1st Floor, New Trading Wing,
Rotunda Building,
P J Towers, Dalal Street, Fort,
Mumbai – 400001
BSE Security Code: 531279
ISIN: INE238C01022

The Company Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata-700001
CSE Scrip Code: 10030166

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call held on 20th January, 2026 to discuss the Un-audited Financial Results (Standalone and Consolidated) of the Company for the Third quarter and Nine months ended 31st December, 2025

In continuation to our letter dated 14th January, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Conference Call held on 20th January, 2026, to discuss the Un-audited Financial Results (Standalone and Consolidated) of the Company for the Third quarter and nine months ended 31st December, 2025.

The same will also be made available on the Company's website.

Kindly acknowledge and take the same on records.

Thanking You,

For **Trishakti Industries Limited**

Suresh Jhanwar
Digitally signed by Suresh Jhanwar
Date: 2026.01.21 15:05:09 +05'30'

Suresh Jhanwar
Managing Director
DIN: 00568879

Trishakti Industries Limited
Q3 Nine-Month FY26 Earnings Conference Call

Event Date / Time: 20/01/2026, 16:00 Hrs.
Event Duration: 57 mins 49 secs

MANAGEMENT DETAILS:

Dhruv Jhawar
CEO

Rishabh Rathod
ConfideLeap Partners

PARTICIPANT DETAILS:

1	**Anshul Jain**	: Lakshmishree Investments
2	**Satya**	: Individual Investor
3	**Digant Bamb**	: SVIP Capital
4	**Rishabh Malik**	: Artha Advisory
5	**Yash Tanna**	: ithought PMS
6	**Manish Jaiswal**	: Individual Investor
7	**Jayesh Shah**	: Shah Investments

Moderator

Good evening, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Q3/9 Month FY26 earnings conference call of Trishakti Industries Limited. We have with us today Mr. Dhruv Jhawar, the CEO of the company. As a reminder, all participants will be in listen-only mode and there'll 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 * then 0 on your touch-tone telephone. Please note that this conference is being recorded.

I would now like to hand over the floor to Mr. Rishabh Rathod from ConfideLeap Partners. Thank you, and over to you, sir.

Rishabh Rathod

Thank you, and good day, ladies and gentlemen. My name is Rishabh Rathod from ConfideLeap Partners. We represent the IR for Trishakti Industries Limited. I warmly welcome you all to Trishakti Industries Limited Q3/9 Month FY26 Earnings Conference Call. The company is represented by Dhruv Jhawar, the CEO of the company.

I would now like to hand over the call to Mr. Dhruv Jhawar for his opening remarks. Thank you, and over to you, Dhruv.

Dhruv Jhawar

Thank you, Rishab. So, good afternoon, everyone. It is a pleasure to welcome you all to Trishakti Industries Limited Q3 Nine-Month FY26 Earnings Conference Call. I'm pleased to welcome all our stakeholders, investors and analysts as we review our recent performance and outline our strategic priorities going forward.

The third quarter marked another strong milestone in our growth journey as we continue to build momentum. Our standalone revenues from operations stood at INR 8 crores, up 20% QoQ and 357% YoY. Our EBITDA stood at INR 5.61 crores, reflecting a 43% growth QoQ and a 369% growth YoY, driven by higher asset utilization, disciplined cost management and strong execution across multiple projects. Our PAT also rose 53% QoQ, 1,744% YoY to INR 2.45 crores, underscoring our ability to translate operational strength into sustained profitability. For the nine months ended December 2025, our standalone revenues reached INR 18.74 crores, up by 37% YoY.

Our EBITDA for nine-month FY26 stood at INR 12.23 crores, reflecting a robust 211% growth YoY with margins at 65.27%. Our PAT for the nine-month period stood at INR 4.97 crores, up 183% YoY, demonstrating consistent profitability across the fiscal year. Based on our nine-month FY26 performance, our annualized revenue run rate now stands at INR 48 crores, although heavy equipment hiring business remains the core growth engine operating at 100% utilization. During this quarter, we have made exceptional progress on our INR 400-crore CapEx program planned through FY28 with INR 200 crores already spent. Our FY26 CapEx target was INR 100 crores and we are delighted to announce that we have already deployed INR 154 crores worth of machines year to date.

Moving ahead, we are focusing on expanding our next-generation higher tonnage fleet to support large scale industrial and renewable projects. Our balance sheet remains robust, supported by a prudent financial management and an efficient payback cycle of around 3 years to 3.5 years for our equipment investments. With fleet size now standing at 117 machines and marquee clients including Larsen and Toubro, Reliance, Jindal Group, KEC International and ITD Cementation anchoring our order book. These relationships provide us with resilient revenue visibility and a sustainable growth runway.

Looking ahead, Trishakti is well positioned to capture a larger share of India's infrastructure and renewable energy opportunities. We remain fully committed to delivering sustainable growth and long-term value for all our stakeholders. Thank you for your continued trust and confidence in Trishakti Industries Limited.

With that, I conclude my remarks and open the floor for questions. Thank you.

Moderator

Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on your touch-tone telephone. If you wish to remove yourself from the question queue, you may press * and 1 again. Let us wait until the question queue assembles. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad.

The first question comes from Mr. Anshul Jain from Lakshmishree Investments. Please go ahead, sir.

Anshul Jain

Hi. Good afternoon.

Dhruv Jhawar

Yeah. Hi. Good afternoon.

Anshul Jain

Hi. This is Anshul Jain from Lakshmishree Investments. Sir, I have three questions for you. Firstly, your ARR post nine months that is this three quarters, stands at about INR 48 crores. And your presentation shows revenue targets of INR 20 CR to INR 22 CR for FY 26, and we are already at three quarters, which is about INR 18.73 crores. So, like, can we expect to significantly surpass this guidance?

And secondly, revenues grew 20% QoQ in Q3 versus 63% in Q2. So, like, why is this difference? Like, what led to the slowdown?

And can you help me with the order book as of date that has culminated? Thank you.

Dhruv Jhawar

Yeah. Sure. So, your first question was regarding the ARR. Right? So, let me answer your first question first. So, yes, right now, since, honestly, if you see our segmental assets also, they've reached INR 200 crores. So for this year, we have guided that we'll be doing INR 100 crores in CapEx, but in the first nine months itself, we have done INR 154 crores because the demand is extremely high right now. So, that is the reason why in the past four months to five months, our fleet has literally quadrupled up. So, this is the reason why our ARR has gone up significantly.

And of course, if we have created INR 200-crore segmental assets in our books for heavy equipment hiring, this is the reason why we will be surpassing our guidance for this financial year. Because last year, whatever guidance we had given was with respect to the INR 100 crores of CapEx. So, since we are so far in this CapEx projection, hence, our revenue projection will also keep going up. So, on annualized basis right now, in the first nine months, we are at INR 48 crores [**inaudible 00:07:49**]. But in the last one week, we have won a few more orders. So, this will significantly go up in the coming quarters also.

And can you just repeat your second question regarding the revenue part?

Anshul Jain

Yes sir. Revenues grew 20% in Q3 and 63% Q2. So I just wanted to know, like, why is there the difference? Like, what led to the slowdown in this?

Dhruv Jhawar

Yeah. Well, see, we are in a contractual business. Right? So, the amount of CapEx we have been doing, our lead time for the machines to start generating revenue is around one and a half months. So if I'm doing CapEx today, then it takes one to one and a half months for my machines to start generating revenue because it does take time for our machines to reach the site, get the TPI done, logbook started, diesel book started, so there are many compliances.

So, that is the reason why whatever CapEx is being done in Q3, the real fruits we'll be getting within Q4. So, that is the reason why there is a lag in the -- there's a lead time from when we purchase a machine and when we start generating revenue from it. So, I think this answers your question.

And also, one more reason is that the asset base was quite low in Q2. And in Q3, our asset base has also jumped significantly higher. And if you see in our Q2 balance sheet, the excellent balance sheet, a lot of our machines were into CWIP. So, those machines have also started generating revenue now in Q3 and have now started generating revenue from the month of January itself. So, I think this answers your question.

And the third question I have from the order book side. So, it's a contractual business. We get six months' orders to twelve months' orders. But generally, before we actually take an order from a client, we have a full survey on the site where we make sure that the project should at least go on for the next two years or so. So although the current ARR is at INR 48 crores, as and when our contracts keep getting renewed, this ARR will also keep going up. So, this is how our order book is actually placed.

Anshul Jain

Okay. Yeah. Got it. Thank you for these insightful answers, and wishing the best

Dhruv Jhawar

Thank you so much.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad.

The next question comes from Mr. Satya, an individual investor. Please go ahead, sir.

Satya

Hello. Hi, sir. Hope I'm audible?

Dhruv Jhawar

Yes, yes. You're audible.

Satya

Congratulations on a good set of numbers, sir. And I'm relatively new to the company, so pardon me if the questions are a little basic, but just trying to understand it. Sir, we are projecting great growth and I think we are also already delivering on a lot of it. But want to understand, like, how are we suddenly getting this huge demand? Where is it coming from? And our competitors are also getting such demand?

I was looking at a couple of other one listed player. Their growth is not as much. They are significantly bigger as well, but what's our story, sir, in terms of how are we getting this huge demand from?

Dhruv Jhawar

Yeah. So, yeah, so let me give you a brief understanding about this. So in the last six months itself, we have seen that in the renewable energy segment, the demand is skyrocketing like anything. So be it in the solar part and the BESS plants as well. So recently, we have got a lot of orders related to the BESS industry battery storage.

So, since a lot of new plants are coming up for those things, so that is the reason why they need a lot of heavy machineries in order to make those plants. So, if the requirements are going up significantly in that industry, then, technically, when we are a -- you can say that we are secondary benefiters of this thing. And a lot of new plants are also coming up, be it steel or be it anything. Recently, we had won an order for the bullet train project as well. So, L&T is doing that project. So, we have given a few machines over there as well.

So, if you technically see that all these demands are picking up on a very fast pace and this is the reason why we could actually do INR 150-plus crore CapEx this year when we were only projecting INR 100 crores. So, this kind of demand came as a surprise for us as well. And we were also not expecting that in H1, like, towards the end side of H1, we will be getting so much demand and demand side is more in the H2 part. Generally, December to March, we get a lot of demand, but this year, like, as I told you, since the renewable energy part is going up quite well, so this has given us a really good understanding that where our industry is heading.

Satya

Right. And sir, when you say renewables, you are referring to mostly wind. Right? Or is it also includes other parts of the renewables?

Dhruv Jhawar

Yeah. So, see, other companies might be into wind, I'm sure. We don't have any exposure in the wind energy segment. Because for wind energy, you need more than 750 ton-plus and 900 ton-plus machines. So right now, we feel that, that market, that particular market segment does not have good yields because the number of machines in those industries is going up significantly.

And recently, the government had also raised a new rule that the average height of the windmill has been like, suppose if it was 10 meters, then it has been moved to around 11 or 12 meters. So because of that, most of the 750-ton machines are now not usable for the wind energy segment. So, we did not take that hit because we were not in the wind energy segment. And we are not even planning to get into the wind energy segment anytime soon because the yields in that particular segment is not great right now.

Satya

So, our renewables, sir, is mainly solar?

Dhruv Jhawar

Yes. It's mainly solar and the battery storage.

Satya

Got it. Sir, on this only, sir, one quick question follow-up on this is we've have, like, a lot of great names in our client list. How did we sort of like what's our offering that such big names are coming to us in a short span of time, relatively short span of time, sir? What are we doing differently, sir? Just trying to understand that.

Dhruv Jhawar

Yeah. So, see, if you technically see as I'll be very honest with you, we are into this industry since 1997. So, we have always worked with the bigger companies. Now, the thing is that in like, we had given a press release last year regarding this thing, and we had a family separation where our side of the family had taken over this whole company in FY24. So, then we had restructured the whole company, and now we are only focusing on this business, which is our core revenue-generating business.

So, we have experience in heavy equipment hiring. So, we have transformed the whole company into an infrastructure sales company. So, the point being is that, that we were always linked with L&T, Reliance. We were always their vendors. It's just that right now, everything is being restructured. That's why it's looking like we are newcomers in this industry, but it's not like that. Because of that reason why we were always vendors, it's just that we had to shift everything and get the whole company restructured in the last two years.

Satya

Got it. Sir, on the receivables front, the receivables are pretty high. I was also comparing it with one other competitor, but overall, also, receivables seem to be on the higher side.

Dhruv Jhawar

Yeah.

Satya

Any commentary on that? Is it expected to stabilize? And why is it so high this year?

Dhruv Jhawar

Yeah. It is expected to stabilize. It is that this financial year has been like a V-shaped demand cycle for us. So, the whole point is that since we are adding so many machines, like, our projections were just, as I told you, on INR 400-crore CapEx side, even though one and a half years is left, we are already done with more than half of the CapEx cycle. So because of that, the receivables are going up. But, of course, as I told you that the lead time is also there.

So because of that particular lead time of one and a half months, the receivables are still showing a lot. But over the next few quarters, you'll be able to see that it blends in quite well when our top line also goes significantly higher. And this quarter, we only did INR 8 crores of top line. But in the upcoming quarters, like, this top line shall go up because our monthly billings have significantly gone up. So, once you match it with the top line on a yearly basis, I'm sure the blend, like, will be able to judge better.

Satya

Got it. And one follow-up question, if I can continue or, I can fall back in the queue.

Dhruv Jhawar

Absolutely. Can continue. Yeah.

Satya

So, on the -- it's a more of a bookkeeping question, sir. In the balance sheet that we released in the September quarter, there is this large entry of noncurrent liability. And, so what do we include in that? Just want to understand that.

Dhruv Jhawar

Yeah. So, the noncurrent liability is actually the machines we purchased. So, we have a very short moratorium period for that. Right? So because of that, we purchased the machines with that particular logic behind it. So, that is the reason why there is a spike in the noncurrent liabilities. But, of course, when it comes to the -- when you'll be seeing it on annualized basis, you'll be able to see that it's a game balanced out.

As I told you that in, like, in H1 itself, right at the end of the H1 like, on the end side of H1, we did receive a lot of contract. So, just to make sure that the machines reach on time, so this is the reason why we had to make sure that the funding and all -- before the funding, the machines had to reach the site. Because of this particular reason, there is a temporary upside in that, but it will obviously go down in the next few quarters.

Satya

Right. Sir, and in their segmental revenue split that we give, there is a heavy equipment hiring line item, but there's also an others, which in September was…

Dhruv Jhawar

Yeah.

Satya

A large about more than a crore, and right now, it's a negative entry of one point. So, what does that say?

Dhruv Jhawar

Yeah. When we buy a lot of machines for the FOC part, the free of cost side, we do get a lot of credit notes as well. So, this is just accounting entry of those credit notes entry. So, whenever the -- suppose if you are receiving a machine worth INR 5 crores, then with that INR 5 crores of machine, we also get INR 10 lakhs of spares. So, these spares are then utilized. Right? It is just an accounting entry for that because this is free of cost. So, somebody has to pay for that thing, right, in the books. So, it's just an entry thing. So that's why last quarter, whatever goes on, it was offset into this quarter.

Satya

So the number that we should look at is a heavy equipment hiring line item or we should look at the net of equipment hiring line item?

Dhruv Jhawar

No. Only heavy equipment hiring, yeah. And in the next financial year, we'll move to a single revenue stream segment. So, we'll just have one revenue stream that will be the heavy equipment side.

Satya

Got it sir. Got it. Thank you so much. I'll fall back in the queue. Thank you.

Dhruv Jhawar

Yes. Sure. Yes.

Moderator

Thank you, sir. The next question comes from Mr. Digant Bamb from SVIP Capital. Please go ahead, sir.

Digant Bamb

Hi, sir. Congratulations on a great set of number, but my question has already been answered. It was about the segmental revenue. The other is in results.

Dhruv Jhawar

Yeah. We had a lot of concern with the previous things also.

Digant Bamb

So basically, the loss that is being shown is basically the utilization of the free item that you received. Right?

Dhruv Jhawar

Yes. So, it's like we had a lot of -- see, if you are buying INR 150 crores of assets in just under two quarters, obviously, that amount of [**inaudible 00:21:35**] sums up to a massive amount. Right? So, it's just to offset that amount because it's actually a part of our heavy equipment segment only, but technically, it is not. So because that is the reason why there was underlying item we had to add or else, like, this is the only way to do it properly.

Digant Bamb

Okay. And the assets that are showing as INR 11.5 crores, that is what is still available, and that eventually will be shown as losses in the coming few quarters?

Dhruv Jhawar

No. It will be used in the machines. Right? So it's not a loss. It will be used.

Digant Bamb

Yeah. Of course. Just for accounting terms, it'll be shown as a loss.

Dhruv Jhawar

Yeah. But we have utilized all our -- most of our FOCs. So, I'll have to check what you're exactly implementing to once.

Digant Bamb

So, in the same segmental wise revenue assets, liabilities, results, if you see, there is segment asset written. In that, 3C is others, which mentions INR 11.43 crores.

Dhruv Jhawar

Just a second.

Digant Bamb

Segment asset, segment liability.

Dhruv Jhawar

Oh, yeah. That's right. Yeah. So, if you see that on INR 200 crore block, we have received a lot of FOCs and all these things. So, just an asset adjustment thing. So, it won't reflect as exactly losses because it will be adjusted with our heavy equipment hiring income. Right?

Digant Bamb

Yeah. Right.

Dhruv Jhawar

That's why it's in the segmental thing and not in the others, like, other income thing.

Digant Bamb

Okay. Sure. Thanks.

Moderator

Thank you, sir. The next questions come from Mr. Rishabh Malik from Artha Advisory. Please go ahead.

Rishabh Malik

Yeah. Hi. Actually, I just started looking at this company, and I wanted to understand, as I'm seeing that we have industry leading margins right now compared to our peers. So, I wanted to understand what are we doing differently and what -- is there anything like, is our equipment better? Or what about it? Will it be sustained? Like, will these margins be sustainable in the future?

Dhruv Jhawar

Yeah. So, see, the major part of that why we are clocking 70% EBITDA margin. The major, major reason is that, we don't have to pay for any maintenance for the first three years because it's covered by the OEMs of late. So, that is the reason why we don't take an additional 5% hit, which most of our competitors are taking. So, this is the major reason why we are clocking the 65% to 70% range.

But eventually post three, four years, when the maintenance also kicks in, then all these, like, then we'll be gaining around 60% to 65% EBITDA margins.

Rishabh Malik

Right. And the next question is, I wanted to understand the split between our source of funding. Like, how much is it through internal approvals and through rate funding CapEx amount.

Dhruv Jhawar

Yeah. Most of it is only internal approval. We are extremely cash-flow positive right now. So, because of having positive operating cash flow, that's the reason why we can reinvest in the machines. So, when we buy machines, we buy machines at a 100% LTV through either a three-year funding or a four-year funding. So, our repayments are also quite fast. And we have raised two equity rounds as well in the past one and a half years because, with these cash flows, we are able to buy even more machines.

Rishabh Malik

Right. And the last question is, I wanted to know that what's our longest order book at the moment? What the long duration order book was like, can you give some update with that or any detail?

Dhruv Jhawar

See, our first ever machine which we purchased was for, like, on this particular -- after the restructuring of the company, we had given that machine in Jindal. So, it has been two years already. That machine is still running over there only. So, technically, two years is the longest order -- like, the longest of what we have had till now.

But whatever contracts we have recently entered, all are 12 months and above contracts, and we strongly feel that we have entered in the phase 1 of these particular projects, and there are still three more phases to go after this. So, we do see that there is good revenue visibility for the next two years or three years. Because until unless these projects are made, like, these projects are finished, our machine will not be leaving the sites.

Rishabh Malik

So as of today, what's -- how many -- like, what's the amount of future order book that you have received?

Dhruv Jhawar

We have received around INR 48 crores worth of orders on the nine-month balance sheet, but on same P&L point of view. So, till December 31, our net order book signed at INR 48 crores. Recently, in the past one or two weeks -- in the past two weeks, we have received a few more contracts as well. So, we are currently -- as of if you're talking about today, then we are at around INR 55 to INR 56 crores.

Rishabh Malik

And what is the execution timeline we are looking at for this order book?

Dhruv Jhawar

So, for this particular order book, we have already started the execution. All the machines are at 100% utilization as of now. Our last set of machines, which will be 110-ton machines and the 150-ton machines have also been started around January 10. So right now, since we are talking, we are at full capacity right now.

Rishabh Malik

So, 11 months to 15 months, like, can you, give any guidance on the timeline?

Dhruv Jhawar

Yes. So, from December last year to December this financial year, we'll be talking INR 55 crores of revenue, even if you stop expanding right now.

Rishabh Malik

Okay. That is all from my side.

Dhruv Jhawar

In these calendar months. Yeah.

Rishabh Malik

Yeah. Okay. Thank you so much.

Moderator

Thank you, sir. The next question comes from Mr. Yash Tanna from iThought PMS. Please go ahead, sir.

Yash Tanna

Yeah. Hi. I'm also new to the company, and I think my questions have been answered. It's regarding the funding of the CapEx. So, I think you mentioned that you've done more than half of the budgeted INR 400 crores CapEx.

So, again, I think I missed the part where you mentioned how have you funded that half and how are you planning to fund the other half from the internal approvals? And if you can also mention the nine-month FY26 cash flow that you have generated.

Dhruv Jhawar

Can you please repeat the last part of the question?

Yash Tanna

The nine-month cash flow that you have generated.

Dhruv Jhawar

Yeah. So see, as I told you that currently we are generating good amount of cash flow. Answering this question, although INR 200 crores of CapEx we have done, so as I had mentioned earlier that we have raised two rounds of equity, which has helped us to buy more and more machines and to mobilize the INR 200 crores worth of machines. After this, whatever the machines have been deployed, we are gaining good cash flow from them. So, internal accruals are quite nice right now.

So, with this, particular internal accruals on a monthly basis, whatever cash we have generated, we'll reinvest that cash into buying new machines. So this is how, organically, we are slowly and steadily growing our asset base.

Yash Tanna

Okay. Got it. And, if you can, mention the nine-month cash flow number, if possible?

Dhruv Jhawar

Nine-month cash flow numbers, we will have to check. We can connect offline once because nine months, we're not doing the balance sheet. So for that, I'll take some time to check the books and get back to you. You can talk to Rishabh from ConfideLeap and we can connect after the call.

Yash Tanna

Sure, sir. And the other question, that I had, sir, so right now, currently, you mentioned that we have orders. The order book is close to INR 50-crore plus, and the orders are for a timeline of twelve months, and the utilizations are full.

I wanted to ask you what happens or what is the risk of nonutilization of all these machines that you are buying, right? Because we are doing a huge CapEx and expansion, and we are giving out the machine, but is there any clause wherein the customer can sort of give the machine back or cancel the contract? So, what is that risk of nonutilization in the business, if at all?

Dhruv Jhawar

Yeah. So, see, the customer can de-hire our machines, but if they de-hire our machines, they have to give us a 30-day grace period. And post this grace period, they'll also have to pay for the one side of the mobilization of the machines. So, technically, this is a huge chunk of money because, for example, if I'm renting out a 260-ton machine, so hypothetically I'm saying, that if I'm generating INR 15 lakhs of income on a monthly basis from a 260-ton machine then if the contract during the tenure is de-hired -- if we get de-hired, then first of all, we'll be needing a 30-day grace period. So, that's equivalent to INR 15 lakhs additional income plus the mobilization on that machine will cost -- or if from Chennai to Gujarat, if I want to transport that one machine, the mobilization cost on one side is around INR 20 lakhs, INR 25 lakhs. So, we'll be getting that as well.

So, this is the major reason why, generally, nobody gets de-hired very easily until unless you're doing a bad job. So, this is a very big reason. And till now, whatever machines and whichever sites we are given, most of the machines are still running because the projects are not even close to the finishing part. So, that is the reason why we have good clarity on [**inaudible 00:32:38**] side.

Yash Tanna

Got it. And so, one last question. So, I didn't perfectly get, so I think you have some understanding with the OEMs where you don't have to pay them for a couple of or two years or three years, and then you have to make the payment. So, if you can just help me understand what the exact terms for the contract are with the OEM?

Dhruv Jhawar

No. These are all normal fundings. So, these are all part of CVC fundings. It's just that, for example, if I'm -- like, if you're getting a INR 100-crore order from maybe Reliance, then to mobilize INR 100 crores worth of machines, it is not easy, right, to get INR 100 crores of debt at a single go.

So, this is the reason why we do get some small moratoriums from the OEMs as well for the smooth operation in part. So, it's not that we get such lucrative deals also, but it's just that we make sure that we do like, as soon as the machines have reached the site, we start repaying them in terms of long-term borrowings on it, which is the CVC funding for the banks.

Yash Tanna

Okay. All right. Thanks and good luck.

Dhruv Jhawar

Thank you.

Moderator

Thank you, sir. The next question comes from Mr. Manish Jaiswal, an individual investor. Please go ahead, sir.

Manish Jaiswal

Yeah. Hi, sir. Very good set of number. I am tracking your company from last one year, and I have to say you -- □□ □□ □□□□ □□□□ □□ □□□□ □□□□ □□□□ □□□ □□ □□, sir, □□□□ □□ □□ □□ question □□ □□ FY27 □□ □□□□ guidance □□□□ □□ □□ □□□□ INR 60 crore □□ □□□□ INR 65 crore □□ revenue □□ □□□□□ □□ □□□□ achievable □□ right now □□□□□ □□□ □□ □□ CapEx □□ □□□ □□?

Dhruv Jhawar

Yes. So, like, □□□□□ □□ like INR 50 crores, INR 55 crores □□ □□ order book □□ □□ □□ date □□□. So, just do the math on the basis of that. If this order book will keep on going down as well and up as well on a very fast basis because we have contracts. Right? For example, if 250-ton machine contract is expiring in February, so technically speaking, I just have a 30-lakh contract left.

But if it gets extended another 12 months, then I'm again good with INR 2-crore order. Right? So because of that, we are currently at our current pace, we are very confident that we can't surpass that number as well. Because this financial year, if you've seen the first three quarters itself, we have done almost INR 19 crores of revenue, and our guided revenue was INR 20 to INR 22 crores. And now we are at peak capacity. So this year, we will be surpassing by a good percentage. So, this will help us to get closer to our FY28 revenue targets.

Manish Jaiswal

Okay.

Dhruv Jhawar

Because right now, with the stock expanding, we should be doing INR 55 crores of revenue for sure with our current order book.

Manish Jaiswal

Very nice. And sir, your PAT margin will be in -- □□□□ □□ PAT margin □□□□ □□□□ □□□□□ range □□□ □□□□□ with stable 30% □□ around □□□?

Dhruv Jhawar

It will be anywhere between 25% to 30% because in the first two years, we get good amount of depreciation because the machines are absolutely brand new. But eventually, in the next three years to four years, when we do have to pay taxes on the income tax side, then this PAT margin will slightly go down, but it's not a big thing because we will be churning our machines and we will be buying more machines as well.

So, for the next three years, four years, this 25%, 30% margin should always be stabilized only. See, if you are moving on expanding and if you have that hunger that on INR 400-crore CapEx, so we have just said, but if the demand is more, then why can't we do INR 1000-crore CapEx also? So, if you are going on buying machines every year then the depreciation benefit is also a lot. So, we don't have to pay a lot of taxes as well. □□ □□ □□ □□ □□ □□□ □□ □□ □□ we can make sure that our PAT margins will always be in a similar range.

Manish Jaiswal

Okay. Very nice. □□ sir □□□□ □□ □□□□ □□□□ CapEx □□ guidance increase □□□□□ □□ □□□□ INR 400 crore □□ overall guidance □□ □□ □□ □□ already half □□□ □□□□□ □□□□ □□, □□ □□□ □□□□ □□ □□□□ □□ extend □□□□□ guidance term □□□ FY27 □□ □□□□ □□□, like that, something?

Dhruv Jhawar

See, my target is that let's read the 400 number first. See, investors like clarity. Right? You all love clarity. It's not that I can – see, I can say anything I want. Right? And that will be part of guidance. But it's always better to be practical. Right now, with our company's size, we feel that INR 400 crores of CapEx is somewhere where we can reach organically. If we announce INR 1,000-crore CapEx journey, which the demand is there, but, obviously, for the banks and all to give us more and more limit, it takes time. Right?

So because of that, INR 400 crore to INR 500 crore is a genuine number we feel that with the current internal approvals, we can easily reach there. Now, in order to go to INR 1,000 crores, then we'll be needing further internal approvals and the demand should also be like that. So, that's why we don't want to overcommit anything. Of course, once we are done with the INR 400-crore CapEx, it's not that we are just going to sit and relax. Right? So, we will be doing more and more CapEx as well. Right?

Manish Jaiswal

Okay. □□ sir □□□□ □□ □□□□ -- last question -- □□□□ □□ □□ FY28 □□ □□□□ revenue guidance □□ INR 100 crore □□ □□□□ □□□, □□ □□ □□□□ □□ □□□□□□ □□ □□□□ □□, right? □□□□□□□ □□□□ CapEx □□ full □□ □□ □□ □□□ □□ □□□□□ □□□□□ □□ □□ □□□□ □□□ orders □□□□□ □ □□ □□□ □□□ □□□-□□□ companies □□. □□ □□□ □□□ □□ □□ □□□ □□ □□□□□□ right now □□ □□ INR 100 crore □□ □□□□□□ □□ achieve □□ □□□□, I think, right, FY28 with the PAT margin of 25% □□ 30%?

Dhruv Jhawar

Yes. We generally feel that there is a very high time because of the kind of demand we are seeing right now. But we don't want to commit to anything. But with our current order book, we are already 55%, 60% there, and it's literally two years, □□□ □□ □□□ □□ □□.

So, we are on a good track. We don't want to overcommit anything, but we are very strongly -- well, we feel that in FY27, see, if we are able to generate more demand before the upcoming monsoons, then it is going to be a very good thing for us. Because if we are able to make sure that we can do another INR 100 crores of CapEx if we are getting that demand in the next 6 months only, then these machines are -- when INR 300 crores, INR 400 crores start generating revenue and positive cash flow, then the real thing starts happening. So right now, if you see our INR 200-crore blocks have now started generating full like, it is at full utilization. So, maybe in the next few quarters, you'll get more clarity on where our top line is going to go.

But, yes, if we get one or two more projects like □□□□ □□□□ □□ □□□ recently. If we are able to get those kind of projects, then 100%, we can try to surpass that.

Manish Jaiswal

Okay. Thank you, and all the best. All the best. Thank you, sir.

Dhruv Jhawar

Thank you so much. Thank you.

Moderator

Thank you, sir. The next question is a follow-up question from Mr. Satya, an individual investor. Please go ahead, sir.

Satya

Hello. Hi, sir. Thank you for the follow-up. Sir, in steady state, what will be our asset turn be like?

Dhruv Jhawar

We want our asset turn to be very low because when we send the machine to a plant, we wanted to be there till □□□□□ time □□□ □□□□, because for us to keep churning that, it's not a good thing because if the machine is going from, like, Chennai to Gujarat, it may take 12 days to 15 days. So, if we keep churning our machines a lot and we get shorter-term contracts, then that additional 15 days, 20 days of revenue will like, we'll start taking a hit in that. So, we would love it if our machines are working in the same site for the three years, four years, five years, six years, depending on that.

Satya

Sir, I'll ask you differently. Sir, I want to understand □□ □□□ □□□□ INR 100 crore □□ asset □□ □□ how much revenue can it generate in a year?

Dhruv Jhawar

Oh, that way. Yeah. So, see, it depends on different kinds of assets. Okay? If you are purchasing the smaller machines like 100 tons then the top line in those machines is more because the operation cost is also more. So, the net blended deal will come similar only. But for example, if I'm buying a higher tonnage machine, like a 250 ton, 500 ton machine, then the revenue time machine will be generating, and the cost of operating those higher tonnage machines is very low. So, to be on the safer side, on a lower tonnage machines, we can generate up to 3% or 2.8%, 3%.

With over time, we can also go to 3.5% of net revenue. But in the higher tonnage machines, our net revenue will be 2.5% only. But the operational cost in both machines will just be 0.2% or 0.3%. So, our net blended yield will be similar in both the cases.

Satya

So, this yield is annual, sir. I didn't understand that yield you are saying is annualized or how do you like it?

Dhruv Jhawar

Sorry. I didn't mention that. It's a monthly basis. Like, 3%, 2.5%, what I'm saying, is on a monthly basis.

Satya

Got it. So, about 30%, 35% on an annual basis?

Dhruv Jhawar

Yes.

Satya

Got it.

Dhruv Jhawar

And, see, in H2, we get a lot of overtimes, like, massive amount of overtime. So, we can generate 10% to 20% more yields as well. Like, if our yields are 30% per annum, and in some years, we can generate 36% also like being on a hypothetical situation, I'm saying. If the yield of 40%, then it's gonna go up to 48% also.

Satya

Yep. Got it. Sir, what's our client concentration, like, generally, of the revenue? And maybe based on the order book that you have, is it concentrated in a few clients, or how is it spread?

Dhruv Jhawar

Yeah. See, we have a business mantra that we do not work with the local subcontractors. Because, honestly, if I tell you the real truth behind everything, if I'm working with companies like Tata, Jindal, Reliance and all, I can always get their bills discounted if I'm on any kind of cash crunch in the future. Right? We don't have any kind of working capital limit. We just have to -- on INR 200-crore asset base also, we are organically growing.

We just have INR 2 crore bank limit, like OD facility. So right now, we are organically growing because we are cash flow positive. But if we start working with the subcontractors, the local subcontractors, their payment will start hitting our accounts in next five months, six months because that's the aging cycle for them. So, cash management becomes really difficult if you are working with those companies.

So, that is the reason why there is a concentration, but only in the blue chip companies. Even in the blue chip companies, there is some concentration because not all the companies keep doing CapEx together. Right?

Some companies will do CapEx this year. Some will be at the finishing stage this year. Some companies will start doing CapEx next year.

So, we have to make sure that whichever company is doing CapEx, we are actually behind them and working with them. So, maybe on a three-month basis or a six-month basis, maybe our order book can come from, like, 30% to 40% -- 40% of our order book can come from one company also. But that is just the thing that one project has just started.

As soon as other companies also keep giving us more contracts, that blend is always there. That pie chart will always be, like, diversified. But in the short term, it can be concentrated. But in the longer term, maybe if you take a 12-month thing, then it will get blended again.

Satya

Right. Got it. Sir, do we have any regional focus or we are available pan-India?

Dhruv Jhawar

We are available pan-India. We are working in almost, like, everywhere. In the East, we have lesser machines, except in Odisha. We don't have any exposure in the East, but we are working on a pan-India basis.

Satya

Got it. Thank you, sir. I'll fall back in the queue.

Moderator

Thank you, sir. We have another follow-up question from Mr. Rishabh Malik from Artha Advisory. Please go ahead, sir.

Rishabh Malik

Hi, sir. You earlier mentioned the point about higher depreciation that you get the benefit up in the first two years. I just want to clarify my understanding. Please correct me if I'm wrong. But is that also coupled with the GST benefit that would kick in because of the high CapEx that you're doing? So, the input credit that we can avail and in turn, our cash flows would look better for the first couple of years. Is that understanding correct?

Dhruv Jhawar

Yeah. So when we buy the machine, we buy it in GST billings itself. So, of course, in the first four years, three years, we do get our GST back. But in the revenue top line and everywhere, we do not take GST because we do not capitalize that. So, technically, if you're seeing, if I'm doing INR 10 crore revenue, I'm actually getting paid INR 11.8 crores because GST is not shown in our revenue.

But if you see, GST is being blocked. Right? So, like, the GST money. So, it should be considered in the CapEx side. So, when you do a deep dive into our books, then you'll understand this better. And on the depreciation part, as I told you that in the -- we use the SLM method. We do not use the written down one. So in the income tax, we do get 15% depreciation benefit. And in the books, on 100 tons and above, we get 4.75% of depreciation. And on 100 tons and below, it's a 6.3% appreciation.

Rishabh Malik

Got it. Just a quick question there because Just for example, if you can explain, let us say, you've done INR 100 crore CapEx. I'm assuming the GST should be around 28-odd percent. Correct me if I'm wrong. Now, what is important assuming is that, in order to pick up a new business that you're doing, it becomes beneficial for you because your actual equipment cost becomes INR 70-odd crores, and your yield would immediately spike up for that particular year until you get the benefit.

Once the GST benefit is done, then the margins would come back or the cash flow initially should ideally look higher because this is ideally going to be a noncash entry.

Dhruv Jhawar

You're absolutely right. But it's for those companies who are not wanting to grow after a certain point. Right? If after four years, if my GST input has been claimed by me, and I'm stopping the CapEx cycle permanently, that I'm told that I will not do any CapEx, then it makes sense. Right?

But if you're growing by more than 18% after four years, like, this is after four years, even in one year, like, for example, I'll tell you if my payback cycle is supposed hypothetically four years, then after four years, I will be needing at least 18% of my new CapEx to be done so that GST benefit comes in to me. Suppose that if I'm selling older machines and buying newer machines, then that offsets it. Right? Or I can buy more machines so that I can get more GST input as well.

So, it's all about how you manage it. It's like capital allocation, but how you manage your fleet in such a way. Burning cash, rather you are generating cash. You have to be very practical enough with that.

Rishabh Malik

This was this was a very good point, sir. Just one more follow-up question there. So, is it fair to assume that you would depreciate the machines in the first four years to five years?

Dhruv Jhawar

See, on the income tax, we depreciate machines in seven years. But in the balance sheet, we depreciate machines about 22 years. It's around twenty years.

Rishabh Malik

Okay.

Dhruv Jhawar

Yeah.

Rishabh Malik

And actual replacement cycle for you would be let us say if you invested in a new machine today, you would actually replace it ten years down the line or how many years down the line? I'll tell you my school of thought. I'm thinking about, you're replacing your machine. So, again, churning cash from selling old equipment, again, buying new equipment, getting GST, getting a better depreciation, which again, forms your cash flows, increases your margins as well because it's easier for you to secure a business at a more competitive rate, I believe.

Dhruv Jhawar

Absolutely. This is what we are doing. Right? Like -- so, this is exactly what we are planning. So we see, now another thing, technically, I shouldn't say see, □□□ □□. If you technically see that every seven years, there is a spike in the metal prices. Like, the metal industry goes insane. Right? So, if you time your exit on those years, then you can get a good 10% extra premium for the machines because our machines are literally metal. There's an engine, hydraulic, and then it's a new metal. So if you like, you just have to be creative. Right?

It's like, if you're very creative, you can actually generate more ROI as well. It's not only for the books. Right? Fundamentally, you have to make sure that your asset is being utilized to its max potential. If you go from the 20-year-old, 30-year-old school thoughts, right, whatever machines I have, I'll just keep it like that. Let it go to zero value. Let it be done like that. So if you do, if your thoughts are, like, the old-generation thoughts, then obviously, capital management will be very difficult for you. Because although you'll think that you are generating good cash, but you actually are not generating good cash. So, that's how I see it.

Rishabh Malik

Thank you so much. Thank you so much, sir. That will be all from my side.

Dhruv Jhawar

Yeah. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. I repeat if you have any questions, please press * and 1 on your telephone keypad.

We have next question from Mr. Jayesh Shah from Shah Investments. Please go ahead, sir.

Jayesh Shah

Yeah. Hello?

Dhruv Jhawar

Yeah. Hi.

Jayesh Shah

Hello. Yeah. Hi. So, congratulations on a very good set of numbers. I just have a couple of questions from my end. So firstly, your fleet is split heavily concentrated in the energy sector. So, how confident will you be about the longevity of the contract? And are adding fleet as per the sector requirement? Like… Hello?

Dhruv Jhawar

Yeah. So, you're asking one question or two questions? I couldn't get the second part.

Jayesh Shah

Only one. That's one question. How long will be the… yeah.

Dhruv Jhawar

Yeah. So, see, we are extremely bullish on the renewable energy side because that segment is growing very fast, like, very, very fast. Even the metro side is growing really fast, but the projects are still yet to open. A few of the biggest EPC contractors have just won the orders, so it will take around two months to three more months for the civil work to be done. And then they'll get the crane and manufacture requirements. So, we are just waiting for those particular things.

Now, if you technically see, we -- like, on the renewable energy side, if you see on a pie chart basis, right now, we are at 45% exposure to the renewable energy side. But eventually, when we start doing more and more CapEx in other industries as well, when new, new projects keep opening up, then this land will obviously come down. Right now, our asset base is around INR 200 crores. That is the reason why around INR 80 crores, INR 90 crores of the machines are into the renewable energy side.

But if you see on the longer term picture, suppose on INR 400-crore block, if you got INR 120-crore machines, the sector, then it's just 30%. So right now, we are getting more and more demand from the segments, so we are concentrating on this, but it's not that we have stopped looking at all other segments. As and when more and more demand comes from the other segments, we'll surely shift to those segments as well. I hope this answered the question.

Jayesh Shah

Yeah. And one more question. So, Reliance entry in the renewables is a very big one. So, can you share the contract size, duration, and whether this can open the door for other projects and Reliance?

Dhruv Jhawar

Yeah. So, Reliance is one of our biggest vendors -- biggest clients. But, yes, Reliance getting into renewable energy has been a really good thing for us. So, if they keep expanding into the renewable energy segment or any refinery segment or anything, since we are vendors of reliance, we do get requirements for all these things. So, it's not that reliance is only doing renewable energy.

They have other things as well. They are into chemicals. Like, they are building India's biggest chemical vinyl plant as well. So, it's just that that if you are vendors with them, so we'll keep getting work for everything. But, yeah, if they're doubling down on any particular sector, then it's a really good thing for us because the machinery requirements are in all sectors, be it solar, be it renewable, be it metros, be it steel, anything.

Jayesh Shah

So, this answers my question. Thanks Dhruv Ji and all the best to you guys for the coming quarters.

Dhruv Jhawar

Thank you so much.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. I repeat, if you have any questions, please press * and 1 on your telephone keypad.

Since we have no more questions, we may now conclude the call. And I now hand over the call to the management for the closing remarks.

Dhruv Jhawar

Yes. Sorry. Phone was on mute. Thanks to everyone for joining our con call today. I really appreciate you all taking out so much time to listen to us. And it's been a great journey till now, and we hope to achieve even bigger milestones in the coming quarters. Thank you so much, everyone. Yeah. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant evening.

Note:
1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words