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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 544150

Sub.: Transcript of Investors/Analysts Earnings Conference Call held on May 20, 2025

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

Dear Sir/Madam,

Further to our communication dated May 15, 2025 and May 20, 2025, please find enclosed the transcript of the Earning Conference Call held on Tuesday, May 20, 2025 at 5:30 PM (IST) to discuss the audited standalone & consolidated financial results for the half year and year ended March 31, 2025.

The said Transcript is also available on the website of the Company at www.kpgreenengineering.com.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

KP Green Engineering Limited
(Formerly Known as K P Buildcon Private Limited)

Muinulhaque Iqbalhusen Kadva

Whole Time Director

DIN: 07661317

Encl.: a/a



Registered Office :

'KP House', Near KP Circle, Opp. Ishwar Farm Junction BRTS, Canal Road, Bhatar, Surat – 395017, Gujarat, India.
Telephone No : 0261-2244757 | **Fax No. :** 0261-2234757 | **E-mail :** info@kpgroup.co

Factory Office :

146-147, Ekalbara Road, Dabhasa, Ta - Padra, Dist. - Vadodara - 391440, Gujarat, India.
Telephone No : 0266-2244112 | **E-mail :** sales.brd@kpgroup.co

CIN : L40100GJ2001PLC039763 | **Website :** www.kpgreenengineering.com |   Listed Company

“KP Green Engineering Limited H2 FY '25 Earnings Conference Call”

May 20, 2025

MANAGEMENT: **MR. MUINULHAQUE KADVA – WHOLE-TIME
DIRECTOR
DR. ALOK DAS – GROUP CHIEF EXECUTIVE OFFICER
MR. SALIM YAHOO – GROUP CHIEF FINANCIAL
OFFICER
MR. ASHFAK KHAN – CHIEF ACCOUNTS OFFICER
MR. RITWIK CHAUHAN – ASSISTANT GENERAL
MANAGER, INVESTOR RELATIONS**

MODERATOR: **MR. HARSH PATEL – SHARE INDIA SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the KP Green Engineering Limited H2 FY '25 Earnings Conference Call hosted by Share India Securities.

As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Patel from Share India Securities. Thank you and over to you, sir.

Harsh Patel: Thank you and good evening, everyone. Congratulations on a very good set of numbers. On behalf of Share India Securities, I welcome you all to H2 FY '25 Earnings Conference Call of KP Green Engineering.

We are pleased to have with us the management team represented by Mr. Muinulhaque Kadva – Whole-Time Director; Dr. Alok Das - Group CEO; Mr. Salim Yahoo - Group CFO; Mr. Ashfak Khan - Chief Accounts Officer of the Company. We will have the opening remarks from the management followed by a question-and-answer session. Thank you and over to you, sir.

Ritwik Chauhan: Hi, thank you all. This is Ritwik, AGM, Investor Relations for KP Group. Just a small correction on who we have attending here, we have Group CFO – Salim Yahoo; we have Group CEO – Dr. Alok Das, we have Whole-Time Director – Mr. Muinulhaque Kadva and we have KPGEL CAO – Mr. Ashfak Khan.

Also just a small clarification there, but to get started, I once again want to thank everyone for joining us. I do see that some people who joined KP Group on all group companies investor calls, so again, we greatly appreciate your support. KP Green Engineering Limited has had a tremendous year and a tremendous half year. We are about to install Asia's largest galvanizing kettle at our brand-new facility. We had meteoric growth in our profit, EBITDA and revenue.

To talk more about it, I would like to introduce Muinulhaque Kadva, who is our Whole-Time Director.

Muinulhaque Kadva: Thank you, Ritwik. Good evening, dear investor. I welcome you all to our first ever Annual Earning Call post our listing as SME IPO in March 2024. I take this opportunity to brief you about the latest business development and future vision in upcoming year. I would like to highlight on KP Green Engineering Limited vision classified into: a) sector, product and capacity, current and future b) geographical expansion and c) new product vision. Your Company has achieved a substantial market presence across multiple sectors like the renewable energy sector, power and transmission sector, telecommunication, railway, chemical, highway and infrastructure. Your Company's current product line includes Solar Module Mounting Structure (Fixed and Solar Tracker Structure) Windmill Lattice Tower, Transmission Line

Tower, Substation Equipment Structure, Solar Rooftop Installation, Crash Barrier, Cable Tray and Pre-Engineered Building.

The Company has entered into a new product line of Pre-Engineered Building, Heavy Engineering for railway and highway (FOB, ROB, Steel Girder and Structure) Transmission Monopole, High Mast, and Lighting Mast and Torque Tube Mill for Solar Tracker.

We have applied for the permission of RDSO and Power Grid. Also, we are in process of applying for permission of DRDO and Mazagaon Dock. With this we plan to expand into the defense sector also.

Also, your Company is proud technology partner of GameChange Solar and NexTracker, the two largest solar tracker Company in the US. In addition, we are also a technology partner with Sanvion for Windmill Lattice Tower.

I take privilege to announce that KP Green Engineering Limited, Matar plant 36,000 metric ton per annum is operational now. So our total operational facility is 1,42,500 metric ton per annum. 1,68,000 metric ton per capacity is under production and set to go-live in this financial year, FY 26.

Also, our Asia's largest galvanizing plant, which is capacity 90,000 metric tons per annum is under construction and expected to be operational in this financial year. So in this financial year, our total capacity is 4,00,500 metric tons per annum.

KP Green Engineering Limited's main presence was in Gujarat. Today, we have expanded in Rajasthan, Madhya Pradesh, Maharashtra and we propose to expand domestically to Southern India shortly. We export our product to the USA, and we are exploring to tap potential in the Middle East and Africa. The Company, in-house core product engineering team is exploring new product that support green hydrogen and offshore wind. Apart from the same, we are also exploring the backward integration of existing product for enhancement of margin and sustainable revenue growth. I thank all KPGEL shareholder, investor, employee, supply, and customers for their wholehearted support to elevate success.

With this business outlook, I thank you all for a great year ahead and good solid growth with KP Group family. Thank you. Thank you so much.

Ritwik Chauhan:

Thank you, Muinulhaque, sir. I would now like to hand it over to our Group CFO, Salim Yahoo to take us through the numbers in a bit more detail.

Salim Yahoo:

Thank you, Ritwik. Good evening. Thank you all for joining us on KP Green Engineering Limited's Earning Conference Call for the Financial Year FY '25. I am Salim Yahoo - Group CFO and it is my privilege to walk you through the key financial and operational development of the past years as well as our strategic priorities going forward.

We delivered a robust performance in FY '25 with the total income rising to Rs. 702 crores, nearly double the Rs. 352 crores recorded in FY '24, reflecting 99% year-on-year increase. This significant growth was driven by strong order execution across our core business, including the successful commencement of production at our state-of-the-art facility at Matar and healthy demand in our renewable energy and infrastructure segments. Our focus on operational efficiency and cost discipline enabled us to deliver an EBITDA of Rs. 115 crores, more than double again of Rs. 54 crores achieved in FY '24, translating into an EBITDA margin improved from 15.3% to 16.4%. This margin expansion of 110 basis points underscores the benefit of our scaled-up manufacturing footprint and the mix shift toward the higher value products such as Lattice Wind Towers and Pre-Engineered Buildings. Profit after tax grew 109%, climbing to Rs. 73.5 crores in FY '25 compared to Rs. 35.1 crores a year ago. And our EPS for the year rose to Rs. 14.7 per share from Rs. 9.6 per share in FY '24.

Capital expenditure for the year amounted to Rs. 185 crore, primarily directed toward commissioning our Matar plant and augmenting capacity at Kural unit. Given the rapid scale up, we pragmatically tapped into both internal accruals and external financing, ensuring that our cost of capital remained in line with our target of maintaining a healthy interest coverage ratio.

On the operational front, Matar has now ramped up 36,000 metric tons per annum of capacity into full production, with machinery installed to initiate trial runs for an additional 1,68,000 metric ton per annum. Simultaneously, the final construction phase is underway on Asia's largest that is 90,000 metric tons per annum galvanizing kettle positioning us to achieve the full 2,94,000 metric tons per annum capacity as scheduled in new facility.

Looking forward, we remain focused on converting our robust order book into revenue, leveraging our enhanced scale of automation to further improve margin. We expect to see continued traction in our renewable energy vertical, especially in solar mounting structure and wind tower supported by policy tailwind and increased tender activity.

In closing, I would like to thank our board management team and every KP Green Engineering employee for their dedication and hard work. We are grateful to our customers and stakeholders for their trust and support as we work to create sustainable value and actively contribute to India's renewable energy journey.

Thank you for your time. I look forward for addressing your questions now.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you very much for the opportunity. Good evening, gentlemen. Salim sir, question on the volumes for the last 2 years. So FY '24 full year volumes and FY '25 full year volume, sir, are you making those numbers public?

Salim Yahoo: On the volume side, you are seeing the capacity volume wise, how much we have had?

- Agastya Dave:** Not the capacity, sir, the capacity numbers I have, but the production numbers or sales numbers, I couldn't find them anywhere. So I am wondering whether you will be making them public?
- Salim Yahoo:** Yes, see, basically we work into multiple products and these are customized products. So if you look at the volume, metrics and volume, because every product will have a different way. It is not a standardized product that we sell in the market. So it is a customized product. So volume will not be the right comparison with the numbers that we give.
- Aastya Dave:** So sir, how should we look at this business because generally some of the products, not all the products that you have in your basket, some of the products, some other listed companies have had for several years and we are in, the way we track it is profitability and realizations on a per ton basis rather than looking at the percentage number because the underlying commodity can go all over the place over, let us say, business cycle. So how should we look at the profitability here? Should we be sticking with gross margin percentages and EBITDA percentages or should we, I was just wondering shouldn't we be using EBITDA per ton as a better metric?
- Salim Yahoo:** Yes, I understand. See, if you look at the peers, you will find that our margins are far better than the peers. And the reason for that is not that we are not, we are doing customized product delivery. So that requires a lot of designing that requires a lot of customization. That is the reason. Though on a broader scale, you can look at the total, what we say, the rate into tonnage and then multiply into what we say the revenue, but it will still have a little bit difference depending upon the customization. That is why the margins are also better compared to any other players in the industry.
- Agastya Dave:** Understood, sir. So sir, next year what would be the effective capacity, whatever growth we see over the next, let us say, 18 months, on what base, so the base, we know it is like Rs. 694 crores of operating income?
- Salim Yahoo:** Right.
- Agastya Dave:** Operating revenues, but on that how much capacity will be really available for you to grow into? Because some of it is under trial production, some of it is still getting commissioned and some of it is fully commissioned and fully in production. So what would be the effective number? How should we look at the capacity effective number?
- Salim Yahoo:** Yes. I will just request Muinulhaque sir, to just pitch in for the total capacity that will be energized by next year. After that, I will answer to the revenue portion. Muinulhaque sir, if you can just highlight on the capacity?
- Agastya Dave:** Effective, how much for the entire year we should consider?
- Muinulhaque Kadva:** Sir, first, first thing is what I would like to explain about volume and revenue what we are selling in a renewable sector in solar structure and all we are dealing with per MW scale and in transmission line per kilometer base and all that, so that we are making the customized design

all the models and that is why we are the getting the better margin compared to the peers Company and all. Now, I come to capacity. Sir, almost 1.42 lakh metric ton capacity is already operational, and 1.68 lakh metric ton capacity is under trial production. It means machine are installed and capacity can utilize within 2-3 months also.

Agastya Dave: So you will get nine months of that? I think for 142, you will get the entire year and for 9 months you will get another 168?

Muinulhaque Kadva: Yes, sir.

Agastya Dave: Understood. Sir, then the last question from my side is on the margin side. So if we are to track this Company based on percentage margins, so what is a good estimate here because operating leverage you have done a lot of CAPEX, but I don't know whether the P&L is reflecting all the fixed costs, whether all the employees have been hired. So if I look at the H2 numbers, your employee cost is only Rs. 6 crores. So how much will this grow to? So these are the numbers and then what will be the CAPEX for this, if you get my drift, sir. I am just trying to understand, balance sheet is clear, I just want to know about the payment, how much will it be on the cost side?

Salim Yahoo: Right. I will give you an understanding little bit. First of all, there will not be a direct proportionate to the ramp up to the employee cost because we are using fully automated kind of machineries and we are using the state-of-the-art facility. So from that point of view, you can't direct proportionate increase in there. But there will be an increase, a part of employee have already been hired and there will be hired as we go forward. So there will be an increase in the employee cost as we go in this financial year. As far as margins are concerned, we will try to maintain our margin. I understand there will be, see you need to understand that the entire CAPEX is done from the IPO proceeds. So there is no interest cost or anything that is going into this particular unit. So once we complete this then only we go for another CAPEX or anything. So margin, we will try to maintain the margin. There will be a slight change in the margin, 100 basis points here and there, but we will try to maintain it to the same extent because again we are into customization. So we are able to demand the margin that way.

Agastya Dave: And all the sales are to the group companies, sir, or these are external projects also where you are supplying?

Salim Yahoo: We are supplying to the external project also, so our entire focus is that max to max, 30%-35% should go to the group companies and remaining 70% should go to the outside customers like GETCO, Railways, all the big clients that way because we are into heavy engineering.

Agastya Dave: And sir, this 4,00,000 ton capacity, for how long this is sufficient, how much time will it take for the full utilization?

Salim Yahoo: If you say full utilization, at least 4-5 years, you will see the kind of 80%-90% utilization depending upon how the businesses grow, how the businesses that we are growing.

- Agastya Dave:** Understood, sir. Thank you very much, sir. All the best. Thank you.
- Salim Yahoo:** Yes. Thank you.
- Moderator:** Thank you. The next question is from the line of Suraj Sali, who is an Individual Investor. Please go ahead.
- Suraj Sali:** Good evening, sir. Muinulhaque sir and all the team. Congratulations for this great set of numbers.
- Muinulhaque Kadva:** Thank you.
- Suraj Sali:** Sir, my question is that when at the time of explaining about the Company, you are saying that KPGEL is going for some backward integration. Can you able to focus on that, what kind of backward integration we should consider regularly?
- Muinulhaque Kadva:** Sir, we are doing in backward integration for the existing product and also the backward integration for the new sector like that the green hydrogen and offshore wind. So first of our all product, the backward integration like that we are planning for rolling mill, tube mill and another slitter line, CTL line for the consistently good money and timely delivery and the quality backup. And also the backward integration for the renewable sector and other sector like that all the infrastructure using in the renewable sector for the solar MMS and transmission line tower and the substation and all that what we are doing already and for the green hydrogen and the offshore wind, we have planned for the green hydrogen storage and the speed for the hydrogen and the electrolyzer also for the offshore wind, we have planned to manufacture wind tubular tower for the infra using in that particular offshore wind. So that is the backward integration work using in that particular area.
- Suraj Sali:** And considering now, we are promoting KPGEL as a one-stop solution for green renewable energy infra. So are we going to increase some product basket like in the transmission sector if we see now it is shortage of HVDC cable in the renewable sector? Do you have any plan to go in that segment?
- Muinulhaque Kadva:** Yes, already, sir. We are in planning for that conductor, cable conductor and fastener and all the using hardware part, cable part and conductor part using in the transmission line also.
- Suraj Sali:** Sir, my last question is that in last con-call, Mr. Salim has given some guideline about order book, and it was mentioned that Rs. 2,000 crore pipeline order book is outside of KP Group is there. So can you please update on it actually? It was said in last con-call.
- Salim Yahoo:** Yes. So if you see the KPI has got 1.5 GW of its own IPP plant and the other KP Energy also has got 2.26 GW other than the CPP also business is there. So all these order book, the infrastructure orders will flow down to KP Green Engineering only. So from that point of view, we are sure that internal orders are also there, but at the same time, if you see there is a huge

order flow, we are all now also started exporting to the US. We have done our first export assignment; we have completed to US. We are spreading to different states, so order book is still strong with KP Green Engineering.

Suraj Sali: Can you able to give figure exact how much order book in pipeline actually, within the KP Group and outside of KP Group?

Salim Yahoo: That is what I am saying, KPGEL already have Rs. 800 plus crores of order book as on date in hand and still the entire year is there. You need to understand here, we execute the order within 30-90 days. So any order that comes within the year also, before December or before Feb also, we can execute that. So that order book is also strong. At the same time internal, there is a huge quantity and if you see that the entire CAPEX that KPI is going to do if you heard my KPI call is around Rs. 4,000 crores and out of that approximately 15%-20% is you can say minimum structure, then KP Energy also has got a similar order book. So altogether you can say that we at present have internal plus external would cross 2000.

Suraj Sali: Great. Thank you so much, Muinulhaque sir. Thank you.

Muinulhaque Kadva: Thank you.

Moderator: Thank you. The next question is from the line of Rupal from Zoom Partners. Please go ahead.

Rupal: So sir, actually till FY '25, I wanted to understand the product break up, which industries primarily have we supplied to the solar. Can you give me a brief description about that and also on the transmission line sector, the mono tower that we are planning, so have you started any work on those, or do we have any orders for those products?

Salim Yahoo: Yes, Muinulhaque sir will give you an explanation on supply sector.

Muinulhaque Kadva: Yes. Sir, in the solar sector we are supplying the fixed and entire solar structure, also we are supplying the solar tracker structure and solar tracker with technology partner with GameChange and NexTracker from the US Company and in transmission line, right now, we are supplying the Lattice type transmission line tower up to the 400 KV and our monopole type test is going on. So very soon, we are starting the transmission monopole and other things there.

Rupal: Sir, any percentage breakup of like solar or wind that we have done till now?

Salim Yahoo: Yes, I will give you the percentage breakup. So if you look at the solar MMS structure would be around 30%. Again, Pooling substation or even the substation is around 20%. Transmission towers is around again 20% and remaining is a mixed product from what we say crash barrier to other heavy engineering like bridges and all those etc.

Rupal: Got it. And sir, revenue break up within the orders from the group companies and from outside the group companies?

- Salim Yahoo:** At present, company targets 35%-40% is from the group companies and rest all from outside.
- Rupal:** Alright. Thank you so much, sir. That is from my side.
- Moderator:** Thank you. The next question is from the line of Yogesh Zambare, who is an Individual Investor. Please go ahead.
- Yogesh Zambare:** Hello. So I just wanted to ask about this royalty payment. So last year for FY '24, there was a royalty payment of Rs. 7 crores to Faruk bhai, so for FY 2025, how much royalty have you paid?
- Salim Yahoo:** Right. See as per the Company's Act as per the SEBI also if you see 2% royalty is something that can be given without any requirement of shareholder approvals and everything. So we are calling back. More than that if anything is in that shareholder, but we are following SEBI's guidelines and we are giving 2% royalty, 2% of the topline of any of the Company.
- Yogesh Zambare:** So that is I can consider that max to 2%?
- Salim Yahoo:** Max 2%.
- Yogesh Zambare:** Yes, understand that. But see, Faruk bhai holds almost 57.86 stake in this Company, right? So if you can just instead pass this to the shareholders, it can boost the bottom-line by 2% and it will benefit small shareholders including the Faruk bhai as well, right? He holds the majority. And just my point of view?
- Muinulhaque Kadva:** Yes.
- Salim Yahoo:** But at the same time, you see that Faruk sir is a shareholder in all the other companies also and he is giving majority of the orders to KPGEL and other companies also. And you can see that the entire KP Group has been created and is being run by Dr. Faruk Patel through his, if you look at his journey, he has come from scratch and has built his entire empire. So I think in fact 2% is something which is really desirable because he is presenting and lot of orders and everything that he promotes to get those orders in KP Green Engineering also. So from that point of view, I think it is quite justifiable about 2%.
- Yogesh Zambare:** So one more question. There was again one more item that is advance given for property to Faruk bhai Rs. 2.6 crore in 2024. So what kind of this advance is this, what kind of property, is it related to business?
- Salim Yahoo:** Yes, it is related to business only. What happens, in the state of Gujarat, if anybody wants to take farmland he has to be a farmer. And our procedure is that we take farmland and then convert it into non-agriculture. But if a Company goes and bid for a directly any plant or farmland, then it becomes very costly. So what happened is that because Faruk sir is also a farmer in the state of Gujarat by profession, as mentioned as he holds the land, so we transfer the land. We make

payment to Faruk sir. He purchases the land and then transfers to the Company after it is converted into NA so that we save a lot of money.

Yogesh Zambare: Now, again coming to the order book, so you have order book of Rs. 800 crores that is I believe external order completely. So what is the timeline? You can meet this order, you said earlier that it may take just within 3 months, you can complete these kinds of order?

Salim Yahoo: Yes. So if you see this quarter, part of it will be covered. So majority of these orders will get covered by September.

Yogesh Zambare: And if any group order will be over and above this?

Salim Yahoo: Yes.

Yogesh Zambare: Fine. Thank you.

Moderator: Thank you. The next question is from the line of Pranjal Soni from RRR Investments. Please go ahead.

Pranjal Soni: Hi. So there is one question. So could you provide detailed information on what types of partners your Company is planning to manufacture with Magni Coatings, what are the primary industries and applications your partners are intended for apart from wind turbines and KP Green Engineering is whether targeting transformers market?

Muinulhaque Kadva: This is the first question of the Magni coating. We have collaboration with GameChange Solar from the US for 5 GW partner for the solar tracker in per annum required for the Magni Coating partner. So we are taking the license for the Magni from US, and we are starting this partner facility in our premises, Matar facility. Second question, definitely we think about the transformer manufacturing and all because lots of demand and potential, but it is our first priority to complete existing CAPEX and then think about that.

Pranjal Soni: And my next question is, there are notable increases in both account receivables and inventory levels. So how the Company is addressing this inefficiency in its cash conversion cycle? Would you please elaborate on this?

Salim Yahoo: Yes. If you look at the account receivables, comparison to the total sales that we have done, it has been 142, you can say 142 days which was earlier 135 days. So it is not too much change in spite of substantial increase, 100% increase in the topline. Coming to the cash conversion cycle, previously it was 139 days and it has improved to almost 86 days now. So the cash conversion cycle has also improved substantially. So there is a faster rotation of the working capital into the business.

Pranjal Soni: Fine.

- Moderator:** Ma'am, does that answer your question?
- Pranjal Soni:** Yes, it answers.
- Moderator:** Thank you. The next question is from the line of Priyanshi Kankane from Brighter Mind Equity Advisors. Please go ahead.
- Priyanshi Kankane:** Sir, first of all, congratulations for closing the year with blockbuster numbers and thank you for giving me the opportunity. And yes, on behalf of Brighter Mind Asset Management Company, I sincerely appreciate the leadership and execution capability of the KP Group team. It is really appreciable, sir.
- Salim Yahoo:** Thank you, Priyanshi. Thank you for such a kind words of yours.
- Muinulhaque Kadva:** Thank you, ma'am.
- Priyanshi Kankane:** Sir, I have only one question to ask. Like in your recent presentation you have mentioned about green hydrogen, so what exactly we are planning to do into that space? Are there any specific projects or partnership in the pipeline, sir?
- Salim Yahoo:** So I will just request our group CEO, Dr. Alok Das to take this question, how Matar will get into this.
- Alok Das:** You see, the thing is like this. This is an initiative first to demonstrate our entry into the Green Hydrogen. What we are creating a model for 1 MW to start with and whatever that Green Hydrogen will be utilizing to our internal process, be it what kind of what recognizing and these other processes are there, we should utilize that and create an example that how really Green Hydrogen can be used for the different industries and all and how Green Hydrogen can be created by utilizing the renewable energy interface because we want to put the Green Hydrogen totally 100% green. So that there we can input our solar and wind interface to their input, so that whatever the production output is coming through for the process, so that would be utilizing for our internal use So that 1 MW probably, I think will be coming to the disclosures when these things are coming, maybe by September or maybe by October, it will be happening by that.
- Priyanshi Kankane:** Thank you so much and all the very best.
- Alok Das:** Thank you.
- Moderator:** Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities. Please go ahead.
- Hardik Gandhi:** Yes. Sir, congratulations on the absolute good set of numbers. I just wanted to know a quick clarification and then I will ask my questions. So you just mentioned that the outstanding order book for the parties will be completed by end of September. Is that correct, like Rs. 800 crore?

Salim Yahoo: Yes, majority of them.

Hardik Gandhi: Understood. Perfect. And the second question is on the utilization levels. Can you just share the utilization level for the last year?

Salim Yahoo: So last year, I think all together, what we have done last year was around, out of our total capacity, 40%-50% was utilized with the addition what was done.

Hardik Gandhi: This year, right? Actually, addition was done this year, right. So last year, I don't think so substantial?

Salim Yahoo: No, this year only, 40%-50% was the utilization.

Hardik Gandhi: So 40%-50% utilization last year and this year, given that we are making that galvanization?

Salim Yahoo: This year, we are talking, yes, this year we have done over FY '25, approx 50% utilization was done.

Hardik Gandhi: Yes. And for the upcoming year, we are expecting how much utilization given the added capacity?

Salim Yahoo: Again, you will see that the capacity will get increased with the added capacity. So again, we will start with at least 50% utilization immediately.

Hardik Gandhi: At least 50%?

Salim Yahoo: Yes.

Hardik Gandhi: And since the galvanization part is more of, isn't it more of a service business rather than a product?

Salim Yahoo: No, in fact it is a part of our product. It is a part of the entire process. So when we do the MMS Structures or Transmission Towers or Windmill Towers, those all structures have to be galvanized. And that is the reason we are setting Asia's biggest galvanizing plant, so that the entire big structures or the heavy engineering structure that we set up can be galvanized at one go.

Hardik Gandhi: So we are not looking to service any external steel for others, we are not looking to galvanized steel for other people. We are just looking at for internal consumption. Is that correct understanding?

Salim Yahoo: Yes. Because see, my hands are full. In case, if there is a capacity which is there, so then we might add up into that also depending upon. The service also will add a good profit margin.

- Hardik Gandhi:** Exactly. So what kind of margins are we looking into going forward, like right now, we are at a good EBITDA level, but given that our capacity utilization will substantially increase as well as we are backward integrating into all these sectors, so that is an heavy engineering background, not even a job work, so what kind of margins are you looking?
- Salim Yahoo:** Hardik, as I already said that we are having a very strong margin compared to other players in the industry. We will be looking to maintain those margins at a level of, PAT at a range of 9%-10%.
- Hardik Gandhi:** Understood. But given that we are doing so much backward integration as well as galvanization plant which usually outside players charge quite a bit just to provide servicing for galvanization, do you think we are like being conservative right now or just like we are being very lazy?
- Salim Yahoo:** Not conservative. See, first of all, I have rather than, I would look at from the point of view that strengthening any of my competitors by giving them galvanizing who don't have a galvanizing, I would rather try to hit the competitors by utilizing my strength as my part of my product, right. So until and unless there is a dire need, I will not go into giving my facility to outsider.
- Hardik Gandhi:** Perfect. Understood. Thank you so much, sir. All the best.
- Moderator:** Thank you. The next question is from the line of Rajan Dalvi from Tata Projects. Please go ahead.
- Rajan Dalvi:** Hi, guys, congratulations for your stellar set of numbers first of all. And just one clarification. You guys are having so many internal orders from the KP Group, but I can't see your PO being issued to KPGEL. So can you please keep updating that for the market like investors like me because we are unable to understand?
- Salim Yahoo:** No, I didn't get your question. You are saying that you want us to update on the external orders also or internal orders, what?
- Rajan Dalvi:** No, I want some updations on the internal orders because I know there are some orders we are getting from the internal KP Group and we don't understand like how many crores of orders, say, for example, you are getting 1,000 share order for this KP Energy, but out of that, how much work is being given to KPGEL that we never understand? So can you please update on the PO part like purchase orders?
- Salim Yahoo:** Yes that was good. Yes, I assure you that we will update that all those on the BSE, NSE, whatever internal orders are, PO's are given to the Company.
- Rajan Dalvi:** Yes, along with the execution timeline.
- Salim Yahoo:** Yes.

- Rajan Dalvi:** And the another question is like, just 2 days back, I have seen some Adani Group top officials visited KPGEL Office, maybe the last 6-8 months back, I have seen some of the Saudi Group top construction Company officials also visited KP Office, so any tie-up being made with this Adani Group or with this Dubai based construction group?
- Salim Yahoo:** See, a lot of things are confidential. We will not be able to disclose them at this moment, but as you know that when top corporates or everybody visits any corporate, they come with some understanding. So we are one of the now big players into the industry and that is the reason we are being noticed by some of the top groups domestically and internationally. Only that I can tell you, but cannot disclose any of this key points right now till it is into finalized stage.
- Rajan Dalvi:** Right. So the expansion plans is also on outside India?
- Salim Yahoo:** Yes, I think.
- Rajan Dalvi:** Yes. So thank you so much guys. Keep doing the hard work. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Manak Shah, who is an Individual Investor. Please go ahead.
- Manak Shah:** Hello, wish you very congratulations on this great set of numbers to this KPGEL Group and one question I would like to ask that, sir, can you please throw the lights some on the topline, which is to be projected for FY '26 considering this Rs. 800 crores orders which are already in pipeline Can you please throw some light on this?
- Salim Yahoo:** Yes. So I would like to recall the interview of our dear and near CMD, Dr. Faruk Patel - Group CMD. So he has clearly committed that we will be going at a run rate of 60%-70% growth year-on-year. So that is what we can tell you at present and we think the way we have shown the performance in the past, so we are confident enough that we will be achieving this commitment given by Dr. Faruk Patel, our Chairman and Managing Director.
- Manak Shah:** And can I have an idea regarding is there any risk in this heavy engineering so far as execution of projects and execution of order is being concerned as far as our Matar project is located and considering the peers which we are facing? Is there any risk in execution or projected topline can be achieved easily?
- Salim Yahoo:** Yes. If you see, as I told earlier also, there are some USP of our business like once we have the galvanizing plant, we will be one of the Asia's largest galvanizing plant, so which are some of the key aspects for the Heavy Engineering. So I don't foresee any major risk or anything that will create hindrance into our goal of achieving the set targets.
- Manak Shah:** Thank a lot, sir and wish you very best luck.

Moderator: Thank you. The next question is from the line of Dhruv who is an Individual Investor. Please go ahead.

Dhruv: Sir, my question is, what is the projection of revenue for FY '26?

Salim Yahoo: I just now said that the committed numbers is 60%-70% growth by our CMD, Dr. Faruk Patel. So we will be trying to achieve that growth rate of 60%-70%.

Dhruv: Yes, but sir, if you look at the current CAPEX of 2,00,000 metric tons in which 36,000 is already operational, right, and 1,58,000 is in trial process which Muinulhaque sir said will be operational within 1-2 months period?

Salim Yahoo: Yes.

Dhruv: Then what is the reason behind 3x? Why can't we grow at 3x revenue from this year to next year because your capacity will be 3x? Is there any execution problem?

Salim Yahoo: There is no execution problem. But we take orders once we have the capacity energized, after that it stabilizes and then the order book we take and then execution time period is also there. So keeping all this in mind, we have given a conservative number that what we have, like last time also we have given 60%-70% growth and we have grown 100%. So what we have given is the base, how much we can achieve, and it is the minimum I can say and maximum is something which you will see as we go forward into the year.

Dhruv: Thank you.

Moderator: Thank you. The next follow up question is on the line of Rupal from Zoom Partners. Please go ahead.

Rupal: Sir, just I have one more question regarding the CAPEX plans. Are any other CAPEX plans lined up and the total capacity which we are planning to reach 4,00,000 metric tons per annum. So that will be operational by which year?

Salim Yahoo: The entire is operational by this year only FY '25-26. CAPEX, as we go forward, at present we haven't planned any further CAPEX until we complete this particular CAPEX. Once we complete this CAPEX, we will look into the market scenario and accordingly we will think about what Muinulhaque sir said that some kind of backward integration or something we will add, in case it will be required.

Rupal: Understood, sir and I know the product mix we have is very different, but do you have any like idea on what kind of peak revenue potential we can achieve from the total say, 4,00,000 metric ton plant we have?

- Salim Yahoo:** See, peak revenue depends upon different product, as I told earlier in the first question that our 20 odd products are there and every product is different and it is a customized product. So it depends upon which products will contribute during that year. That is more important for us. So I think the capacity is quite good enough to achieve a very strong number compared to what we are today, but the final numbers of the entire capacity depend upon the mix that we will be utilizing it.
- Rupal:** Great sir. But also I would like to give one suggestion that going forward, if you could give data on average realization and average capacity that we have utilized in volume terms. So that would be great for investors?
- Salim Yahoo:** Capacity utilization, I can send it, I can give it, but average realization is something because the products are different, again I am saying. So it would be a little bit, it will create a confusion in the market that what is that, why this particular, if the Company because not all people are aware that we are doing customized, so people should be aware that what is the pricing that we quote. Depending upon that also the time period is required more from that point of view.
- Moderator:** Sir, does that answer your question?
- Rupal:** Yes. Understood, sir. Thank you so much. Thank you for the answer.
- Moderator:** Thank you. The next question is from the line of K Rajesh, who is an Individual Investor. Please go ahead.
- K Rajesh:** Good evening, sir. Congratulations for giving great set of numbers, sir. And my question is that you just mentioned in opening remarks regarding, supplying the product to the defense sector. Are you planning to supply any customized product to the defense sector, like Mazagaon Docks and BHEL you have mentioned in the opening remarks?
- Muinulhaque Kadva:** Sir, some shelter product and all product, we are doing the type test and in parallel we are applying for that for the vendor approval and application for the particular product. So it takes time, but very soon we are starting for that particular. We are coming in steel shelter in the defense sector.
- K Rajesh:** Sir, do we have our R&D team for designing specialized products for the defense sector?
- Muinulhaque Kadva:** Yes, sir.
- K Rajesh:** Because if you enter into the defense sector, there will be huge orders coming to our Company. That is why I am asking this question.
- Muinulhaque Kadva:** That is why we are starting for defense and something like steel shelter and other 2-3 products like that we are covering in that. And parallelly, we are applying for that particular approval also. And very soon we are starting in, we step in the defense sector.

- K Rajesh:** Can we expect these orders within Financial Year '26, sir?
- Muinulhaque Kadva:** Yes, each product requires for the type is in defense that because the R&D team is working on that and yes, we will get in end of these financial year or next Financial Year we are entering that.
- K Rajesh:** Thank you very much, sir for answering my question.
- Moderator:** Thank you. The next question is from the line of Manav Mehta from Vrindavan Plastic Industries. Please go ahead.
- Manav Mehta:** Hi, good evening. Congratulations on an excellent number. So I had a question regarding the PEB structures, which Company starting to manufacture. I believe it is another silent industry is going very well. So what is the view on the companies like, what is the view about on this sector? Like how is the Company planning to capitalize this?
- Salim Yahoo:** Muinul bhai, can you take this question on PEB structure?
- Muinulhaque Kadva:** Yes, PEB structure, the demand is very huge and very potential market in PEB. Also, we are starting for the PEB plus multi-storey building, that multi-storey building right now will get converted into the PEB. So we are starting right now PEB and we see that market very huge potential and we will get more and more order in particular segment. Also, we are having the file line for the PEB and the latest technology also welding by the robotic welding and all the cutting in CNC and the all the bending line 100%, not 100%, but 90% is the automatically and welding also, we are doing on the robotics, so we are the different from other peers in PEB. Also we have installed our in-house CPL line for the plate cutting and all that. So that is the major benefit from the raw material side and use benefit from the bulking purchase and the scrap ratio is minimized.
- Manav Mehta:** So do we have any order book on pipeline like in terms of only PEB structure specifically?
- Muinulhaque Kadva:** Yes, sir. One small order already we have and we have completed and I think so today, we have uploaded video for the 1st order delivery today is completed and 2-3 big order, I think so in a meeting, but it is not conclude because that right now we have our own expansion and we continuously have our order in our PEB and within 15-20 days, we think so converted this order PEB1 to 2 order is converted in the order book.
- Manav Mehta:** So going ahead, can we get us a breakup of each division of products like, for example, how we get a lattice tower and telecom towers and PEB structures, it will be helpful for the investors?
- Muinulhaque Kadva:** Sorry, I can't understand, repeat?

- Manav Mehta:** Going ahead, in case we get any order wins in terms of PEB structure, monopoles and our transmission towers, can we get a breakup of each of the orders, it will be helpful for the investors?
- Muinulhaque Kadva:** Major order from the renewable sector in our order book and I think 50%-60% from the renewable sector and 30%-40% from the infrastructure like that PEB, Heavy Engineering and all.
- Manav Mehta:** No, even further like detail, for example, if you get any order in future, can we get to know like this is from the PEB structure and the other one is for the monopole or this is for the transmission towers like a more detailed one which will be helpful for the investors?
- Salim Yahoo:** See, when we get a specific PEB order only for PEB, then accordingly we will put that order on the exchange. But if it is a combined then it comes as a order book, so many megawatt, if there is a PEB or there are some construction or something. So then it comes with a combined product. But if it is a separate product, it will be surely mention that product also as PEB order.
- Manav Mehta:** Understood. That is all from my side. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.
- Muinulhaque Kadva:** Thanks everyone for joining us for the earnings call for KPGEL. We really appreciate all the support we had from investors, stakeholders and participants here. We will see you all again soon.
- Moderator:** Thank you. On behalf of Share India Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.