



“KEC International Limited
Q1 FY27 Earnings Conference Call”
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LIMITED
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Moderator:

Ladies and gentlemen, good day, and welcome to the KEC International Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

From the management today, we have Mr. Vimal Kejriwal, MD and CEO; and Mr. Rajeev Aggarwal, CFO. I now hand the conference over to Mr. Vimal Kejriwal. Thank you. And over to you, sir.

Vimal Kejriwal:

Thank you, Alaric. Good morning, everyone, and welcome to the KEC International's Q1 Earnings Conference Call.

Let me begin by sharing an overview of the operating environment, followed by our performance during the quarter and business-wise updates. In the Middle East, our Dubai manufacturing facility and the execution of all ongoing projects continue to operate near normal on the ground. The region accounts for approximately 25% of our overall order book and L1 position. While tendering activity remains strong across the region, we are witnessing some delays in the finalization and award of new orders.

Cash flows remain stable, and we continue to be optimistic about the medium to long-term outlook, supported by sustained investments in grid expansion, regional interconnections, grid resilience, renewable energy integration and reconstruction initiatives. While on-ground execution continues across our sites, we continue to face challenges on the supply chain and logistics.

Shipments, especially from Europe, China and India to the GCC countries, which have come to a standstill earlier have gradually resumed, albeit with some delays. This has resulted in slower execution on certain projects on the supply side. Freight costs, including war-related surcharges, insurances, etcetera, remain elevated, though they are expected to moderate over the coming weeks. This also had a cascading increase on logistics, fuel and power costs, also in the manufacturing facilities in India.

We are working closely with our supply chain partners to minimize these disruptions and are also engaging with our customers to recover these additional costs. Procurement or project execution may get deferred until customer alignment is achieved on recovery of the additional costs, resulting in revenue margin timing impact. These challenges impacted execution during Q1 and are expected to have a spillover effect on Q2 also.

Coming to Q1 performance. Despite a challenging operating environment, we delivered a resilient performance by maintaining revenues, strengthening our order book, reducing debt and continuing to build a healthy pipeline for future growth. We delivered revenues at INR5,024 crores, marginally higher than Q1 last year.

We have delivered a PBT of INR90 crores with PBT margins of 1.8%, and our PAT stands at INR73 crores. Our performance could have been better, but for the continued geopolitical disruption in the Middle East, shortage of labor and calibrated execution of water projects owing to delays in payments. The labor situation has started improving from June '26 onwards. Delay in legal closure of disputes or settlement of claims in transportation and metro projects also impacted the profitability.

On the order intake front, we secured new orders of over INR6,300 crores across T&D, civil, renewables, cable and conductors and transportation business. Additionally, we have an L1 position of almost INR3,000 crores, predominantly in the T&D business, which are expected to be awarded in the near future. We have a diversified and strong order book of INR37,697 crores as on date. Including the L1 position, our order book and L1 stands at over INR40,000 crores.

On the debt front, net debt, including acceptances, have been reduced by over INR150 crores to INR6,568 crores in June '26 from March '26, supported by free cash flow generation. This reduction in debt has also translated in a lower absolute interest cost compared to Q4 '26. The debt could have been further reduced, but for the delay in realizing significant collection from Afghanistan, which we now expect to materialize in Q2, as well as higher inventory levels due to delayed dispatches from Dubai factory as well as some raw materials storage amidst ongoing Middle East disruptions.

On specific businesses, T&D, the business achieved revenues of INR3,217 crores, higher than last year. The revenues could have been better, but for the supply chain constraints in Middle East. On the order intake front, the business secured orders of INR3,600 crores across India, Middle East, Africa and the Americas.

In India, we secured repeat orders from leading private developers, including a significant order in the rapidly growing HVDC segment. We continue to witness a robust opportunity pipeline in this space. We have already participated in multiple packages in the Barmer, Rajasthan, HVDC scheme and expect additional schemes to be floated during the course of the year.

We have also secured a first transmission line order for evacuation of power to a data center in Western India from a private developer. This order marks an important milestone for the T&D business in supporting the power infrastructure needs of the growing data center segment.

We are also engaged in discussions with other data center developers for similar opportunities. In addition to PGCIL and other private developers, we have started bidding for 3 new developers during the quarter. In international, we are witnessing a gradual revival in the African market, reflected in the recent win of a significant transmission line order that further strengthens our presence in the region.

We have also expanded our power supply business by securing a substantial order in the Middle East, opening up a sizable new market beyond our presence in the Americas, Australia and Europe. In SAE, the business achieved revenues of INR450 crores, a strong growth of 25% year-on-year. We continue to witness strong momentum in order flows, with new orders of over

INR1,650 crores for the supply of towers, hardware, poles and engineering services across the U.S., Mexico and Brazil, an increase of nearly 4x compared to last year.

These orders include the largest ever tower supply order from the U.S., reflecting the growing momentum in the American T&D market. With these orders, the order book and L1 position has been scaled up to a record level of over INR3,800 crores.

In line with our strategy of diversifying our product portfolio and expanding into new markets, we continue to make encouraging progress. In Brazil, we successfully executed our first pilot order for mining structures, opening up opportunities beyond the power transmission sector.

In Mexico, we expanded our international footprint by securing an order for the supply of structures for a solar project outside Mexico. On the manufacturing front, following the successful capacity enhancements at our facilities in Dubai, Jaipur and Jabalpur, we completed the expansion of our Butibori facility in Nagpur in Q1.

With this, our global manufacturing capacity has increased to 483,800 metric tons. These capacity additions further strengthen our manufacturing capabilities and position us well to cater to the growing demand for transmission infrastructure across both domestic and international markets.

The overall tender pipeline in T&D continues to remain robust across both domestic and the international markets. In India, the sector continues to offer a strong multi-year growth opportunity, driven by rising power demand, accelerated renewable energy capacity addition, grid modernization and the increasing need to address grid congestion through expansion and strengthening of the transmission network. With a robust tender pipeline, we see significant multi-year opportunities ahead and remain well positioned to capitalize on this growth.

The international T&D market continues to present a strong growth outlook, supported by robust transmission investments across the Middle East, recovery in Africa, expanding opportunities in Americas, CIS and the SAARC regions and increasing infrastructure demand driven by renewable energy integration and the AI-led data center book. Our diversified global position positions us well to capitalize on these opportunities.

With a healthy order book and L1 in T&D of over INR25,000 crores, we are confident of delivering significant growth in the T&D business. In civil, we delivered revenues of INR993 crores for the quarter, a growth of 6% year-on-year. While execution has progressed across multiple sites, growth was slightly lower owing to the labor shortages arising from the election period and the delays in customer payments in the water segment.

During the quarter, we successfully commissioned the Bheden water supply project in Odisha, which was inaugurated by the Honorable Prime Minister, Shri Narendra Modi. This landmark project will provide safe and reliable drinking water to 166 villages through 58,000 household tap connections, creating a meaningful social impact. During the quarter, the business secured multiple orders/L1 of over INR1,400 crores in the buildings and factories vertical from reputed clients.

The civil business has widened its presence in the automobile segment, with an order from one of the India's leading automobile manufacturers, adding a marquee client to its portfolio. The business continues to strengthen its presence in the high-rise residential segment, expanding its customer base with a prestigious order in Northern India.

It is also well positioned to secure another order from a repeat customer, reflecting our strong execution capabilities and customer confidence. With these wins, KEC is now constructing approximately 80 high-rise buildings for marquee clients across the country.

Our geographic footprint extends with a strong presence in markets such as Mumbai, Gurugram, Pune, Goa, Bangalore, Hyderabad and Kolkata. During the quarter, we further strengthened our civil leadership capabilities through onboarding of senior talent. Looking ahead, with the labor situation gradually normalizing, a sharp focus on execution of a robust order book and L1 of over INR10,000 crores, we are confident that the civil business is well positioned to deliver healthy growth over the coming quarters.

Our transportation business has achieved a revenue of INR259 crores for the quarter. The business continues to focus on execution of the new orders and completion of ongoing projects. During the quarter, the Honorable Chief Minister of Maharashtra inaugurated the Mumbai Metro Line 2B section between Mandale and Diamond Garden, where KEC executed the ballastless track works.

The business has also secured new orders over INR250 crores in the technologically advanced Automatic Block Signaling segment. The business has successfully implemented Kavach across 667 route kilometers and is currently executing deployments across an additional 1,780 RKM of the railway network and over 3,000 locos.

We continue to actively pursue opportunities in Kavach, technologically advanced metro systems and tunnel ventilation projects. Going forward, our focus remains on accelerating project closures, improving working capital efficiency and selectively pursuing high-value domestic and international opportunities to drive profitable growth.

Our cables and conductor business has achieved a revenue of over INR600 crores, a stellar growth of 57% year-on-year, driven by robust demand across the infrastructure, power transmission and industrial segments. We also continue to witness steady inflow of orders for supply of both cables and conductors.

On the new product front, elastomeric cables are slated to commence production in this quarter, followed by the commissioning of the E-Beam plant in the next quarter. These investments are expected to strengthen our specialty product portfolio, improve our product mix and support long-term margin expansion.

In the renewables business, we secured new orders of INR800 crores from an existing customer during the quarter. These include prestigious projects in both the wind and solar segments. We are now executing solar and wind energy projects with a cumulative capacity of over 600

megawatts. In addition, the 1-gigawatt solar projects for IRCON in Karnataka and NTPC in Rajasthan commissioned recently, are operating successfully at the rated capacity.

The outlook for the renewable business remains highly encouraging, driven by sustained investments in clean energy, grid modernization and the increasing focus on reliable and dispatchable power solutions. We continue to engage with leading wind OEMs for strategic partnerships to strengthen our presence in the wind segment. With our expanding execution capability and growing project portfolio, both across wind and solar, we are confident that the renewable business will become a significant contributor to KEC's long-term growth.

In the oil and gas pipeline business, we have initiated the merger of our wholly owned subsidiary, KEC Spur Infrastructure with KEC International. Post the merger, the oil and gas pipeline portfolio will be integrated into our civil hydrocarbon segment, enabling a more unified approach towards hydrocarbon projects. Going forward, we see significant opportunities to expand our hydrocarbon business across both domestic and international markets.

In conclusion, our performance during the quarter reflects the resilience of our diversified geographical portfolio. While we continue to face certain near-term challenges, we believe these are largely transitory.

With supply chains gradually normalizing, labor availability improving, a strong order book and L1 position of over INR40,000 crores, a robust tender pipeline exceeding INR2 lakh crores and encouraging opportunities across both domestic and international markets, we remain confident of delivering stronger execution and improved financial performance over the remaining quarters of the year.

Thank you. We are now open to take questions.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Vaibhav Shah: with JM Financial.

Vaibhav Shah: Yes. Sir, firstly, on the stand-alone performance, we saw EBITDA margin decline to almost 4-odd percent for Q1 and PAT was negligible. So, what was the reason for that at stand-alone level?

Vimal Kejriwal: Vaibhav, as you have seen our numbers, so T&D obviously is at a higher margin and railways and civil has been negative and that is in the stand-alone. T&D is -- a large part of our T&D is also in the consol piece, which is the major reason why the stand-alone is showing a much lower number as compared to the consol.

Vaibhav Shah: Okay. So, you expect the T&D to pick up from Q2 onwards or it should be in the second half?

Vimal Kejriwal: There should be some pickup happening in Q2. I think the problem in Q2 is T&D in India is there because of very heavy rainfall, especially in Gujarat, where most of our projects are right now concentrated. But clearly, Q2 will definitely be better on stand-alone.

Vaibhav Shah:

Okay. Sir, secondly, you mentioned about the stuck receivables in Afghanistan and JJM. So, what is the quantum of receivables from Afghanistan and JJM? And can you split the JJM receivables in both MP and Odisha? And how do you see the inflows coming in?

Vimal Kejriwal:

I don't have the split numbers, but the total receivables should be around INR800 crores to INR900 crores, of which around INR400 crores to INR500 crores are sort of overdue, okay? Balance are pending certification, etcetera. So if things happen, we should be -- we have been talking with everyone, including the state governments and the central governments and the assurances that the funds are now been released.

So, we will keep our fingers crossed. In fact, in the month of July and August till date, we have received around INR110 crores or so between the 2 states. I don't have the exact amount. The dues are equally split between Odisha and MP.

As far as Afghanistan is concerned, we have around roughly INR300 crores of money, which is due for payment for some time, and it has to come from ADB. We have been getting repeated assurances that we should get the money. It was supposed to come in Q1. Now, they have told us Q2.

So, I think it's a matter of time. I think if we are lucky, let me put it, that we should get it in Q2 itself. Otherwise, definitely Q3. And that's a large amount, INR300 crores without any outflow against it. So, that will help us in improving our debt situation, which did improve a little bit in this quarter.

Vaibhav Shah:

Sir, lastly you mentioned that in the previous call that we are targeting 120 days by September and 110 days by March in terms of overall working capital. So if we receive this INR300 crores from Afghanistan and another INR300 crores, INR400 crores from JJM, then also we -- to achieve that target, we need another improvement as well. So, what could be that lever to reach towards...

Vimal Kejriwal:

These 2 should be decent -- will help us decently. Also, I did mention that we had a higher inventory level in Q1. One is partly in our Dubai factories because there was some balancing equipment, etcetera, which did not reach there, which have now reached. So that is one.

Secondly, in our cable business also with all the uncertainty on the plastic side, etcetera, we had increased our raw material, etcetera, and finished goods also. So, now they are getting going. So, I think maybe around INR200 crores, INR250 crores should get sort of released from the working capital side without the debtors also. So, I think we are pretty okay with the numbers what we are talking about.

Vaibhav Shah:

Okay. Okay. Sir, lastly, on interest cost, we have seen some reduction on a Q-o-Q basis. So incrementally, this should be the run rate on a quarterly basis for the entire year?

Vimal Kejriwal:

No, it should be much less than that. This quarter, we had 3.3%, largely because a lot of cash came in, in the end of the quarter. So, while the absolute borrowings went down by the quarter end, I think in April, May, it was elevated. So, our expectation is that against the 3.3%, which

we did, we should be around 2.3% or so for the whole year. Our total debt should -- interest should be around INR600-odd crores. That's our expectation.

Vaibhav Shah: Okay. Okay. Thanks a lot sir. I'll call back.

Vimal Kejriwal: Thank you Arafat.

Moderator: Thank you. The next question comes from the line of Sumit Kishore with Axis Capital. Please go ahead.

Sumit Kishore: Good morning sir.

Vimal Kejriwal: Good morning Sumit.

Sumit Kishore: My first question is in relation to your 25% order book in Middle East. Could you speak about the composition of this order book, the challenges that you faced in terms of execution? So excluding Middle East, what would have been your revenue growth? Just trying to understand the impact here.

Vimal Kejriwal: So Sumit, 25% order book is broadly, I'll say, equally divided between Saudi and UAE, so that's the basic. So, when you say 25%, it's almost INR10,000 crores, so INR5,000 crores each between the 2 countries, okay, very broadly. Maybe 1% or 2% here and there, okay? That's one part of it. On challenges, we are not seeing anything significant on the ground. So, project executions are going on. I think in the last 4 months, we have commissioned 3 or 4 projects during these 4 months and a lot more is happening.

I think the problem is twofold. One is the logistics costs have gone up. Fuel costs have gone up. So, local operating costs have gone up significantly, which is reflected in the margins. We have been in touch with the client, etcetera. Let us see what happens. But since the costs are being incurred, they're getting booked immediately. That's one part of it.

The second part is on the supplies. So typically, 25%, 30% of our revenues come from supplies or items. So, we are seeing a significant challenge on the shipping side with the ports under attack or so. So, vessels from China, Europe and even from India are difficult to get. And then also the rates have gone up.

So, whatever is impacting the quality of revenue, we have been deferring it for some time. Hopefully, the situation is slowly normalizing. So it should come back maybe by the end of this quarter or so. We'll keep our fingers crossed on that. So the major impact is not on the physical execution, but towards the supplies, which go into the projects.

Sumit Kishore: Okay. So essentially, revenue growth, excluding Middle East would also have been flattish, just like we have seen on a year-on-year basis for KEC at consolidated level?

Vimal Kejriwal: So, I think the revenue growth was slightly, I'll say, impacted in India T&D and also civil because of labour in the civil side. India T&D, I think we are still seeing a huge headwind in terms of ROWs, whether it is Rajasthan, whether it is Gujarat.

I think these are 2 major states where we are operating majorly because all the renewable projects are there. So, most of our projects are in that side. So that's one issue. I think slowly, slowly, it is getting resolved. Gujarat has come out with a new scheme where they have increased it twice or thrice of market value. So, I hope that we will start seeing a lot more movement on the India T&D side.

Sumit Kishore: Okay. Okay. On the FY26 call, you had indicated an expectation to grow 12% to 15% in revenue terms, order inflow of INR300 million and you had not given any specific margin guidance. Would you like to revisit your guidance for the fiscal?

Vimal Kejriwal: I think we are okay with the guidance. I think only on the revenue side, we were 12% to 15%. So it will depend upon what happens in the war. I think maybe 0.5% or 1% here and there, but I don't think there's anything major for us to worry because we have an order book of INR40,000 crores. So Q3, Q4 typically are good for execution. So, I think right now, we are pretty okay with our guidance.

Sumit Kishore: Okay. And finally, in your civil segment, how much is water as a percentage of your order book now? And...

Vimal Kejriwal: Yes. Go ahead.

Sumit Kishore: Yes. And basically, with the headwinds or working capital challenges, what is the outlook on execution there? And particularly, within civil, I think you had expressed the expectation of INR80 billion of order inflow in FY27. How much of that would be particularly from water?

Vimal Kejriwal: We have not taken anything from water, first of all. Secondly, I think on the order book we are roughly around INR1,200 crores or INR1,300 crores in water. So that would be, let's say, 13%, 14% of our order book. I think for the balance numbers, I think we are pretty okay. We have got a large pipeline of, tender pipeline for civil.

So, we are not too much worried. There is enough and more work happening, especially on the residential and the commercial piece of it and continue to work a lot of inquiries from the metals and mining. I don't think we are seeing too much on other sectors, but at least on this sector, there's continuous inquiries coming on.

Sumit Kishore: Okay. Thank you and wish you all the best.

Vimal Kejriwal: Thanks Sumit. Thank you.

Moderator: The next question comes from the line of Parikshit Kandpal with HDFC Securities. Please go ahead..

Parikshit Kandpal: Yes sir, hi. Congratulations on a decent quarter in a tough environment. Sir, my first question is on the stand-alone revenues and the profitability. So if I do simple math, it's almost close to about INR3,900 crores of revenues and you've reported 4% EBITDA. Historically, this business had 10% margin. But assuming if we take even 8% normalized margin, so it's INR311 crores or

INR300-odd crores EBITDA. So, we have a shortfall for almost INR150 crores. So, roughly, this loss is coming from which segment within the book, order book?

Vimal Kejriwal: Difficult to quantify which exactly, but it's primarily coming from our transportation and civil business. That's where the shortfall is coming. T&D is doing reasonably well, I would say.

Parikshit Kandpal: But civil, sir, we were approaching high single-digit margins. So, what's happening in civil now? Why civil has turned negative?

Vimal Kejriwal: I think, no, no, it has not turned negative. I think the issue what we have been discussing is that we have got a few old metro projects and all that. I can give you an example. I've got 4 metro projects, 2 in DMRC, 2 in Chennai Metro. One of the DMRC project was commissioned some time back. The second one is ready for commissioning since, I think, last June, okay? The client has not taken over.

Chennai Metro, the same thing. The project, one of them is ready for commissioning for, I don't know, how many months now. And it's not been commissioned for whatever reason because somebody is not available or I don't know what's happening. And because of that, what happens is that you, the client will not take over, you are supposed to maintain. So virtually, you end up spending almost INR10 crores per month on each project. Now, all these are going in the expense account. You will make a claim and all that. The claim will come when it comes, but it has to be debited on today's date.

So that's where it is continuing. And I think it's a saga, which is, I don't know what to say about it. Hopefully, we are now hearing that they will get commissioned, and they are stuck for commissioning because the second part is not getting ready or something else has happened and all that. So, that's where this is happening. When you say that we are going towards a higher margin, it's a fact on all the new orders are all profitable, and we are pretty okay with them. It's a question of as soon as we are able to close the tap on these orders, we will start seeing a turnaround.

Parikshit Kandpal: When we talk about the line of sight, so I mean, Q1 is INR150 crores of shortfall. If I analyze, it's almost INR600 crores on stand-alone. So, where does it end? I mean, what is the order backlog right now from all the troublesome projects, which are underfunded or maybe loss-making. So, what is the pending cost to completion, I mean, or maybe extra costs which you need to cover up? So if one has to look at which quarter down the line we'll turn profitable, move towards 8%, 9% stand-alone margins, so if you can give some colour on that will be helpful.

Vimal Kejriwal: Difficult to give it today. And on the second part or the first part on the order book, these are not in the order book because they are all completed projects. They don't have any backlog of orders, except one CMRL project, which will get completed in maybe next 6 months, where we may have an order book of INR100 crores, INR150 crores or so. Rest of all are not -- as I said, they are completed, ready to hand over, everything is done.

So, they are not in the order book. I'll not be able to give you exact numbers. But I do think that this quarter also, Q2 also would remain in a similar line, maybe 50 basis points here or there.

But that's the way at least Q2 will be there. Q3, Q4 would depend upon what happens also in West Asia because most of the projects of West Asia, many of them are in my standalone.

Parikshit Kandpal:

Okay. The other part is the one thing, which is there on the civil side and the transportation side. Now secondly, challenges which are coming up on the freight and the commodity side, so steel, aluminium and so prices are going up. So is there a case wherein the T&D business, which is supposed to be high margins now start seeing headwinds on the margins because of all this conflict and they'll start reporting lower margins and directionally, our aspiration to reach high single-digit margin gets pushed out maybe by a year or a couple of years?

Vimal Kejriwal:

T&D, I am not seeing too much of a challenge on a double-digit margin, okay? We have, I think, enough cushions available. A lot of them are hedged already. So, I don't think we are too much worried about it, okay? T&D, I think we are okay. Steel and all that, what has happened is that the costs have come down again, especially on the plates, etcetera, angles.

Aluminum, yes, we have some exposure, but I think we have enough time to look at it. Are we worried? No, I don't think we are significantly worried about, maybe 50 basis points here and there. But our view is that T&D would probably continue to be in double digit or maybe very close to double digit going forward.

Parikshit Kandpal:

And what about the other segments, civil, transportation and others, if you can give some color on the margins?

Vimal Kejriwal:

They are still negative. So, that's where the overall numbers are under pressure.

Parikshit Kandpal:

Any guesstimate sir, from which quarter do you think the margins turnaround will start happening? I mean if you have to give, someone has to hold you and give a call then which quarter we'll see the turnaround happening? So, will it happen in FY27 or we look at maybe towards FY28, start of FY28 where the margin turnaround will start happening?

Vimal Kejriwal:

No, I think the margins will keep on inching up. Where and how they attempt to reach? I have no numbers to give you today. But do we think we'll get into double digit and all in FY27? Not possible?

Parikshit Kandpal:

'28, high single digit starting '28?

Vimal Kejriwal:

See, high single digit in '28 should be possible. Yes.

Parikshit Kandpal:

Sure, sir. Those were my questions. My biggest worry is on the margin side now because that impacts the...

Vimal Kejriwal:

I thought your biggest worry was on working capital, which you are not asking.

Parikshit Kandpal:

Yes. So eventually, CFO leads to working capital and then how working capital gets impacted, so it flows down from profitability. But anyway, I mean, that's a challenge right now I'm not able to grapple with.

- Vimal Kejriwal:** Thanks, Parikshit. Thank you so much.
- Parikshit Kandpal:** Yes. Thank you, sir.
- Moderator:** The next question comes from the line of Jainam Jain with DAM Capital. Please go ahead.
- Jainam Jain:** Sir, I wanted to understand how do we see the opportunity in data center EPC business in terms of competition, margins? And what is the right to win in that segment?
- Vimal Kejriwal:** Jainam, it's a difficult business in the sense that what we are seeing is that although there are large opportunities being there, but traditionally, we are seeing developers breaking up the orders into various smaller sections, they were slicing it into different ways. Very, very few, I'll say, hyperscalers are there who are willing to give orders for your civil as well as MEP and altogether. Typically, most of them break it up on the high, low. And so we are not seeing large orders coming in from most of the clients.
- A few exceptions are there. Right to win for us is, is that we can do civil as well as we can do MEP together, and that's what is being fixed. So, I think hopefully, we will see some wins happening on data centers maybe next quarter. The market is large, but as I said that there's too much of -- too many players with small, I'll say, ticket sizes, which is creating a problem overall.
- But for me, the interesting part in the data center is more coming on the T&D side, where we are seeing inquiries coming in where the data center may get built in 15 to 18 months, but then the lines and the power supply, etcetera, are becoming challenged in some places, which is why we announced that we've got a private order now. We are seeing developers like U.S. also resorting to having their own connectivity, etcetera. So, I think that is also very interesting.
- Jainam Jain:** Okay. So, we have been pursuing the opportunities in the U.S. for the U.S. data center as well, especially in the T&D segment?
- Vimal Kejriwal:** I'm not pursuing for the U.S., but we got some large orders and a lot of inquiries are there, which are from also private developers in U.S. who are supplying to data centers.
- Jainam Jain:** Okay. And sir, how about the competition? How is it panning out?
- Vimal Kejriwal:** In which area?
- Jainam Jain:** In this data center business.
- Vimal Kejriwal:** For data center, it is very difficult. It is very fragmented. It's region-wise and all that. Each region has got different players. So difficult to say who are there. But otherwise, if you look at the bigger players, it would be people like Tata Projects and L&T, etcetera.
- Jainam Jain:** Okay. And sir, what would be the civil TAM if we have to compare it? So right now, we have got the order in the T&D space, right, for data center? How about the civil segment for data centers?

- Vimal Kejriwal:** So right now, we don't have a single order in data centers or we have finished 5 data centers in the last couple of years. We have bid for a few of them, which is why I said that hopefully, by next quarter, we should at least have a few orders in the civil side on the data centers.
- Jainam Jain:** But sir, if you have to quantify, I mean, per mega or if it is available on a per megawatt basis.
- Vimal Kejriwal:** Typically, our size would be around INR10 crores per megawatt or something like that.
- Jainam Jain:** Okay, sir.
- Vimal Kejriwal:** It is very difficult. Because, Jainam, what happens is every developer gives in a different format. So, it's difficult to put numbers. Each tender has got a different number.
- Jainam Jain:** Okay. Sir, my last question is in the Jal Jeevan Mission, right? So, what is the pending order book currently? And how much receivables are stuck over there, sir, now?
- Vimal Kejriwal:** We have order book of roughly around INR1,300 crores or so pending. Gross debtors would be around INR800 crores, INR900 crores. I think INR400 crores or something are due for payment. So, we hope that, that will come in.
- Jainam Jain:** Okay, sir. That answers my question. Thank you so much and all the best.
- Vimal Kejriwal:** Thank you, Jainam.
- Moderator:** The next question comes from the line of Amit Anwani with PL Capital. Please go ahead.
- Amit Anwani:** First question, you did highlight about the delays in conversion. So just wanted to understand is it more so with the domestic market or the export market, particularly Middle East? And second, you have highlighted INR2 lakh crores pipeline, I think INR1 lakh crores for T&D and INR1 lakh for non-T&D. So, within INR1 lakh of T&D, how much you're really factoring in from the Middle East market? And third, what is the expected inflow now amid whatever is happening because we are already 4, 5 months in the financial year? For full year, what is the expectation of inflows?
- Vimal Kejriwal:** So, Amit, when we talked about delay in conversion, it was primarily the West Asia market, primarily. We have bid quite a few projects in Saudi and UAE and Oman. In fact, we are L1 in a few of them. But the conversion is taking its time. It's not that it's unduly delayed, but it is taking time. But the tender pipeline is there.
- In fact, now also we just saw some new tenders getting announced even yesterday also in the Middle East. So, I think we are not worried about it because tenders are getting announced even now. So there has been some talks saying will there be scaling down? I don't think there is a scaling down because continuously projects are coming up. So, to me, that is the basic thing as far as West Asia is concerned.

As far as order, I'll say, when you look at the order intake when we had said INR30,000 or so, roughly, I'll say 60%, 65% would be from the T&D market and I think international is around INR9,000-INR10,000, right?

Rajeev Aggarwal:

INR9,000.

Vimal Kejriwal:

Yes. So, I think our international expectation was that we will be between INR9,000 to INR10,000 in terms of order intake. So, a significant part of it would obviously come from West Asia.

Amit Anwani:

Right. Second, on the cable business, you have done very strong and probably few quarters the performance has been quite strong. So, what's the capacity now? And with elastomeric, are you seeing more growth happening?

Are you seeing more capex lined up in cables because we are seeing other fair play cables or connector players have still been front loading the capacity. That is one. And second, any thought on the exports of cables also to the US market? And what are the margins which you are currently making in the cables business?

Vimal Kejriwal:

So typically, our exports have been roughly around, I'll say, INR200 crores last year. And we obviously want to expand the same. So, with the specialty cables coming up, I think by Q4, we should have an increase happening in our export market. I don't think we have very large capex programs. We normally have been spending around INR75 crores, INR80 crores or maybe INR100 crores in cables every year. Last 3 years, we have spent INR300 crores.

A large capex will happen if we decide to expand our EHV, which we have been looking at it. So, once we see the demand stabilizing, maybe we will put in a larger capex. Not immediately, could be next year or something, but I think it's still on the drawing board. Otherwise, INR50 crores, INR75 crores, we keep on spending.

So, we may add some -- we will definitely, I think, add some capacity on our aluminum conductor side, more specialized products on HTLS, etcetera. That's the way we are looking at cables. The margins have been okay. I think they are around 5% right now, almost 200 basis points, still below the market. With the specialty cables coming up, I think the margin will start inching up. That's the expectation.

Amit Anwani:

Right. So what's the capacity or probably the peak revenue you can do with the fixed asset you have?

Vimal Kejriwal:

I don't have the capacity in terms of kilometers and all that, but I think we can do around INR3,000 crores with the current assets without any more capex.

Amit Anwani:

Right. Sir, lastly, what was the deferment, I would say, or probably you were not able to book in revenue because of the Middle East conflict? And the overall expectation now in terms of the full year growth and, yes, so I think this will help.

Vimal Kejriwal: So Amit, full year, we are still saying what we had said last quarter, around 12% to 15% growth should be feasible today. But at least I think the number would be around INR300 crores or so for the quarter.

Amit Anwani: Right. And is it like -- so that is also probably dragging the growth this year? Or this is something which is recoverable in the subsequent quarter for this?

Vimal Kejriwal: No, it will definitely be recovered. This is not a product sale that it is lost.

Amit Anwani: Right.

Vimal Kejriwal: It's an EPC number. So whatever has not happened in this quarter and what did not happen in Q4 also, ultimately, all of that should happen, which is why in spite of having a flat quarter this year -- this quarter, we are still saying that we will maintain our growth.

Amit Anwani: Right. Thank you, sir. Thank you for answering my questions.

Vimal Kejriwal: Thank you.

Moderator: The next question comes from the line of Sudeep Bora with Ambit Capital. Please go ahead.

Sudeep Bora: Hello. Thank you for the opportunity, sir. Sir, I wanted to understand on the SAE Towers business. So the current set of fixed assets that we have, so in terms of the revenue potential, what -- like how much can we execute in a year? And what is the utilization percentage? Maybe you can throw some light on that.

Vimal Kejriwal: So I think it's difficult to give a number, because it will depend upon what type of product, what you make. But broadly, I will say around INR2,000 crores could be the utilization based on today's fixed assets, but we have been adding a little bit here and there, okay? It may go up slightly, but INR2,000 is the number which you can take.

Sudeep Bora: Okay.

Vimal Kejriwal: And the utilization is reasonably okay. I think we are now at full -- at almost at a full capacity. You can always add something by adding extra shifts and all that, but broadly, I think we are at 100% now.

Sudeep Bora: Okay. So the current order book from this particular segment is around INR3,800 crores. So that would be delivered in a matter of, say, 1.5 to 2 years, right?

Vimal Kejriwal: Yes. Typically, those markets, you get orders much in advance, at least 12 months in advance, okay? So that's the way it works in the Brazil and the US market.

Sudeep Bora: Okay. Got it. And typically, like what would be the margins from this business, the tower manufacturing, SAE Towers?

Vimal Kejriwal: I think SAE is close -- I think it's almost double digit right now.

- Sudeep Bora:** Okay. Double digit, right, sir?
- Vimal Kejriwal:** Yes.
- Sudeep Bora:** Okay. Sir and like for FY27 on the order inflow guidance, so typically from your T&D, how much are we expecting?
- Vimal Kejriwal:** We have said that we should be around 60%, 65% or either 60% to 70%. So out of INR30,000 crores, if you take it, roughly it would be INR20,000 crores, maybe a little bit here and there.
- Sudeep Bora:** Okay. Got it. Thank you sir. Those were my questions.
- Vimal Kejriwal:** Thank you, Sudeep.
- Moderator:** The next question comes from the line of Arafat with Dolat Capital. Please go ahead.
- Arafat:** Hi, sir. Thanks for taking my question. So my first question is on, let's say, if you see apart from the Middle East and labor challenges, now we are seeing the labor challenge now sorting out and Middle East also, let's say, in next couple of months, we will get some clarity on that. So which are the other factors need to watch out in the near future to get back to, let's say, 15% annual growth and EBITDA margin of 8%?
- Vimal Kejriwal:** Difficult to say, because these are the 2 major factors which we are seeing. So once they are out of the way, obviously, the margins should improve. Other thing we have always been talking out is that we have got a lot of arbitration and other issues which are going on and especially on the railway side, okay?
- If something really adverse happens, then it could have some impact. But I think to me, it's a little bit of a far fetch, but since you asked a specific question, I'm giving an answer. Otherwise, with West Asia and labor situation getting resolved, I think a large part of the headwinds will go away.
- Arafat:** Got it. And secondly, which are the slow-moving projects in railway and water projects? Any sense on that, by when we're expecting this to get out from this project and get back to normalized margin?
- Vimal Kejriwal:** So railways -- most of the slow-moving projects are at 95%, 97% closure and all that. So it's a question of when the railway gives a block or when they approve the design of the depot, et cetera, they will get completed, okay? Water, we only have 2 states where we are working, MP and Orissa. About Orissa, I think we have got 6 or 7 projects.
- So all of them are at various stages of completion. Our expectation is that, if cash flow happens regularly by this year-end, we'll have maybe 2 projects still continuing post March. Otherwise, most of them should get completed within this year.
- Arafat:** Got it, sir. Got it.

- Vimal Kejriwal:** Thank you, Arafat. Thank you.
- Arafat:** And, sir, lastly, if you can just give any guidance on working capital days for FY27?
- Vimal Kejriwal:** Rajeev?
- Rajeev Agarwal:** I think we are talking about 110 days for working capital at the end of the year.
- Arafat:** Okay. Thank you, sir. That's it from my side.
- Vimal Kejriwal:** Thank you.
- Moderator:** The next question comes from the line of Priyankar Biswas with JM Financial. Please go ahead.
- Priyankar Biswas:** Hi, sir.
- Vimal Kejriwal:** Hi, Priyankar.
- Priyankar Biswas:** Thanks for the opportunity. Hi, sir. Sir, coming back to this working capital question. So just trying to visualize sort of a road map on, let's say, the working capital reduction, so whatever I heard from the call. So first of all, you are going to get, let's say, if not in the next quarter, let's say, in the coming 2, 3 quarters, at least INR300-odd crores from Afghanistan. That is the first point.
- And secondly, from the water, what I understand is right now, the current dues are INR300 crores to INR400 crores. So you should ideally receive that as well. And then there is this inventory build that had happened in West Asia. So there should be some unwinding also. So these are the plus factors that I have.
- So if you can give a cumulative factor, like taking everything together, what should be the working capital reduction if we take all of this? And then finally, also this JJM still has like INR1,300 crores of order book left, is what I understand.
- So in the individual projects, what sort of completion on an average you have got there? And to complete this entire INR1,300 crores, so to run down this entire INR1,300 crores of orders, what sort of costs would be required? So this is what I wanted to know.
- Vimal Kejriwal:** Rajeev.
- Rajeev Agarwal:** Priyankar, as you rightly said that I think these are some of the levers that are available with us to reduce the working capital. See overall reduction, what we are looking at in the current financial year is roughly about INR1,200 crores debt reduction. So at the beginning of the year, we were at about INR6,700 crores. And what we are guiding is by March, we should reach to about INR5,500 crores.
- So apart from the 2 or 3 levers that you just counted, apart from that, there are, let's say, in Saudi, we are closing a few projects, which were started about 2, 2.5 years back. So these projects will

also get closed and then we will be able to recover at least 50% of the retention money on physical closure.

So 50% comes at the time of physical handover and 50% comes after the 6-month period. So at least the first part of it, we should be able to collect. So these are the -- basically largely -- and then another item that we are looking at is in railways, there are a few claims which have been decided positively in our favor in DABs and arbitration. So we are hoping that with the intervention of the client and with the client negotiation, et cetera, we should be able to recover some of the claims.

Additionally, we are also looking at closure of all the projects, as Vimal alluded sometime earlier that we are towards the 90%, 95% closure of these projects. So we are hoping that these projects will get closed and we should be able to collect the retention money. So these are the few levers which are available with us and which we are confident that we should be able to realize and able to reduce our working capital debt to about INR5,500 crores.

Priyankar Biswas: Water-related project like the INR1,300 crores order book that you are speaking about, what would be the cost to complete it? So what I am trying to assess is how much further losses can be there or cash outflows can be there to kitchen sink the entire JJM book.

Rajeev Aggarwal: As Vimal sometime back said that these water projects are profitable. The only challenge is that because we have a large outstanding which is there. So we have deliberately, let's say, slowed down the execution, although the construction is going on full force, what is happening is that supply items, we are actually doing it need-based.

So depending on the project requirement, we are supplying those items like DI pipes and valves and other things. So those are the items which are, but I think these projects are all profitable and they are, let's say, around 8% to 10% margin at various stages. So I do not see there is any challenge in terms of the cost structure or the profitability of this project.

Priyankar Biswas: Okay, sir. If I may just harp on here. So Afghanistan, you said that in the next couple of quarters, let's say, you will get INR300-odd crores, right? If I heard it correctly. Roughly.

Rajeev Aggarwal: That's right. Yes.

Priyankar Biswas: Let's say, the next half, like INR300 crores, INR400 crores you are saying is the current due.

Rajeev Aggarwal: Sure.

Priyankar Biswas: So you should be able to, let's say, recover that. But of course, there would be some new dues also will come over. So what is realistically like what could be the collections in water, the net collection? So today the due is INR300 crores.

Rajeev Aggarwal: So, Priyankar, we are expecting, let's say, roughly about INR300 crores to INR400 crores for which the cost has already been incurred. So if what we are hearing from the government is that water from the Jal Jeevan Mission have started getting released. So if that really happens, then whatever overdues are there, we should be able to collect. That is roughly about INR300 crores

to INR400 crores. And whatever the next revenue is happening, we will incur the cost and we will be, let's say, regularizing the collection from the water segment in the remaining part of the year.

Priyankar Biswas: Okay. Now that is clear. Also, you said about this Saudi Arabia project and let's say, the railway claims. So Saudi Arabia project should lead to how much inflows, rough ballpark, if 50% of the retention comes here?

Rajeev Aggarwal: So we are expecting between Saudi and some of the projects in the Middle East, I think we should be able to collect easily INR300 crores to INR400 crores there. So that is what we are expecting because in Saudi, there is a lot of execution which is also happening.

Let's say, what our assumption is that with the collection of this INR300 crores, INR400 crores, although the overall retention may not really come down, but there will not be further investment at the time of execution of these revenues. That will ease off the working capital. Yes.

Priyankar Biswas: And what about the claims in the railways? So how much has been decided which is evidently for us, roughly?

Rajeev Aggarwal: Claims, we are expecting roughly about INR200 crores to realize in this current financial year. We have already, let's say, got the award for about INR150 crores, INR160 crores already. It all depends how much we are able to negotiate and how much we are able to realize from the customer. So that all depends on that. But our expectation is, let's say, between now and March, we should be able to realize between INR150 crores to INR200 crores from the claims.

Priyankar Biswas: Okay. Just squeezing one more in. We had heard during the early part of this West Asian crisis that the GCC governments were probably discussing about, let's say, reducing the amount of retention in T&D projects. So have any steps been taken in this direction yet? Or is it still something that they sometimes talk but not yet implemented?

Vimal Kejriwal: So, Priyankar, we have not seen any reduction happening in the retention amounts. But what is also happening is that there's a little bit of easing of general payment. Otherwise, if they are paying 70%, you can ask them, saying, increase it a little. In one case, I know they agreed to pay 95%.

In some cases, they changed the billing breakup, etcetera, to allow you to claim faster on your progress bills. I do not see any major thing. But what we have seen in retention is that the release of retentions has been fast tracked, not the percentage.

The percentage remains 10% in UAE and 20% in Saudi and 30%, 35% in Kuwait. But at least in Saudi and also Dubai, we have seen that the payment of retention as and when it is due has been actually fast tracked, much faster than what we had expected them to pay.

Priyankar Biswas: Okay. So really well understood. So these may be the levers that can hopefully, let's say, reduce the debt by at least INR1,000 crores, INR1,200-odd crores.

- Vimal Kejriwal:** Yes. I think, Priyankar, if I can summarize what Rajeev said, basically some money from Afghanistan, some money from closed projects, okay, a little bit of reduction in working capital inventory, etcetera. And if water comes in, when I say water INR400 crores is beyond the normal payment.
- Say, whatever normal they pay, we are reinvesting in the business. But the outstanding old one, let's say that old one is revolving, but that's INR300 crores, INR400 crores, which is there. If that comes in, then that put together, we are talking about INR1,200 crores of debt reduction.
- Priyankar Biswas:** Okay. So that was all from my side.
- Vimal Kejriwal:** Thanks Priyankar. Thanks for your question. Thank you.
- Moderator:** The next question comes from the line of Nipun Khemka with CD Equisearch.
- Nipun Khemka:** Is there some way that you can bring down the net working capital by tinkering, let's say, with the nature or type of the EPC orders will we get? And how willing are you people to do that?
- Vimal Kejriwal:** It's not a question of how willing I am. It will ultimately be a question of whether the client is willing to agree to it. But I will tell you a simple example is we recently negotiated a contract where we told the client that we will not work with less than 20% advance, okay? The client has finally, in an exceptional case, agreed.
- The earlier question from Priyankar was on can you play with retention. So there are places where you are going and talking with the client saying, we do not agree for cash retention. So typically, in some of the private clients, especially on civil, these negotiations are possible. T&D, at least on Power Grid or Middle East and all that, which are standard tender conditions, there it does not work out.
- You can always go and negotiate on particular contracts and say, I need this money as soon as possible, do not wait for the entire billing to happen, etcetera, etcetera. So these are contracts which you need to and obviously, we always ask for the amount, will they give? It would depend on the individual client.
- But I can say one thing is, generally, if you ask me a comment, payment terms are improving. I can say that both in civil, T&D, I am seeing them improving. Power grid also, in some cases, have now improved if an interest they may advance, right? So like interest earlier, Power Grid used to charge interest on advances. Now they have made it interest free. So generally, I am saying I will make a sweeping statement that we are seeing improvement in payment terms or payment cycle.
- Nipun Khemka:** Okay. And how much of your current order book pertains to orders with, let's say, high execution complexity and in some we have some high entry barriers to that?
- Vimal Kejriwal:** Very difficult to say high complexity because I know we have got a couple of orders which were on a single negotiation basis because the client felt that no one else can do it. Whether it is

complexity or difficult to execute, difficult terrain, very difficult to say because most of the orders are still on a tender basis, okay?

So very difficult because and we would have built in the cost and all that in our list. There are not too many entry barriers, if I can say, except for the very large projects. And we have seen entry barriers in the private sector when they are doing, where they pick and choose whom they want to give. That's where the entry barriers in a way come in.

Nipun Khemka: Got it. And lastly, if I may ask, like we have a current order book of some INR40,000 crores. How much of it would be from the Adani Group specifically?

Vimal Kejriwal: Total, I do not think we give individual numbers, but it will be, I think, close to maybe 5% or less as of now.

Nipun Khemka: Close to 5%, sorry?

Vimal Kejriwal: Yes. But it would be spread across T&D, railways, civil and all that, okay, across all the businesses.

Nipun Khemka: Okay. And what was the order intake last fiscal?

Vimal Kejriwal: From Adani?

Nipun Khemka: From this group only. Yes.

Vimal Kejriwal: I do not have the exact number, but I think we got one HVDC and I think we have got 2 or 3 orders from them. So it must be close to INR1,000 crores or slightly more than that. Around that number, you can take it.

Nipun Khemka: Okay. So not much. Okay. That answer okay. Thank you so much.

Moderator: The next question comes from the line of Vaibhav Shah with JM Financial. Please go ahead.

Vaibhav Shah: Sir, only one question. Are we guiding anything on margins for this year?

Vimal Kejriwal: No, not yet.

Vaibhav Shah: Okay. But we should see it improving quarter-by-quarter every quarter now or Q2 would be weaker?

Vimal Kejriwal: At least from Q3 onwards. Q2 it will not be that low, but I do not see a significant increase right now happening. See it will all depend when the war ends, honestly, okay? But I admit that we have not given a guidance. But yes, you are right that there has to be an improvement.

Vaibhav Shah: And for '28, we may see it being better than '26?

Vimal Kejriwal: 100%.

- Vaibhav Shah:** Thank you.
- Moderator:** The next question comes from the line of Saket Kapoor with Kapoor Company.
- Saket Kapoor:** Namaskar, Vimalji and thank you for the opportunity.
- Vimal Kejriwal:** Namaskar, Saketji. We were looking for you.
- Saket Kapoor:** Thank you, sir. In the cable segment, sir, you have mentioned about some new product introduction in your investor deck. So if you could just explain to us what kind of potential these products have? And then my follow-up.
- Vimal Kejriwal:** Ultimately, our view is that these products should add around INR300 crores, INR400 crores of revenue all together. How it pans out is a new product but we have hope that revenue will grow big around INR300 crores, INR400 crores. That is the size. These are specialized products used for ships and all that. Soft rubber cable.
- Some of these like E-Beam, etcetera. may not add too much in revenue, but it will reduce your insulation. Your costs will go down. Your margins are supposed to improve especially on your LT and HT cables.
- Saket Kapoor:** Right, sir. So these elastomeric cables are for the ship building?
- Vimal Kejriwal:** Yes, it is used in many places. It is used in data centers. It is used in many places where it is a little flexible and all that.
- Saket Kapoor:** Okay. Sir, currently, sir, we are running the cable at optimum. So this INR600 crores revenue can easily, we can annualize it at INR2,400 crores, INR2,500 crores for the year or we will have a higher number?
- Vimal Kejriwal:** It could be more than that. I gave you the answer earlier that our revenue could be around INR3000 crores, but ultimately, metal plays a role in it. Today, if it is INR2200, INR2400, then obviously, the per kilometer price will start coming down. But based on numbers today, I think we can do around INR3000 crores with the present capacity.
- Saket Kapoor:** Okay. Sir, now coming to our financial result, as you were saying that there will be no material change in the second quarter. But, sir, as investors, what should we expect from KEC going ahead? Because these are not the numbers which KEC is associated to. Neither are these operating profits, nor are these margins. These are all exceptional.
- So, in the phase we are in, in terms of the execution as well as the financial results, what is the path to profitability or improvement in profitability going ahead as per your understanding? Sir, you are at a long helm here. So, how much more impact will this be on our financial results?
- Vimal Kejriwal:** So, Mr. Saket, we just gave the answer that the margin should improve from next year. In this quarter, we also said that we have not given the number ahead, but we have said that there will

be an improvement in the margin from now on. There were 2, 3 negative things in this, which we are saying headwinds.

First, no one expected that the fight will go on for so long and it will be closed straight away. That was not the expected impact. So, it is having a major impact on revenue and order book. We are talking about it every day that it will be closed today, it will be closed tomorrow. Hopefully, if it is closed in Q2, then we will start seeing improvements happening in Q3 onwards. And there is a lot of talk about rebuilds, so if it happens, then there could be a tailwind coming from orders in that area.

Normally, we have seen that the margin in the orders after the fight is more. Typically, we have seen that because most of them are fast track and we can do those projects. Secondly, in railway and civil some of the orders are obviously at a challenging margin. So, those orders are now coming to an end. So, as your old orders finish, the revenue of the new will increase.

So, I think by the end of this year, hopefully, we will start seeing much more positive things. The other thing was on the working capital, which has a lot of impact on EPC. Rajeev ji also explained that we will reduce it to INR1200 crores. So, you should see EBITDA margin and you should also see PBT. You will also start seeing a positive impact coming at the PBT level also

Plus, as our Middle East revenue is increasing, our tax rate is getting more efficient because the taxes there are less. So, when other people pay 30%, 25% tax, we get 20%, 22%. So, overall, if you look at the improvement of PBT, you will definitely find some improvement happening.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Vimal Kejriwal for the closing remarks.

Vimal Kejriwal: Thank you, everyone, for your continued interest. Thank you so much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of KEC International, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.