CHAMUNDA ELECTRICAL LIMITED

(Formerly known as Chamunda Electrical Private Limited)

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To,
National Stock Exchange of India Ltd, Exchange Plaza,
Bandra Kurla Complex, Bandra (East), Mumbai– 400051

Symbol: CHAMUNDA

Sub: - Transcript of Earnings Conference call of Chamunda Electrical Limited ["the Company"] for half year and year ended March 31, 2025.

Dear Sir/ Madam,

Pursuant to the above referred, the transcript of the Earnings Conference Call held on Friday, June 13, 2025, for half year and year ended March 31, 2025 is enclosed herewith.

The above details along with the audio recordings of the Earnings Call are also available on the website of the Company i.e., www.chamundaconst.com

Please take the same on your record.

For, Chamunda Electrical Limited

Chiragkumar Natvarlal Patel

Digitally signed by Chiragkumar Natvarlal Patel
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Chiragkumar Natvarlal Patel
Managing Director
DIN: 06601915

“Chamunda Electrical Limited

Q4 FY '25 Earnings Conference Call”

June 13, 2025

MANAGEMENT: **MR. CHIRAG PATEL – MANAGING DIRECTOR AND CHAIRMAN – CHAMUNDA ELECTRICAL LIMITED**
MR. NATVARBHAI K RATHOD – WHOLE-TIME DIRECTOR – CHAMUNDA ELECTRICAL LIMITED
MR. HARDIK PATEL – AR INTERNAL AUDITOR – CHAMUNDA ELECTRICAL LIMITED

MODERATOR: **MS. RUCHIKA SHAH – EQUIBRIDGEX ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Chamunda Electrical Limited Q4 FY '25 Earnings Conference Call hosted by EquibridgeX Advisors Private Limited. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I would now like to hand the call to Ms. Ruchika Shah from EquibridgeX Advisors Private Limited for opening remarks. Thank you and over to you.

Ruchika Shah: Thank you and good afternoon everyone. Welcome to the H2 and FY '25 Earnings Call of Chamunda Electrical Limited. From the management team, we have with us today Mr. Chirag Patel, Managing Director, Mr. Natvarbhai K Rathod, Whole-Time Director and Mr. Hardik Patel, AR of Internal Auditor.

Before we begin, I would like to mention a brief disclaimer. This conference call may include certain forward-looking statements which are based on the current views and expectations of the company. A detailed disclaimer is available in the Investor Presentation that has been uploaded to the Stock Exchange.

With that, I now hand over the call to Mr. Natvarbhai K. Rathod for his opening remarks.

Natvarbhai Rathod: Mr. Natvarbhai K. Rathod, Whole-Time Director of Chamunda Electrical Limited. Earlier, I was serving at Gujarat Vidyut Board. Because of my age, GETCO retired me in 2008. From 1982 to 2008, I spent the maximum period in the project. That's why I had a lot of project knowledge. I had a lot of experience in the 66 KV substations, 132 KV, 220 KV and 400 KV substations and their connecting lines. After retiring, I thought what to do with my experience. So I started a small company.

In 2013, I started a company called Chamunda Electrical Private Limited. In that, I was doing the work of GETCO substation erection, line and operation and maintenance. Today, we have a present GETCO 106 substation.

Apart from that, we have 12 substations of Central Government of Selvasa. We have a total of 118 substations in which we are doing the work of operation and maintenance. In our 118 substations, 944 are working in round the clock shift duty. Apart from this, our testing wing, HR section, account section and supervision staff, all together more than 1000 people are working.

We are very happy that our company is providing food to more than 1000 families. We also have a solar plant of our company. Solar plant at Bhatib and Dhanera Taluka Banaskantha. It is ongoing and just now we get another approval for 0.5 megawatt and we expect to start it before December '25.

And this project that are now there is no debt and the company is itself with its own money. The work of this project, Operation maintenance work and more workload, I have joined my son in. He is now the company's MD and Chairman. My age is 76 running. So giving him the work.

Now when I bring any new project. I told to start project and our company would keep progressing. We together planned ahead. Our company has two offices known for one in Deesa and one Surat.

In Surat, the work of the second office has been completed. We just need the approval of the NABL. So, we applied for. The officers were appointed came and last audit was June 6th, 2025. We are complying. We expect that as soon as possible we will get an NABL approval. And for starting our lab we needed money. So, we requested and brought this IPO to market. That IPO we demanded only INR14.6 crores. But people trusted us and 738 times means INR7,100 crores. It is good news for us. Also, we promise to our people we will not betrayal them.

Secondly, project has been by 266 KV 400 KV. The project is still in progress. The 266 KV is The GETCO in progress. 220 KV in Saurashtra and the work of the 400 KV is still going on in Banaskantha. In this way the maximum work of our project has started and we have just received a new order from another LCC company of 64 lakhs and the other orders are in the pipeline. We hope that we will get it as soon as possible. I thank the people with all my heart. Thank you so much.

Hardik Patel: Good afternoon, everyone. All investors and respected members from Board. My name is Hardik Patel and I'm taking care of internal audit work at Chamunda Electrical Limited and I'm qualified Chartered Accountant. I would like to share one success story of IPO procedure of Chamunda Electrical Limited.

We are thrilled to share with you that IPO witness is an overwhelming response from World of Investors with the phenomenal oversubscription of INR7,100 crores. This milestone is not just a financial achievement. It is resounding what of confidence in our vision, our business model and value that derive from Chamunda Electrical Limited. Now, I want to share something regarding the plantation of fund received from this IPO.

Now, imagine I want to give an example here that investors give us some money like seeds handed to us by investors. Now, as with any gardener who is interested in seeds, it is not enough to simply plant them in proper locations. Real work comes through nourishing them carefully choosing where and how they will plant and ensuring that each one has the best condition to grow. Chamunda Electrical Limited, we have carefully chosen verticals of revenue where we will plant this fund equally, ensuring the balance of growth and diversify return on investment.

So basically we have four revenue verticals. First is operation and maintenance from substations. Under that, there is another sub revenue vertical that is project we are commissioning all substations. Second is tastings. Under that we are applying for NABL certification. NABL is one of the parent body and prestigious certification authority governed by government of India.

And third is solar plant. Chamunda Electrical already has 1.2 megawatt project as mentioned by Natvarlal Rathod at Banaskantha district, situated in Banaskantha district and we add 0.5

megawatt project. We already announced that announcement at NSE platform and we are planning to increase our capacity to 4.4 megawatt by March 26. Thank you very much.

Moderator: Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Sahil Chopra from KIFS Trade Capital. Please go ahead.

Sahil Chopra: Sir, what is the execution timeline of your order book of INR64 crores. How long will it be executed.

Management: So, currently we have a INR64 crores order book. So if you remember recently in February,2025 we have received an order amounting to INR30 crores from GETCO. So, according to the execution timeline for INR64 crores order book, first year we are expecting around INR20 crores execution. Second year, we are expecting INR24 crores and remaining in third year.

Sahil Chopra: Sir, if we look at the performance in the last 2-3 years our margins were around 4%, 5%. And in the last 2 years it has reached 22%-23%. So, what is its future trajectory? Is this margin sustainable or are there chances of it going down?

Management: I tell you. So, yes. So, sir, in 2024, our company's revenue was around INR20 crores. On that revenue, our PAT was around INR2.28 crores. So, our PAT margin was around 12%, 11.5%. That was increased in 2025. In '25, our revenue was INR25 crores. So, there was an increase in revenue from 26%. 76% increase in revenue.

That has consistent. So, in March '24, our PAT margin was 11.5%. And in 2025, our PAT margin was 13.27%. So, our PAT margin was increasing slightly. So, on year-on-business, it will increase, but it will not decline on rigorous values.

Sahil Chopra: No, I am not talking about the last 2 years I am saying that in FY '22 the margin has lost. And if we talk about EBITDA margin it was around 4% and in March 2023 it was a margin of 12%-13% and the PAT margin was also low. So, since 2022 till now what has changed? How much drastic improvement has been done? And is this 22%-23% PAT margin and more than 10% PAT margin sustainable?

Management: Last year, we had a solar project. The solar project that is going on in Chamunda, in which year-on-year depreciation has to be charged as per income tax. So, if you look at the EBITDA, EBITDA is positive. But in the previous year, our solar depreciation was higher. So, if you look at the operation margin, it is consistent. But due to depreciation, the PAT was in minus. Otherwise, our PAT margin remains constant.

Sahil Chopra: No, your operating margin, EBITDA margin, in which depreciation was 4% in 2022. And that has increased to 22% now? Depreciation will come after EBITDA, but excluding depreciation, our operating margin was 4% in 2022. That has also increased to 22%...

Management: You are particularly talking about 2022, right?

Sahil Chopra: '22 '23 yes.

Management: Okay. So, sir, in '22-'23, our revenue was INR13.20 crores. Right?

Sahil Chopra: 23 million.

Management: Yes, 23 million. Right? On that revenue, our EBITDA was?

Sahil Chopra: 77.

Management: I will get back to you, sir. We do not have data right now. We will get back to you sir

Sahil Chopra: So in a nutshell, the current margins of 12%, 13%. These margins are sustainable? PAT margins I am talking about?

Management: These margins are sustainable. This margin will increase but not decrease.

Sahil Chopra: So you are saying that we will get the PAT Margin?

Management: Yes absolutely.

Sahil Chopra: Sir, normally, our movement is from the government. So, how does the payment stay in this? In how much time do we get the payment back?

Management: See we have a total of four verticals for revenue. First is from operation and maintenance. That is all under B2G, business to government. This is payment from GETCO. And GETCO is one of the parent bodies which is taking care of all energy-related issues at the State of Gujarat. Right? So, what happens in the government practice is that they give us the payment twice. Right? They give it three times. One, you get it in October. Then after, we are expecting in January, and the last payment is received in March. Right?

So, this is the procedure. Then the second vertical, which is testing, within 30 days, we will receive a payment. And in solar, the monthly system is PPA, as per PPA agreement. That is how the payment works. We get the payment every month.

Sahil Chopra: Okay. And how does the pricing work? Because I think our major order book part is O&M contracts. So, how is the pricing determined in that? So, you are saying that we have 118 substations. So, in that, per substation, there is a yearly contract. And in this too, we have O&M contracts are these long-term contracts or one-year or two-year contracts?

Management: First, let me tell you that we are one of the leading contractors of GETCO. We have a minimum of 10 years of relation with GETCO that is with the government authority. The entire process of government is done through tendering and the entire system is transparent and online system and the tender that is approved the minimum period is 3 years and which will be extend to more 2 years, which means you can understand it as 5 years right, it goes up to 5 years with us right, and its revenue we get its bill every month and there are two things in O&M we take, we also take its testing bill every month right, so that is there.

Sahil Chopra: Now we have 118 substations. What is the duration of the O&M contract of 118 substations on the blended average? How old it is?

Management: 77, we have it for 2 years. And we have the remaining from 8 months. We have 41 for 8 months, last 8 months. I would like to add one more thing for your clarity. Chamunda Electrical's capacity is 120 at the staff and HR level. So we are at the peak. In this procedure, there is a tendering every year.

Assume that **77** has been running for 2 years with us. Assume that after 2 years there will be a tendering and we get to know that something is going out of 77. Then we will apply for a new tender and we will remain in our maximum capacity. So that revenue will be compulsory every year.

Sahil Chopra: And in that tendering process, which players do we compete with?

Hardik Patel: Siemens. See, there are three in total, in top three. First is Siemens, then Kintec and then Chamunda Electrical Limited. These are the top 3.

Sahil Chopra: Okay. And what is the revenue of each substation? What is the revenue of each substation?

Hardik Patel: The latest one that has been approved, 53, its revenue is INR1,55,000 in tendering amount, INR1,50,000 per month, right. But the Wages Act is updated every year, right. Assume that the Wages Act is updated, assume that INR1,80,000. Its rate will change to INR1,80,000, and that is part of the condition of tender.

Sahil Chopra: Okay. And is it fixed for 3 years?

Hardik Patel: No, it is not fixed for 3 years. As soon as there is a change in the Wages Act.

Management: Every 6 months.

Hardik Patel: Every 6 months. But minimum INR1,50,000 is fixed. It will not go below that, right. So that revenue will remain the same, right. If there is a reduction in the Wages Act, then it will not go below INR1,50,000. But if it goes below INR1,80,000, then we will get its benefit.

Sahil Chopra: What is the revenue model in solar division? Once we pass solar, we will get revenue for the next 25 years. What is its model?

Hardik Patel: Yes. See, in 2021-'22, first in Chamunda Electricals -- situated the first Bhatib. It is one of the villages from Banaskantha district. We are functional there. In that, there is a subsidiary company of GETCO, UGVCL, in Uttar Gujarat Company we have a PPA of 25 years with them, right. So that revenue will continue for 25 years. In that, this year, a month ago, we got an approval of 0.5 megawatt. Now our total capacity will be 1.7 megawatt, right. And that will continue for 25 years.

Sahil Chopra: In interim FY '25, we have made a topline of around INR25 crores and how much is O&M?

Hardik Patel: Sorry, you are not audible. Hello?

Sahil Chopra: O&M, in FY '25, we have made a topline of INR25 crores. Out of that how much share rate is O&M and solar?

Hardik Patel: INR19.34 crores.

Sahil Chopra: Okay. And solar?

Hardik Patel: Solar is INR72 lakhs.

Sahil Chopra: And rest, apart from that?

Hardik Patel: Yes, we have INR2 crores in testing and in O&M we do sub-station commissioning. So we have 2 projects and their revenue is INR3.50 crores.

Sahil Chopra: And what do we do in the testing division?

Hardik Patel: In testing, the main purpose of testing is to reduce breakdown and losses in the electrical line AI is used to reduce breakdown and line loss, right. Most of the equipments are internationally certified. Whether it is working properly or not, the testing is done there, right, ,we do that testing. And the division branch calibration laboratory is based in Surat.

And we have put the same testing lab for NABL certification. And the NABL audit has been completed there. And out of 350 scopes that we had put for testing, 250 scopes will be approved and will come by December '25.

Sahil Chopra: Okay. And what is our revenue model in this and how do margins play out in it?

Hardik Patel: See, this is a service industry, right. So now we are non-NABL. So we have a decentralized structure. So we set the fees according to our own standards. And in the service industry, you can say that we have a 30%-35% margin.

Sahil Chopra: PAT margin?

Hardik Patel: Yes, PAT margin.

Sahil Chopra: And I think in the fundraising, we will pay around INR1.5 crores to buy these equipments.

Hardik Patel: Yes, that kit is in the process. We have given the order. That kit comes from Germany, right. So it's in the pipeline.

Sahil Chopra: How much can we do business with that?

Hardik Patel: Sorry?

Sahil Chopra: How much can we do business with that new kit?

Hardik Patel: Yes, see, what happens in that is that if all the PSUs of the potential customers come after that, then according to me, our revenue will increase by INR70 lakhs-INR75 lakhs.

Sahil Chopra: Per annum?

Hardik Patel: Per annum.

Sahil Chopra: Okay. So broadly, we are saying that in 3-4 years, we will have a break-even cost.

Hardik Patel: Absolutely.

Sahil Chopra: And next, do you have any guidance on how much top-line we will do, in terms of margins or PAT margins and capex?

Hardik Patel: See, in O&M, specifically, we have planned INR23.20 crores. Right. Under that project, we have planned a revenue margin of INR4.20 crores. And under solar, we are initiating one, it is under internal discussion that the capacity of 1.7 megawatts will increase to 4 megawatts. So our revenue will increase in that as well. But that project will be completed by March 2026.

So we will not be able to add a margin in that. And the testing, after the certification of NABL, will increase by 20%. So it is INR2 crores now, it will increase to INR2.16 crores. So the total revenue will become INR30.86 lakhs.

Sahil Chopra: Around INR31 crores, right?

Hardik Patel: Yes, INR31 crores.

Sahil Chopra: And for this, what is the capex plan for next year or the year after that? How much money will we spend?

Hardik Patel: See, actually, our MD, Chiragkumar Patel, has a vision of NABL certification first. See, this is a complete fusion of modern business and traditional business. If you look at O&M, it is a traditional business, how to make a substation, etc. Now NABL is a modern business in electrical. Even green energy is a modern business.

So we are distributing our revenue equally. That will continue. But along with that, we plan to increase solar electricity to 2026-27. We want to do the first phase of that by March '26. Up to 4 megawatts. And lastly, it will be done by 2026-27. Right.

Now NABL certification will come. After that, we also need expansion in that. Because once NABL certification comes, our targeted client will not be up to India because NABL certification runs throughout Asia. Accordingly, we will have to update our calibration. So our capex will go there as well. And it will go to solar as well.

And secondly, O&M and projection. Now in O&M, we have the legacy of GETCO. But we are focusing on commissioning the whole substation. So our capex will go there as well. So we will divide the whole capex into 3 verticals.

Sahil Chopra: Okay. Will there be a number for that?

Hardik Patel: See, actually, we are not planning out the number yet. What is there in O&M and projection? In project reports, once PO is confirmed, we will be able to figure it out. But in solar, it is confirmed that if we are planning for 4 megawatts, then our costing will be approximately INR12 crores to INR15 crores. Which will be capex utilizing 2025-26 and 2026-27 equally.

Sahil Chopra: And in terms of order book growth, which is coming from INR64 crores, what is the expectation of winning the order this year and next year? And what is our win ratio? See, let's say we apply in 10 and do the trending. So how much do we get out of that?

Hardik Patel: See, right now, we are at the peak of our capacity 120. So in O&M, you can expect a growth of 20%. And in testing, according to me, you will see a growth of 25%-30%. And in solar, if we take approval for UGB sales of 4 megawatts by March 2026, then the capacity increment will be 150% by March 2026.

Sahil Chopra: Okay. Okay, sir. Thank you. Thank you very much.

Hardik Patel: Thank you very much. Thank you very much for joining us, sir.

Moderator: Thank you. The next question comes from the line of Abhishek, an Investor. Please go ahead.

Abhishek: I had a question. Our major revenue is coming under government contracts. Are we trying to do business in the private sector as well?

Hardik Patel: See, our O&M, the parent authority in the state of Gujarat, that is GETCO They govern the substation, the entire energy sector. So, the maximum revenue comes from there. Apart from that, the commissioning that we are doing now, we have three projects going on in that.

There is a company called LCC Ltd. They also have a project. And there is also a commissioning project called Hi-Tech. And that party, that client of ours is from Chandigarh.

Abhishek: Okay. Sir, we had recently raised an IPO fund of INR14.6 crores in February, how much money did we utilize for debt repayment and what is our target debt-to-equity ratio?

Hardik Patel: Yes, sir. So, the purpose for which we utilized the money, the first thing was our purchasing of kits and machinery. That is pending. Which we have not done yet. The second one was the repayment of debt. So, our company has successfully paid all the debts. So, we are a debt-free company now. And the third one is our working capital requirement. So, that we have utilized.

The new substations that we got in February, we got around 46 substations. So, there we have to pay EMD margins, SD, we have to pay all this in BG and ZCO. So, for that, we have paid the money. So, accordingly, our overall IT process has been utilized. Apart from INR1.5 crores, that we are going to use for the plant and machinery and kits.

Abhishek: Yes. Okay. So, would you have any plan for the future? That is, to grow the debt flow and the business in the company in the near future?

Hardik Patel: Sir, as of now, we don't have any plan. But, however, we are evaluating an option. We wanted to expand our solar operations. So, if you have seen our recent announcement on NSE, we have extended our capacity by 0.5 megawatts. So, the costing of 0.5 megawatt is around INR1.5 crores to INR1.8 crores.

Abhishek: Okay.

Management: So, our company's promoter vision is to expand this capacity by 4 megawatt. So, if there is any evolution in the future, we will have to do further fundraising. That option we have not synchronized yet. But, it is in plan.

Abhishek: Okay. So, basically, as you said about solar, the contribution is very less now. What do you expect in the next year? How much percentage revenue can you get from there in the next 1 or 2 years?

Management: Recently, we have seen that the revenue of March 25 was around INR72 lakhs from solar.

Abhishek: Yes.

Management: We can expect that in March 26, our additional capacity of 0.5 megawatt will be operational by December. One minute – around we are expecting that by March 26, we will get revenue of INR1 crores from solar. Because, our new capacity of 0.5 megawatt will be operational by December. So, we will get the benefit of additional capacity only for the next 3 months. From the next year, it will be fully operational.

Abhishek: Yes. Okay. So, your revenue can reflect well in FY '27?

Management: Definitely. Because, what will happen to us? I will tell you. If our new acquisitions also happen what we are thinking, in addition to our current capacity of 1.7 megawatt. So in FY '27 the revenue of solar will be very good.

Abhishek: Okay. And, in other states, where are you trying to expand? Do you have any focus on that?

Management: So, currently, our main focus is in Gujarat. We work in Gujarat only. Because, our governing body, GETCO, its main substations are in Gujarat. So, we have a hold in Gujarat. Apart from that, our second division of revenue is testing, testing of electrical machines and all. So, it runs all over India. Like, our entire team goes to Rajasthan, Andhra. So, all over India, we do testing, but, our main core business of substations is in Gujarat.

Abhishek: Okay. Got it. And, one last question. Can you highlight your working capital days like, your trade receivables, inventory and all?

Management: Okay. Now, our current balance sheet of March 25, in that our first is trade receivable. So, trade receivable is INR5.31 crores comparing to previous year, it was around INR3 crores. Now, the trade receivable, majorly, if I tell you 70% to 80% is from our government body. That is a secured one. Government has a cycle. They get their money in that cycle. So, it is completely secured, but that body gives money three times a year.

It comes in September-October, in December and in March. So, that is the routine. We don't have anything in our trade payable. We have a system, if any invoice comes, it gets cleared in a maximum of 15 days, 20 days. So, as you can see, in March 25, our trade payable is nothing. It is just INR10 lakh, INR11 lakhs is trade payable.

Abhishek: Okay, got it. Thank you.

Moderator: Thank you. We take the next question from the line of Aditya Mangal, an Investor. Please go ahead.

Aditya Mangal: Hello, good afternoon, sir. Sir, I want to ask, how will you mitigate the risks of your business because you have a lot of government orders. If there is a change in the regulatory, how will you mitigate it?

Hardik Patel: Yes, sir. The changes in the government regulation, so we are working with all ex-officers. So, we deal with them and we have a legal team, which deals with all these issues. And sometimes, let me tell you one thing, the policies that are formed there, we are a leading company in electric irrigation. So, sometimes, we also take the inputs for the policy. So, we are up to date with all these issues. So, we don't know about the government policy.

Aditya Mangal: Okay. And sir, your business is capital intensive. So, how do you manage it? I mean, how do you fulfil the fund requirement?

Management: Okay. So, prior to this IPO, whatever was our working capital requirement, we used to manage it from our own funds. First thing, own funds. Second one, we used to manage it from our bank's funding requirement. So, initially, there was no problem, but our main purpose was the NABL lab. For the NABL lab, we had working capital and other funding requirement.

So, we got the funding requirement from the IPO. So, as of now, the working capital requirement is being done through the IPO process. Prior to this, the working capital was managed from our own funds and our recent earnings.

Aditya Mangal: Okay. Got it. And sir, have you thought of any collaboration or joint venture in the future? Have you planned it?

Management: No. As of now, there is no such planning. But, we will definitely look for a good proposal.

Aditya Mangal: Okay. Got it. Thank you.

Moderator: Thank you. We take the next question from the line of Maitri from Sapphire Capital. Please go ahead.

Maitri: Hello. Yes. I need a clarification for the guidance of FY '26. You said that the growth of O&M is around 20%. Is that correct?

Hardik Patel: Yes.

Maitri: And, in Solar Park, we are saying that we are extracting 0.5 megawatt. So, by the end of FY '26, we will have 2 megawatt of Solar Park, right?

Hardik Patel: Yes.

Maitri: So, how much revenue can we expect from that?

Hardik Patel: First of all, in your question about solar, 1.5 megawatt is already our functional capacity -- 1.2 megawatt is already our functional capacity. And, if we add 0.5 megawatt that comes to 1.7 megawatt. And, the revenue that is being generated in 1.2 megawatt is 72 lakhs. After December 25, it will be increased by INR1 crores - increased to INR1 crores.

Maitri: And, when will we get the certification of NABL? Do we have any date or timeline?

Hardik Patel: Yes. See, NABL audit has been completed. They have raised all their queries. And, it's proud to say that we have received the least number of queries. And, our team in Surat is complying with it. And, we had applied for 350 scope. Out of 250 scope, it will be approved by December 25. We are expecting by December 25.

And, the remaining scope, we will approve by December '26. Sorry to interrupt you. But, before December '25, we will receive a provisional certificate from NABL.

Maitri: Before December '25. Okay. So, then our margins can increase from 30% to 35%?

Hardik Patel: Margins can increase. And, our potential clients will increase. Right? And, they will add our other revenues. For example, we have a commissioning substation. All PSUs have minimum requirements. For example, ONGC, BPCL, HPCL, have NABL as their minimum requirement. Right? In that case, they will come to us. And, our verticals will also increase.

Maitri: And, when will we get the electrical machines from Germany?

Hardik Patel: We are expecting -- see, there is a long waiting in the orders. Right? So, we will get to know after 15, 20 days when they will come.

Maitri: Okay. So, maybe their revenues will not come from this year. Next year, we can expect.

Hardik Patel: No. See, actually, in a month, if the client confirms that our machinery will come, then it might be possible that we start its revenue after September. Right?

Maitri: And, margins? What can we expect for the next year? FY '26, '27?

Hardik Patel: EBITDA, we are expecting 25.32% growth in FY '25, '26. And, in PAT, we are expecting 13.50% growth.

Maitri: In PAT, what are you expecting?

Hardik Patel: 13.50%.

Maitri: Okay. Growth or percentage, margins?

Hardik Patel: Margin in percentage.

Maitri: Margin in percentage. Okay.

Hardik Patel: Yes.

Moderator: We take the next question from the line of Manoj Sharma, an Investor. Please go ahead.

Manoj Sharma: Can you tell us your revenue target for FY '26, '27? How much are you expecting in the next 2, 3 years? Now in 2024 you had INR20 crores then INR25. In '26, '27 how much are you expecting?

Hardik Patel: You are asking for '26, '27?

Manoj Sharma: Yes.

Hardik Patel: We are expecting INR35.50 crores. Revenue in '26, '27.

Manoj Sharma: And in '27, '28?

Hardik Patel: We are planning for 3 years. And majorly, we are planning for…

Manoj Sharma: Which year is 35? Will it end in March 2026 or in '27?

Hardik Patel: No. It will end in '27.

Manoj Sharma: What is the target in 2026?

Hardik Patel: Sir, I tell you. In 2026, we are planning that our revenue will be INR31 crores to INR33 crores. And in '26, '27, we are expecting that it will increase to INR38 crores on higher side.

Manoj Sharma: Sir, the next question is that around IPOs, companies have high margins EBITDA. So, do you think you will be able to sustain 25%?

Hardik Patel: Sir, I tell you. In our previous track record, in 2024, our revenue was INR20 crores. On that, our EBITDA margin was 23.40%. Around 25%. Okay. On that, our PET margin was '24. In '24, our PET margin was 12%. In '25, our PET margin was 13%. Only 1% slightly increased. So, our PET margin was consistent in the previous year also in '24 also when IPO was not there in '25 if IPO is there then also it is consistent. And in '26 also it will be consistent.

Manoj Sharma: Sir, it was not like this in '22 and '21. So, that's why there is a little doubt. Because often the margin increases near the IPO? So in the future do you think that you will be able to sustain a 25% margin in this business?

Hardik Patel: Sir, I compare myself. We have a service industry. We don't have manufacturing. Our major cost is salary our employee cost is major. Rest, our margin is good. In the previous 2 years we had to charge depreciation as per ID on the solar project. So, our depreciation was very high because of that our PAT was coming in minus…

Manoj Sharma: We are not talking about PAT it is about EBITDA. We are not talking about PAT we are talking about EBITDA. Forget about PAT for a minute. Let's focus on EBITDA only. EBITDA margin was 4% in '23, '22. Will you be able to sustain it?

Hardik Patel: Yes, sir It will be sustained for us…

Manoj Sharma: Let's talk about EBITDA margin. Let's leave PAT. Next year's margin and next year's margin you will come to 25%?

Hardik Patel: We are hopeful that they will come the company is confident that they will come because they have 10 years of experience so they are in the same line and they will accept it.

Manoj Sharma: Sir regarding the employee cost so considering if you see in the whole industry whose scale is around you so with around INR25 crores of revenue, which is around 1000 employees, that ratio is okay? Is it the right ratio, or are you considering the future, or are you feeling the employees are less? I mean, how is the ratio the expense, this is the major, this is our biggest expense?

Hardik Patel: See, actually, what happens?

Manoj Sharma: Is this strength okay, is it less, is it more, how is it?

Hardik Patel: Yes. See, this is equal now. Actually, what happens is, as I said earlier, we are at peak at our capacity. We have 118 substations now, right? So, this is our peak now, right? It can be more than this. If it is more, then we will increase the number of employees. All the other verticals, like if you take testing or solar, it runs on solar automation mode. There is no need for employees there, right?

Testing also runs with minimum employees, but we need employees for O&M, right? So, that's why this capacity, and we are running on equal capacity now. And if the substation increases, then we will have to increase the employee capacity.

Manoj Sharma: Okay. Thank you, sir.

Moderator: Thank you. The next question comes from the line of Shubham Gupta, an Investor. Please go ahead. Shubham, if you can please unmute your line and ask your question. Since there is no response, so we will move ahead.

As there are no further questions, I will now hand the conference over to Ms. Ruchika Shah from EquiBridgeX Advisors Private Limited for closing comments.

Ruchika Shah: Thank you. On behalf of Chamunda Electrical Limited, I sincerely thank all our investors and analysts for taking the time to join us today for today's call. Your trust, interest and continued support means a great deal to us. We look forward to growing stronger together and keeping you well informed on our journey ahead.

Thank you once again for being a valued part of our story.

Moderator: Thank you. On behalf of EquiBridgeX Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.