"Bajel Projects Limited

Q4 FY26 Earnings Conference Call"

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MANAGEMENT: **MR. SHEKHAR BAJAJ – CHAIRMAN – BAJEL PROJECTS LIMITED**
MR. RAJESH GANESH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJEL PROJECTS LIMITED
MR. NITESH BHANDARI – CHIEF FINANCIAL OFFICER – BAJEL PROJECTS LIMITED
MR. HARSHAL VYAS – HEAD CORPORATE STRATEGY AND COMMUNICATIONS – BAJEL PROJECTS LIMITED

MODERATOR: **MR. DHIRENDRA TIWARI – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day and welcome to Bajel Projects Limited Q4 FY26 earnings conference call hosted by Antique Stock Broking. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhirendra Tiwari from Antique Stock Broking. Thank you and over to you, sir.

Dhirendra Tiwari: Thank you very much. Good afternoon, everyone. Welcome all of you to 4Q FY26 post-result conference call of Bajel Projects Limited, a Bajaj Group Company. To discuss results, I am extremely pleased to have with us today, Mr. Shekhar Bajaj, Chairman of the Company; Mr. Rajesh Ganesh, Managing Director and CEO; Mr. Nitesh Bhandari, CFO, and Mr. Harshal Vyas, Head of Corporate Strategy and Communications.

As you all have seen, the company has reported a very strong set of numbers, and we believe that they are well on track to achieve significant improvement in years to come under a very capable leadership.

Now to discuss results, I invite Mr. Bajaj to give his initial remarks. And then over to management for a detailed discussion on the call. Over to you, sir.

Shekhar Bajaj: Thank you very much. Good afternoon, everyone. And a very warm welcome to the inaugural Annual Earnings Conference Call of Bajel Projects Limited. I am Shekhar Bajaj. It is my privilege as Chairman of the Board to open this inaugural earnings call of Bajel Projects Limited and address all of you today as we discuss our operational and financial performance for the quarter and the financial year ending 31st March 2026. This is a milestone moment for us.

While Bajel has now been listed for over two years, this is the first occasion on which we are formally engaging with the investor and analyst community through an earnings call. We see this as beginning of an outgoing and a transparent dialogue, and we look forward to building this relationship in the years to come.

This year, the Bajaj Group celebrates 100 years. In 1926, my grandfather, late Shri Jamnalalji, laid the foundation of what would become one of India's most endearing business houses, built on the belief that business must serve a larger purpose. Through the freedom struggle, through the License Raj, through liberalization, and now in the age of Artificial Intelligence, that founding philosophy, Kathni Karni Ek Si, the alignment of word and deed, has remained our North Star. Every Bajaj company in every era has been measured against this standard.

The origin of Bajel

The power transmission and distribution business that today constitutes Bajel was envisioned and nurtured for many years within Bajaj Electricals by my son, Anant. By 2022, the Bajaj Electricals Limited Board had arrived at a clear conviction. This business has outgrown the confines of a consumer-led parent. Its capital needs, execution rhythm, and strategic horizon were fundamentally distinct, and it deserved an independent platform with its own focus, its own balance sheet, and its own runway. The demerger was born out of belief in what this business could become when given the freedom to chart its own course. Bajel Projects Limited was the result of that conviction.

Where Bajel stands today

Three years on, I am pleased to share that Bajel today stands as a focused independent projects and products company with a clear strategic agenda, a robust order book, and a steadily improving margin profile that spans across domestic power transmission, new energies, manufacturing, and select international markets.

The financial outcome of the year reflects its trajectory. Standalone revenue from operations grew to INR2,792 crores, a 7% increase. While profit after tax expanded to INR27 crores, a 74% growth that speaks to the discipline of the selective execution. EBITDA grew to INR125 crores, with a margin improving from 3.4% to 4.4%.

In lieu of this strong performance and a marked 100 years of Bajaj, the Board of Directors have recommended a maiden dividend of INR0.60 per equity share, that is 30% dividend pay-out on the face value of INR2 per share for the financial year 31st March 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

But what gives me as Chairman the greatest satisfaction is not in any single number or order. It is that Bajel has carried forward intact the values it inherited, quiet execution, integrity in every dealing, care for the people and the community we operate in. This is the operating philosophy the Bajaj Group has run on for the last 100 years. And hopefully, this will be the philosophy that Bajel will run for the next 100.

With this, I would like to hand over to Rajesh Ganesh, our MD and CEO, to take you through the year's performance and road ahead. Thank you.

Rajesh Ganesh: Thank you, Mr. Chairman, for setting the context. It's both a privilege and a responsibility to take this company forward in the spirit you have outlined.

Let me now walk our investors and analysts through the business, our strategic direction, the operating environment, and our performance for the year. For those of us joining for the first time, Bajel Projects Limited was carved out of Bajaj Electricals Limited through the demerger of its EPC arm, with the clear objective of creating a focused and sustainable business for power infrastructure.

Since our listing on the 19th of December 2023, we have remained committed to building a specialized projects and products organization, one defined by safer and stronger execution capabilities, cost discipline, and a long-term value creation mindset. We have built capabilities across extra high voltage transmission lines, substations, and monopoles enabling us to qualify for projects up to 765 kV. We have executed multiple projects across India and internationally.

Today, Bajel stands as a specialized power transmission player with focus on execution. At the heart of this transformation story is RAASTA 2030, our six-year strategic roadmap to position Bajel as a future-ready and globally recognized player in the power transmission infrastructure sector. The roadmap rests on a few clear pillars: expanding our presence in high voltage and technically complex EPC projects; growing our international business selectively and profitably; improving margins through operational excellence and digitization; diversifying into adjacent infrastructure opportunities; and strengthening organizational capabilities to support long-term scale.

Underpinning this is a deliberate shift in our orientation - from scale-led growth to quality-led growth. This means better project selection, disciplined bidding, execution excellence, and a sharper focus on operating margins. I am pleased to share that this shift is now becoming visible in both our operating performance and the composition of our project portfolio.

Before turning to our performance, allow me please to talk about the industry. India's power sector continues to be one of the most attractive markets globally. The country is targeting roughly 900 gigawatts of non-fossil fuel-based installed capacity by 2036, which represents a significant increase from current levels. xTo enable this transition, the Central Electricity Authority, also called CEA, has outlined a transmission roadmap requiring approximately 114,687 circuit kilometers of transmission lines and 12,74,185 MVA of transformation capacity.

Now, all of this at an estimated investment of around INR9 lakh crores through 2032, which translates to roughly about INR1 lakh crores per year. Spanning high capacity 765 kV and 400 kV extra high voltage AC corridors as well as 800 kV and 350 kV HVDC lines.

Looking further out, India's national electricity plan envisages this transmission capex outlay driven by large-scale renewable integration, growing electricity demand, and the modernization of the national grid.

Inter-regional transfer capacity will play an increasingly central role in moving renewable energy from generation-rich regions such as Rajasthan, Gujarat, Ladakh, and the offshore wind corridors of Gujarat and Tamil Nadu to demand centers. Additional structural tailwinds are emerging from green hydrogen corridors, data center capacity, industrial electrification, EV charging infrastructure, and the need to replace aging grid assets. While ordering activity in FY26 saw a temporary moderation owing to capacity and bandwidth, the medium-term opportunity remains robust and well-funded.

Internationally, the Middle East, Africa, and parts of Southeast Asia are witnessing a parallel investment cycle in high voltage transmission. The Kingdom of Saudi Arabia, in particular, has committed significant capital towards grid expansion under its Vision 2030 framework, and several Middle East, North Africa utilities are actively tendering large 500 kV transmission projects, presenting selective well-priced opportunities for established EPC players with proven delivery capabilities.

Against this backdrop, we see meaningful opportunity for Bajel to participate selectively and profitably in this multi-year growth cycle, leveraging our capabilities, our strategic partnerships, and our disciplined approach to project selection.

As I mentioned in prior interactions, execution is the heartbeat of our organization. During the year, we successfully commissioned 17 power transmission projects completing 1,168 circuit kilometers across transmission lines and substations, which I believe is roughly 10% of India's total transmission line capacity addition in the entire year of FY26. This was achieved despite significant headwinds, which I'm going to talk about in a moment.

The last financial year was characterized by shifting trade policies and heightened geopolitical uncertainty, which has affected growth across regions and sectors. This has also impacted the global supply chains and significantly had an impact on commodity prices. Towards the end of the year, US-Iran war further stretched global supplies, with crude oil reaching over $100 a barrel, giving rise to overall inflation.

The US-Iran war also resulted in slowdown of our plans in the Middle East, North Africa region. As an EPC company, Bajel remains exposed to the vagaries of market fluctuations in aluminum, zinc, and steel prices. Components made from these commodities incur significant amount of the company's total procurement cost.

Aluminum and zinc prices in the LME witnessed an overall uptrend throughout the year. In the first half, prices were at the mercy of trade tariffs and counter-tariffs imposed by major economies, while geopolitical tensions in Iran supported strong momentum in the second half.

Steel prices followed a downward trajectory till December, but rose again thereafter post imposition of safeguard duties on imports supported by surging material costs and front-loaded infrastructure demand cycle.

Depreciating currency further added to the challenges. We also faced manpower challenges, especially in execution due to shortage of skilled labor in core activities like foundation, erection, and stringing. High oil prices and non-availability of LPG adversely affected our supply chain operations towards the end of FY26. Higher wages and imposition of new labor code is also expected to increase costs further.

Despite all the above challenges, our unexecuted order book stands as on 31st of March 2026 at INR3,442 crores. Order outflow for the year stood at roughly INR3,100 crores as compared to about INR2,000 crores last year, which is a 55% increase year-on-year.

Among the notable milestones of the year was the INR700 crores TBCB order from MSETCL for a 400/220 kV substation and transmission line project in Saswad. We also secured key project wins from PGCIL such as Mandsaur transmission project and Vindhyachal pool project, further strengthening our domestic order book in both interstate as well as intrastate transmission infrastructure building.

Post March 2026, we have secured orders up to INR1,000 crores plus, just over INR1,000 crores including our first order from the Middle East and North Africa region valued at approximately INR400 crores for the construction of a 500 kV overhead transmission line.

We are currently L1 or in advance stages of negotiation with customers on orders worth over INR2,000 crores. We are also actively pursuing opportunities worth INR22,000 crores. We see this trend continue over this financial year and this should further support our order book growth.

FY25-2026 was also a defining year in shaping our strategic partnerships, both domestic as well as international. On the 10th of March 2026, we announced a strategic collaboration with NIIF, National Investment and Infrastructure Fund, a sovereign-linked fund of the Government of India, and AnantGrid Private Limited, a NIIF-promoted power transmission developer. This tripartite arrangement enables us to jointly deliver high quality and cost-efficient power transmission projects in India.

We also entered into a 50-50 JV in the Kingdom of Saudi Arabia with Al Sharif Contracting and Commercial Development Company Limited, establishing a long-term platform for growth in the Middle East in one of the fastest growing electricity infrastructure markets globally.

To support our growth ambitions, we've been investing in strengthening our manufacturing capability. We want to continue improving our margins by reducing our COGS, among other things. Focus area includes bid at better margins, achieve hedging of commodities, efficiency improvement across manufacturing, supply chain, and execution led by an internal project which we call Project NEEV, a specific transformation initiative to improve data, systems, process, and our broader digitization agenda.

Our manufacturing facility at Ranjangaon near Pune is being expanded to 110 to 120,000 metric tonnes per annum. Once operational, the expanded facility will significantly enhance our captive capability and ability to serve both domestic and international demand.

The macroeconomic optimism that characterized FY26 has been considerably tempered as the world enters FY27. Conditions turn challenging in March 2026 with the widening and intensification of the US-Iran conflict zone. But despite all the challenges, India remains a considerable power sector growth market, underpinned by increasing power demand and supply. We remain cautiously optimistic as we enter FY27.

With that, view of the business, the operating environment, and our strategic progress, let me now invite Nitesh, our Chief Financial Officer, to take you through the detailed financial performance for the year, for the quarter and for the year. Over to you Nitesh.

Nitesh Bhandari: Thank you, Rajesh. Good afternoon, everyone. It is a pleasure to address all of you on our inaugural earnings call. Let me now take you through the financial performance for the fourth quarter and the full year followed by an overview of our balance sheet and our credit profile.

So on the financial performance of Q4 and FY25-2026. FY25-2026 has been a year of many firsts for Bajel, and more importantly, a year of consistent and measurable progress. Through the year, our focus remained firmly on improving the quality of our order book and execution portfolio.

We have consistently prioritized projects with stronger margin visibility, better contractual structures, and lower execution risk. Our teams delivered on multiple key transmission projects across India while maintaining a sharp focus on operational efficiency and working capital management.

Talking about the numbers, for the quarter ended March 2026, our standalone revenue from operations grew by 26% year-on-year to INR1,008 crores. This is the first time Bajel Projects Limited has crossed INR1,000 crores in a quarter, a huge milestone for us.

EBITDA grew by 39% to INR38 crores, with an EBITDA margin expanding by 30 basis points to 3.7%. Profit after tax for the quarter stood at INR16 crores, translating into a PAT margin of 1.6%.

Now for the full year FY2025-2026, standalone revenue from operations grew by 7% to INR2,792 crores. EBITDA grew by 38% to INR125 crores, jumping from INR90 crores last year, with an EBITDA margin improving from 100 basis point to 4.4%.

Our profit before exceptional items and tax stood at INR42 crores, a growth of 73% year-on-year. Profit after tax, after the exceptional impact of labor code of INR7.72 crores stood at INR27 crores, registering a PAT margin of almost 1%.

On the balance sheet, we continue to exercise prudent capital management and disciplined working capital control. Net working capital stood at 124 days as of 31st of March 2026, and our net debt to EBITDA improved to around 2.8 times.

Return on average capital employed for the year stood at 15.8%, an improvement of 300 basis points over the previous year. A clear reflection of improving operational efficiency and disciplined capital allocation.

Cash borrowings have reduced from INR121 crores last year to INR31 crores this year. In December 2025, CRISIL reaffirmed our long-term credit rating at CRISIL A stable, and short-term credit rating at CRISIL A1, recognizing the strength of our business model and the resilience of our financial profile. That covers the financial performance for the year.

With that, I hand it back to Rajesh for the outlook and the closing remarks.

Rajesh Ganesh: Thank you Nitesh. Let me now share a brief view on the year ahead before we open the line for questions. As we enter FY26-2027, we are optimistic about the sector's trajectory and confident in our strategic direction. The tendering pipeline across transmission, renewable integration, and grid infrastructure remains robust, and we continue to see strong well-priced opportunities emerging across both domestic and select international markets.

In line with our RAASTA 2030 roadmap, our priorities will remain consistent, exercising disciplined execution, prudent risk management, and creating sustainable long-term value for all our stakeholders.

Before I conclude, I'd like to place on record my gratitude to our customers for their continued trust, to our partners for their collaboration, to our bankers, to the board for their guidance, and most importantly, to our Bajel team for their tireless commitment and execution excellence. Thank you. We are now happy to take your questions.

Moderator: Thank you very much. First question is from the line of Rahulkumar Mishra from Antique Stock Broking. Please go ahead.

Rahulkumar Mishra: Hi. Thanks for the opportunity, and congratulations to the entire team for a healthy set of results for 4Q as well as for the entire year. So I have a couple of questions. So my first question would be on the margins trajectory. So we see that over the past few quarters we have been seeing a consistent improvement in our operating margins, like around 220 bps of margin expansion to 4.8% in the last quarter.

However, this quarter we saw a dip, and during the opening remarks, MD sir has already alluded to the fact that there were some challenges like higher commodity cost, supply chain, and this is I understand it's not just pertaining to our company, but it has been industry-wide. So my question is apart from this, have you seen any other challenges like our execution -- like do we have any of these legacy order in the current order book?

Rajesh Ganesh: Okay, could I answer?

Moderator: Yes sir.

Rajesh Ganesh: Yes, okay, all right. Yes, thanks. Thanks very much for the question.

Shekhar Bajaj: Rajesh, I suggest that we can take all the questions because there will be a lot of repetition and then answer all of them together. That's a better way to do it. Let's get all other questions, and then you summarize that and give a full answer.

Rajesh Ganesh: Yes, Mr. Chairman.

Shekhar Bajaj: So moderator can go for the second question.

Moderator: Next question is from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.

Nishita Shanklesha: Yes, thank you for taking my question. So I just wanted to know, you mentioned that we are expanding our manufacturing facility to 110 to 120,000 metric tonne. So I just wanted to know what is the capex for that and when will the expanded facility be operational?

My second question would be on what kind of revenue growth do we see in FY27? If you could give some sort of guidance for that. And the current order book that we have of around INR3,400 crores, what is the execution timeline for that? And if we have any order book pipeline, what is our, what does our order book pipeline look like? Yes, that is it from my side. Thank you.

Moderator: Thank you. Management, the participants will come back in the question queue, and will request you to answer the questions one by one, if possible.

Rajesh Ganesh: Yes, we'll, we'll do that. Thank you. So I'll answer Rahul's question first on the margin trajectory and, yes, well. So Rahul, last six months, the commodities have been on a bit of a run. I mean, we all know that, aluminum, steel, zinc, copper, all of them have been on a bit of a run. So does present a challenging environment. Aluminum, we've managed to by and large hedge, we still have some open exposure, but especially for the new orders. But up to March, end of March, you know, financial year, I think we've completely hedged.

So but there's no way to hedge steel, zinc, and others. So you see, so those have to be, have to be dealt with. Now, we are in conversation with our customers to see given the extraordinary circumstances, if some sort of leeway can be provided. In the meantime, we are also looking at possibility of tightening costs further, especially improving productivity and, and things like that in order to you know, in order to keep the margin going. So hopefully that answers what you were asking.

On Nishita's question on manufacturing capacity, the overall capex outlay Nishita is INR170 crores. And what we're trying to do is to increase the capacity of the plant from the current 45 odd thousand metric tonnes to about 110 to 120,000 metric tonnes. So you see it's a two and a half times sort of growth in capacity. We are trying to do that in three phases.

The first one is to get the big galvanizing bath ready, which is the heart of a tower manufacturing or a monopole manufacturing facility. Now that should be done by August. And we should be spending a large portion of this capex this year itself. The second part of the -- the second phase is to improve the TLT, the transmission tower capacity, which currently stands at about 2,000 metric tonnes per month. I mean, that's going to go up to 6,000 metric tonnes per month.

Now for that, we'll have to once the new bath is commissioned, then we'll have to flatten out the old one. And we're using that area to put new machines. And in the process, we are and that would be ready by the end of this financial year or max by the start of the next financial year.

And the third phase is we are setting up a brand new monopole line because we believe that the demand for monopoles in the future will be high, and, and that's a segment where we have an inherent strength, both in design as well as in manufacturing. So, so that would be phase three, and that would go till the end of next financial year. So, that would be, you know, and the funding of it is INR120 crores of this is through term loan, Nishita, and the balance INR50 crores is through our own investments. So that's on the you know.

On the revenue growth for FY27, I mean, projection for the year, it's a bit early in the year, but I think we should be in, I mean, our endeavour is obviously to grow the -- the focus is not to grow the top line significantly, but I do acknowledge that a certain amount of scale is required for fixed cost absorption in this business. So we are targeting anywhere upwards of 15% and we are quite confident we should get there.

The current order book as you know stands slightly south of INR3,500 crores and well, in the first the first 40 days of the of the current financial year, we have already received orders worth

INR1,000 crores and we are L1 in orders worth another INR2,000 crores, which we should hear about quite soon. So given this, I think we should be, we should be in a position to end the year with an unexecuted order book of about INR4,000 crores to INR5,000 crores. Hopefully that helps.

Moderator: Nishita, do you have any follow-up question?

Nishita Shanklesha: Yes. Am I audible?

Moderator: Yes, you're audible.

Nishita Shanklesha: Yes. So I just wanted to know. So you mentioned that the capex would be phase wise. So, and from what I understood, phase one and phase two will be operational by the end of FY27, is that correct?

Rajesh Ganesh: Yes, that's correct Nishita.

Nishita Shanklesha: And majority of it, so around like INR130 crore-140 crores will spend on phase one and phase two, is that understanding correct?

Rajesh Ganesh: Well, yes. Yes, more or less Nishita. I think that I would, you know, I would say 60% to 70% perhaps.

Nishita Shanklesha: Okay, okay. Understood. So what is the revenue potential that we can get from this expanded manufacturing facility that will be operational by the end of FY27? And how are we going to ramp up this facility?

Rajesh Ganesh: Well, I mean, tower capacity, availability of tower manufacturing capacity and monopole capacity is a challenge in the market Nishita, because as, as the sector is witnessing quite a bit of demand. There is also demand happening, you know, at the suppliers' end as well. And there's a lot of substitution happening out there because solar is also growing and so is windmills growing. So it's kind of becoming challenging to have long-term relationship with suppliers who manufacture good quality towers that are needed for our work.

So the endeavour here is really to try to in-source as much as possible the raw material that we need as much as possible, right. So that's the endeavour here. And it's more to ensure that we protect our margins, and that we to some extent insulate ourselves against possible increase in conversion costs, prices, et cetera, et cetera, due to higher demand, right. So the big objective is to ensure that we have sufficiently in-housed our captive demand.

Nishita Shanklesha: Okay, okay, Understood, Understood. Thank you so much.

Rajesh Ganesh: Yes. Thank you.

Moderator: Thank you. Next question is from the line of Yash Sarda from Antique Stock Broking, please go ahead.

Yash Sarda: Hello. Thank you for the opportunity. Sir, if you could just throw some light on the industry dynamics, both on the domestic as well as international front. And secondly, are we bidding for any extra for HVDC projects in coming months or in the coming year? Thank you.

Rajesh Ganesh: Yes. Could we take one more question and then perhaps I can answer?

Yash Sarda: Sir I also have one more question on the capacity expansion side. So since we have we have announced a capex for FY27 and 2028. So how will that shape us, help us in execution as well as on the profitability front? Where do we see this going forward?

Rajesh Ganesh: Okay. So let me take a stab at the industry dynamics. Well, I did mention in my opening remarks as well that India is one of those markets, is an exciting market for power transmission and distribution, particularly, because if you see the demand for electricity continues to grow.

The demand for energy overall continues to grow. And when we see electricity finding application into mobility, we see a lot of EV vehicles, we see it coming into peoples' kitchen thanks to the LPG availability crisis that happened that we are sort of facing at the moment and several other things. Even in industrial applications electricity is finding itself in there.

So from a demand point of view there's quite a bit of tailwinds, industry tailwinds that we are talking about here. I mean the government outlay for both intra as well as interstate projects are close or greater than INR1 lakh crores every year. So that's actually a significant outlay and the ambitions of the government also in terms of having 900 to 1,000 gigawatts of capacity coming on stream in the next five years is a significant target.

More than half of that is actually going to come in renewable energy. So that means grid stabilization becomes a challenge. And hence more amount of work needs to be done in that area too. Overall generation is not really the bottleneck. I think transmission and distribution appears to be the bottleneck here.

And so a lot of work is being done in that space. So I would be quite optimistic about the industry picture for India. And I would say the same for international, select markets. I mean, we are looking at GCC, we are looking at MENA, we are looking at some parts of Africa and all these markets, we are seeing quite a bit of capacity expansion in line with what we are seeing in India.

If you take Saudi Arabia for example, or UAE or Oman, or Egypt, markets like that, I mean there's considerable amount of work that's happening and there's big plans for grid expansion as well. So overall, I would say from a industry point of view, both local as well as international, the picture is rather bright.

For bidding for HVDC, well we do not have HVDC in our portfolio yet, but we are keen. I must say we are keen. And if an opportunity presents itself we are sure to grab it. And we are quite keen to add that in our repertoire.

On the qualification point of view, we are actually completely qualified now. We're qualified for 765 kV both GIS as well as AIS. So in that sense qualification or credentials is no longer a challenge for us, but so we're waiting for the right opportunity when it comes to HVDC really.

On the capacity expansion as I was mentioning to Nishita as well, what it does is it really helps us in our execution, you see, because we have much better control over availability or, you know, over manufacturing of these tower parts, right. And it needs to be, I mean, it needs to be done to a certain specification.

I mean, there's quite a bit of design and engineering involved in this one. And we'd like we'd like that to be in our own hands. So we have better control over it. It also has quite a bit of bearing on costs. You see, if we are able to in-source and if we are able to build scale, then our objective is to bring down COGS. And this would help in that, you know in that journey.

Yash Sarda: Thank you, sir.

Rajesh Ganesh: Thank you.

Moderator: Thank you. Next question is from the line of Ashok Jain from Ayush Capital. Please go ahead. Ashok, may I request you to unmute your line and proceed with your question, please? Ashok Jain, if you can hear us, may I request you to unmute your line and proceed with your question.

Ashok Jain: Hello?

Moderator: Yes, ma'am.

Ashok Jain: Yes, am I audible?

Moderator: Yes, ma'am.

Rajesh Ganesh: Yes.

Ashok Jain: Yes. So, yes. Can I proceed.

Moderator: Yes, ma'am go ahead.

Ashok Jain: Yes. In the Tripartite SPV of Bajel Projects, NIIF, AnantGrid, who will be funding the selected power transmission projects? Since we are already paying finance cost of about INR63 crores for fiscal year 2025-2026, the additional borrowing burden for project execution and subsequent ownership of these power transmission assets will draw our EPS further down. My query to you, sir, is how will the dual role of Bajel Projects turnkey EPC contractor and also a 26% equity stakeholder in the SPV impact the profit and loss, balance sheet, and cash flow of Bajel Projects during and after the commissioning of these selected power transmission projects under the Tripartite SPV. Will be glad if you could throw some light on the same, sir.

Rajesh Ganesh: Yes, certainly, I'm happy to. So let me -- let me answer that one. So I mean, thank you for the question. That's actually a very good question. But let me -- let me take a couple of steps back and tell you why we did this, right. I mean, we have no interest in asset ownership. Let me make that very clear. That's not the business that we are in.

Now, we have done that because of two reasons. See, one is that NIIF is a half owned by the Government of India. So it's a sovereign wealth fund of India. And they've got marquee LP partners there like the Canadian Pension Fund, and like, Abu Dhabi Sovereign Wealth Fund, et cetera, et cetera, and several of them. It gives us an opportunity to work with these people, you see, I mean, that's one. Second, it gives us a way of increasing or improving the quality of our order pipeline. Yes, of our unexecuted order book, you see.

Now the arrangement, the Tripartite arrangement is very clear. The financing of it is largely going to be done by NIIF and AnantGrid. And we'd be taking -- we'd be taking a small equity. And in return, what we are getting is the EPC agreement, back to back EPC agreement for executing any of the projects that we win. Yes.

So to that extent, I think it's a win-win for all the parties involved. I think it's a big strategic win for us, should we be able to bid and win projects successfully, of course. The proof is in that. But if we do, I mean, these are large scale projects, and you know, that would give us a significant boost to our pipeline straight away. And my opinion is that these are high quality orders. We should be able to, a lot of the parameters regarding execution and commodity prices could be in our hands. And that would help us perhaps earn better margins or also better terms in terms of EPC execution. So I actually see a positive impact on the P&L as a result of this, madam.

But yes, I mean, had there been an element of asset ownership, I completely agree with you. But that's not the case. The agreement also quite clearly stipulates that we would be exited out as soon as the project is commissioned. So to that extent, we don't see ourselves managing or maintaining O&M of these assets for a long term basis.

Ashok Jain: Okay, sir. Thank you, sir. My second question is, have the losses of the five joint ventures of employee welfare trust of INR6.67 crores as per Item 8 of our results being fully booked or more are -- more are to come in the coming years? Could you kindly elaborate on the same sir?

Nitesh Bhandari: Thank you, ma'am. Nitesh Bhandari here. These are five employer trusts, and the impact is primarily because of the mark to market that we have done as a part of the trust accounting. And 31st March, the equity markets were quite low. And as they improve, as the share prices come back, we should be able to, I mean, we should be able to bring back those numbers back on track. The real impact of the share of profit and loss is INR6.68 and INR1.57 for the quarter ended 31st March 2026.

Ashok Jain: Okay. Thank you, sir. Thank you so much.

Nitesh Bhandari: Thank you.

Moderator: Thank you. Next question is from the line of Vedant from Choice AMC. Please go ahead.

Vedant: Yes, hello, am I audible?

Moderator: Yes sir, go ahead.

Vedant: Yes, sir, so my question was regarding working capital and receivables. So we have seen an increase in debtor days and receivables meaningfully during FY26, alongside with rise in the borrowings. So could you help us understand whether this is largely linked to some execution timings or milestone based billings in the current order book? Or whether payment cycles across PSUs and transmission projects, are they being structurally elongated, right? And additionally, how should we think about normalizing that normalization of working capital and cash conversion. So higher margin orders started getting executed.

Nitesh Bhandari: Thank you Vedant. Vedant, the debtors have increased by around INR590 crores from INR1,258 crores to INR1,849 crores. This is primarily on account of higher last quarter billing. The billings have increased on a year-on-year basis compared to previous year, that is an impact of around INR194 crores. Also one marquee customer held back payments in the last fortnight of March of around INR225 crores.

Both of this, most part of both of this have been collected by us in this part of, I mean in this year, so till date we have collected most part of it. The other increase is as a part of the EPC cycle, wherein as you do the projects, the retention, the final retention amount keeps increasing on for every project, that's the contractual terms. So that's an increase of around INR100 crores. And yes, so this this is a one-time thing which, which as we talked off and both the things as we said have been collected back. Does that answer your question?

Vedant: Yes, sir. Yes it did.

Nitesh Bhandari: Thank you.

Vedant: Thank you.

Moderator: Thank you. Next question is from the line of Rahul from Antique Stock Broking. Please go ahead.

Rahul: Hi, my questions have been answered. Thanks, thanks a lot.

Moderator: Thank you very much. As there are no further questions, I'll now hand the conference over to Mr. Dhirendra Tiwari for closing comments.

Dhirendra Tiwari: Thank you very much. Let me take this opportunity to thank the entire management of Bajel Projects, Mr. Bajaj, Mr. Rajesh, Nitesh ji and Mr. Harshal for giving us the opportunity to host them. Looking forward to continued strong performance from the company in the future. So before I close, any final remarks Mr. Rajesh, you would like to give and then we can close the call. Over to you.

Rajesh Ganesh: None from me Mr. Tiwari, I'm good. Thank you. Thank you for hosting.

Dhirendra Tiwari: All right. So, we can close the call now, operator. And have a great evening and best wishes to all of you. And thank you all participants for attending the conference call.

Moderator: Thank you very much. Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.