



Trishakti Industries Limited
Q1 FY27 Earnings Conference Call

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MANAGEMENT DETAILS:

Mr. Dhruv Jhanwar

Chief Executive officer

Mr. Karan Ajmera

ConfideLeap Partners

Q&A PARTICIPANTS:

- | | |
|----------------------|-----------------------|
| 1. Chaintanya Pujara | : Arihant Capital |
| 2. Yash Jhunjunwala | : Individual Investor |
| 3. Satya Mehta | : Individual Investor |
| 4. Rohan Mehta | : Ficome advisory |
| 5. Het Dedhia | : Tiger Assets |
| 6. Raghav Srivatsav | : Waterstone Capital |
| 7. Anshul Sharma | : Vortex Capital |

8. **Riya Shah**

: RK Securities

9. **Chintan Patel**

: Individual Investor

Moderator

Ladies and gentlemen, good afternoon, and welcome to Trishakti Industries Limited Q1 FY27 Earnings Conference Call.

As a reminder, all participants' lines will be in listen-only mode, and there'll be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call please signal an operator by pressing * and 0, on your touch-tone phone. Please note that this conference is being recorded.

Before we begin, I would like to point out that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the management as on the date of this call. These statements do not guarantee the future performance of the company and may involve risks and uncertainties that are difficult to predict.

I would now like to hand over the call to Mr. Karan Ajmera from ConfideLeap Partners. Thank you, and over to you, Mr. Karan.

Karan Ajmera

Good afternoon, everyone. On behalf of ConfideLeap Partners, I welcome you all to the Q1 FY27 Earnings Call of the Trishakti Industries Limited. I'm Karan Ajmera, representing the investor relation team. We are pleased to have with us Mr. Dhruv Jhanwar, who is the Chief Executive Officer of the Trishakti Industries Limited. Thank you all for joining us today.

With that, I will now like to invite Mr. Dhruv Jhanwar to share his opening remarks. Following his remarks, we'll open the floor for the Q&A session. Thank you, and over to you, Dhruv.

Dhruv Jhanwar

Hi. I'm audible, right?

Karan Ajmera

Yes.

Dhruv Jhanwar

Good afternoon, everyone, and thank you all for joining us today. It is a pleasure to welcome all our investors, analysts, and stakeholders to discuss Trishakti Industries Performance for the Q1 of FY27.

I'm delighted to share that Q1 FY27 has been a defining quarter in Trishakti's growth journey, reflecting the successful execution of the strategic transformation we initiated over the past two years. Our continued investments in fleet expansion, customer acquisition, operational excellence, and execution capabilities are now translating into strong and sustainable financial performances.

During the quarter, total income increased by nearly 310% YoY to INR 1,680 lakhs, while EBITDA grew by approximately four times YoY to INR 1,087 lakhs. Despite significant business expansion, we continue to maintain a healthy EBITDA margin of approximately 65%, demonstrating the strength of our business model and operating leverage.

Profit before tax increased to INR 538 lakhs and profit after tax rose to INR 430 lakhs, making this the strongest quarter financial performance in the company's history. Our operational performance remained equally encouraging. We continue to maintain 100% fleet utilization, reflecting the strong demand environment and the efficient deployment of our equipment across multiple infrastructure projects.

Our expanding fleet continues to support marquee customers across sectors, including renewable energy, infrastructure, railways, steel, oil and gas, and industrial projects. The macro environment also continues to remain highly favourable for us. India's infrastructure investment cycle is gaining further momentum, supported by record government capital expenditure, increasing investments across transportation, energy, railways, urban infrastructure, and renewable energy.

These structural tailwinds continue to support long-term demand for specialized heavy equipment rental services. During the quarter, we also announced two important strategic initiatives that will support our next phase of growth. We also announced our strategic entry into the wind energy equipment rental segment, positioning Trishakti to capitalize on growing demand for specialized heavy lifting solutions in India's renewable energy sector.

Second, we announced our intention to expand our operations into the United Arab Emirates and Kingdom of Saudi Arabia, subject to the necessary approvals and execution milestones. We believe these markets offer attractive long-term opportunities driven by large-scale infrastructure developments, industrial expansion, and energy investments.

These initiatives will significantly expand our addressable market while strengthening our long-term growth platform. Alongside growth, we remain committed to disciplined capital allocation, improving fleet productivity, enhancing operational efficiencies, and maintaining healthy returns on capital. As we

continue to scale our business, our focus remains on creating sustainable long-term value for all our shareholders while strengthening our position as one of India's leading infrastructure equipment rental companies.

I would like to sincerely thank all our customers for their continued trust, our employees for their dedication, our lending partners for their support, and our shareholders for their continued confidence in Trishakti Industries. With that, we will now be happy to take your questions. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Ladies and gentlemen, if you have any questions, please press, * and 1 on the telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad.

The first question comes from the line of Chaitanya Pujara from Arihant Capital. Please go ahead, sir.

Chaitanya Pujara

Hi. Am I audible?

Dhruv Jhanwar

Yeah, this is audible.

Moderator

Yes, sir.

Chaitanya Pujara

Hi. Congratulations, firstly, on a great set of numbers. Just wanted to ask, what is our current fleet size in terms of number?

Dhruv Jhanwar

Current fleet size, approximately anywhere between 155-158 machines. We are in process of building a few more machines in the coming week. So, it is around that number.

Chaitanya Pujara

Okay. Sure. Could you also please throw some light on the new segment that we have entered, the wind energy rental segment? What kind of gross or net yield that we can see here? What is our investment plan in that segment? What is the payback period, and what kind of clients we'll be catering to? Or is there any order book in that segment yet, and when can we expect that to go live?

Dhruv Jhanwar

Yeah. So, see, basically, in the wind energy segment, the machines used earlier were around 800-ton category machines. But now the shift is happening towards 900-ton machines because, over here, we are getting the first-mover advantage because, in October, the first few units of the 900-ton machines are coming to India.

So, the reason for us to expand into wind energy is because the 800-ton machines are used for 3.3-megawatt projects, but now the industry is moving towards 5-megawatt wind turbines. For this, the 900-ton machines are required. Hence, we are seeing a good opportunity here.

Chaitanya Pujara

Do we have any existing client base that we are catering, or this is, like, our strategic initiative for the future?

Dhruv Jhanwar

Yeah, this is a strategic thing for future because we currently, we are not supplying to the wind energy segment particularly because the wind energy segment requires a minimum of 800-ton and above machines.

Right now, we are in talks with a few of the largest wind energy EPC companies in India, with whom we will be joining hands in order to supply these machines. When it comes to the yield and all, the yield is quite similar to the current machineries. But the advantage there is that the 910-ton and above machines are very expensive in INR terms. So, to do CapEx here, if you get a longer-term project, and doing a lot of CapEx here actually makes a lot of sense, and this will help us keep our fleet utilization above 95%.

Chaitanya Pujara

So, sir, the current CapEx that we have planned for the year, does that include the one for the wind energy? How much would that be as a percentage, or in dollar terms?

Dhruv Jhanwar

Yeah. When we announce our net CapEx journey, we had announced an INR 400 crore plan, so out of which approximately INR 270 crores are already done, which you all can see it in our books as well. The remaining INR 130-140 crores is left. So, if we go for wind energy only, then we can easily finish off this set off the remaining INR 130-odd crores just by buying four to five machines of 900-ton as well. So, that is a possibility.

But I'm not saying that we will do that only. Wherever the demand is coming, keep on fulfilling it according to the market. If somebody is asking for 26-meter AWP, we'll give them that machine as well. If they're asking for a 400-ton machine, we'll give them that also. If they're asking for 80-ton also, we'll give. So, according to the demand, whatever demand comes to us first, accordingly, we'll be doing the CapEx.

Chaitanya Pujara

Sure, sir. But in terms of yield, the yield similar to what our current fleet is. Am I right?

Dhruv Jhanwar

Yes. But the yield is for example --

Chaitanya Pujara

The yield is normal in nature in terms of contract.

Dhruv Jhanwar

Yes. Until 2030, this segment is going to become almost five to seven times from here. Because India's renewable energy need is only a lot. What we are doing is that, see, as I told you, for the 3.3-megawatt turbine, 800-ton machines are used.

For the next five to seven years, now the requirement will change to 900-ton machines because of the boom length difference. So, over here, we are seeing that if we get into this segment right now, it will become a very good thing for us, and then funds for these machines will always be there.

Chaitanya Pujara

Right. Sir, the current INR 270 crore CapEx that we have done till date, out of that, how much is actually part of the gross block as we speak, as of this quarter?

Dhruv Jhanwar

The cumulative gross block is already touched the set number, INR 270.

Chaitanya Pujara

Sorry?

Dhruv Jhanwar

270 is our --

Chaitanya Pujara

And the balance sheet.

Dhruv Jhanwar

Balance sheet, see, if we remove the tier GST component as well, then we could be around 235-240.

Chaitanya Pujara

Yes, it could it be [inaudible 00:11:32].

Dhruv Jhanwar

Yeah. It's around 235-240.

Chaitanya Pujara

All right. And, sir, what is the status of our borrowing prepayment schedule?

Dhruv Jhanwar

Currently, we are at a very healthy cash flow right now because when we started doing our CapEx initially in 2024, 2025, then all those machines were funded at a three year finance instead of the industry standard of four to five years.

In 2027-2028 calendar year, a few of those machines will start generating operating cash flow positive. They'll become operating cash flow positive. That will increase our free cash flow even more. So right now, the borrowings are currently at approximately INR 80-85 crores.

Chaitanya Pujara

Yes. Sir, the kind of run rate that we are going, if you can just elaborate on that.

Dhruv Jhanwar

Last year, we did massive CapEx, and we are guided for INR 100 crores of CapEx. We ended up doing INR 210.

Chaitanya Pujara

Right.

Dhruv Jhanwar

So, that is the reason why whatever investments we had actually done at that point of time are now starting to generate top line, bottom line, higher EBITDAs from this financial year onwards.

Looking forward, currently, our order book, which is executable in this year, is approximately INR 70-72 crores, which will be executed in this financial year. By saying that, we can say that we shall be doing a good 60-65% of EBITDA and around PAT margins of 25-30%. This is our current order book. From now, whatever machine we will be adding more to our fleet, this will be added to the ARR we are currently at.

Chaitanya Pujara

Right. Sir, any visibility for the year going ahead?

Dhruv Jhanwar

Yeah. See, when we talk about wind energy --

Chaitanya Pujara

Like FY28, I mean.

Dhruv Jhanwar

FY28, you are telling? See, whatever CapEx we will be doing in this financial year, it all depends on the timing. I cannot give you exact FY28 estimates also right now because the wind energy segment, which we are starting, the machines have a lead time of four months.

We have already ordered the machine. The machines will come in after four months. If there is a one-month delay, then for us to give you an estimate is very difficult. If you ask me the same thing in December for this phone call, I would rather give you a better estimate.

Chaitanya Pujara

Fair. Last question from my side. Sir, if you can elaborate on the UAE expansion of geography that we have planned. What is the exact plan? What is the reason for it? What kind of margins you are expecting from that segment? What utilization do you see from that UAE expansion? Or do we have any leads from that region as we speak?

Dhruv Jhanwar

Yes. We honestly do have a lot of leads from this region because of only one reason, that we are currently working very closely with L&T, Afcon, and all these KEC, and all these bigger companies who have themselves expanded their EPC work to the UAE and KSA.

We have already got a rough idea about how many machines that will be required in future and all these things. That is the reason. It's not that the contracts haven't been signed yet because the paperwork takes a lot of time. So, that is why in the next few quarters, we'll be expanding into UAE, KSA, and we'll be starting our similar business over there only.

When it comes to the yields and what we have seen and what we have quoted till now, what we can understand is that the yields will be approximately 4% or so on a monthly basis. In India, it is a free 2.5% right now. So, we feel that is a very good opportunity that we should invest.

Actually, I'll tell you one more thing. We thought that we were quite late because of the amount of CapEx we have done last year. It was not in our bandwidth that we could actually expand into UAE last year. But because of the war happening, everything has come back two years. This is one more reason why this time we are very confident in expanding over there because, luckily, all the structural damages and all which has happened in the UAE now will require a lot of maintenance jobs and all. This sector, we feel we'll be doing at around 12% or so every year in the KSA and UAE region.

Chaitanya Pujara

Sure, sir. Sir, one last thing. With regards to our debtor days, if you can elaborate on how we can streamline that into a much better cycle, because right now, I think we are at 200 days.

Dhruv Jhanwar

Yeah. If you actually do a deep dive in the annual report, you will be seeing that from the core business which you're doing, the payments we are receiving is under 60 days. If you see under 60-90 days, there is not much receivables at all. From our top line we will be having this year, it will be a very small chunk. So, in this financial year, you'll be seeing that everything will be streamlined back to, like, it should be in this financial year.

Chaitanya Pujara

Can we expect it to come under 60-70 days?

Dhruv Jhanwar

Yes. Absolutely. 100%.

Chaitanya Pujara

Got it. That is, it from my end, and thank you so much for answering. And good luck for this coming financial year. Thank you.

Dhruv Jhanwar

Thank you, so much.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Yash Jhunjhunwala an individual investor. Please go ahead, sir.

Yash Jhunjhunwala

Hi, am I audible?

Dhruv Jhanwar

Yeah.

Yash Jhunjhunwala

Yeah. Hi, Dhruv. I actually wanted to know, is there any change in your CapEx plans considering the entry into UAE and Saudi Arabia? Are you all planning to increase the amount of CapEx you want to do?

Dhruv Jhanwar

Yes. The UAE plan will be laid out in the next few months because currently, we are getting RFQs for UAE and the KSA specifically. We need a few months in order to talk to our clientele and all. The announcement we have made was only for the step which we are taking by doing the company incorporation work and all. We are starting now.

I personally feel that by next month-end, we should be getting a very good idea from our current clientele that how many machines report, tonnage machines do they need, and where do they need it. With those data is coming in, we will be able to guide a proper roadmap about in which quarter, how much CapEx we are going to do in UAE, KSA, etc.

The CapEx plan will, of course, it will become significantly faster because what we had guided two years back, we have almost achieved the CapEx number. Once we are done with this CapEx, then we'll be announcing for the CapEx plan as well.

Yash Jhunhunwala

I'm sorry. Like, from the number I know, is that you're only guided for around INR 400 crore of CapEx, and out of which you'll have roughly done INR 270, including GST.

Dhruv Jhanwar

Yeah.

Yash Jhunhunwala

The remaining 130?

Dhruv Jhanwar

The remaining 130 will be done in India itself. It does not.

Yash Jhunhunwala

And then in FY27?

Dhruv Jhanwar

Yes, in FY27, only it will be done.

Yash Jhunjunwala

Okay. Any plan of increasing it in India.

Dhruv Jhanwar

Yes, of course. See, in 2028, most of our machines are going to become even more cash flow positive because the bank financing and all will be completed by that time. All the debts from those machines will go off.

Once we have that kind of cash flow as well, we will be reinvesting the amount back into buying more machines for sure. To achieve the INR 400 crore number for this year, it does not look very difficult because, since we are entering into wind energy, then the ticket size per machine is quite high over there. Even if we just buy five, 910 machines, then we are done with the INR 150-crore growth expansion which we are pending.

Yash Jhunjunwala

Understood. My second question is, from what I understand, our business model is that we get financing from where we don't have to pay upfront for the cranes, and then we have to pay after two years, I see. So, what happened?

Dhruv Jhanwar

No, it's not that. Yeah. So, see --

Yash Jhunjunwala

Can you explain how is this done?

Dhruv Jhanwar

If you see here, we had raised two equity round also, which included around the net raise of INR 40 odd crores. Then, we currently have a fleet of, let's say, a hypothetical number of INR 250 crores. If you just add up the debt we currently have, so the debt has also been repaid on a monthly basis since the past two and a half years, right?

The current LTV on that INR 80-90 crores of debt is currently around 60%. If you do the math here, then it is 150 plus the 42 plus the internal accruals we have done, plus the GST sums up to INR 270. If you see the balance sheet and add up everything properly, so you'll get the exact numbers. This is how we are funding our CapEx with the internal approvals.

Yash Jhunjunwala

Can you just explain how the funding of it is working? Like, let's say, if I want to place an order today for a new crane, how much payment do I have to pay upfront? What is the payment schedule look like if I have to buy a crane worth INR 20 crores?

Dhruv Jhanwar

We go to a normal bank like HDFC, Axis, ICICI banks, and all. Since we now have a very good track record, earlier, we used to pay a 20% down payment for the machines. Now, since we already have a very good track record and the LTV with these bankers are currently at 50-60%, for them to fund us a 100% of the machine is also easily possible now.

That is the reason why we don't have to pay any upfront cost. We just have to pay for the transportation and the insurance of the machines, and we do a proper line financing.

Yash Jhunjunwala

Okay. The interest payout starts from month one itself?

Dhruv Jhanwar

Yes.

Yash Jhunjunwala

What is the rate of interest?

Dhruv Jhanwar

We have the original moratorium as well. Currently, the rate of interest varies from every bank, like, HDFC's cost of borrowing from our perspective is the lowest in our loan book right now. Currently, the average will be around 8.5-8.75, somewhere in between that.

Because the initial loan that we had taken was at a significantly higher interest rate. It was at 9.75. Since those loans have been repaid significantly and now the new funding which we are taking is at a very comparatively cheaper rate. That is the reason why our borrowing cost will also come down in the next few quarters.

Yash Jhunhunwala

Understood. Thank you and good luck.

Dhruv Jhanwar

Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Satya Mehta an individual investor. Please go ahead, sir.

Satya Mehta

Hello. Hi, Dhruv, sir. Many congratulations on a great performance. I hope I'm audible.

Dhruv Jhanwar

Yeah.

Satya Mehta

My question is, there are two things. One is INR 270 crores that we already have, is all of that deployed already? Or is there a lag in which, after the CapEx is done, the deployment happens?

Dhruv Jhanwar

Yeah, there is a lag. If I'll be getting honest, we are at currently a one-and-a-half-month lead time right now. The CWIP machines, which we carry forward in the last year, it was around INR 27-28 crossed. Those machines actually started to generate revenue at, I think, just one and a half months before. That is the reason why two months of machines' revenue have not been counted in this quarter's top line.

Satya Mehta

Right. Got it. The second question, sir, is we are saying that we are at 100% utilization and our EBITDA is also higher than the industry. What is core reason for that? Why are utilization in EBITDA so much better than the industry?

Dhruv Jhanwar

Yeah, see, most of the companies have bought very old machines. If you see, like, I can't take names, but most of the machines on an average are 12-15 years old when it comes to our competitors. But when it comes to us, all our machines are 2024, 2025, 2026, and now 2027 make. That is the reason why for the first three years, we don't have to think about the maintenance part a lot because our OEMs takes care of it for the first three years.

Post that, I totally agree the margin will drop down, but we have been saying the same things in the past seven or eight quarters since we have started our phone call that there will be a maintenance CapEx, or a maintenance OpEx cost of around 4-5%. In the future, once the machines' FOCs have been finished, after that we'll have to invest in those things. Currently, we are at 65% margins. Eventually, it will drop down to 58-62%.

Satya Mehta

Right. Got it, sir. Sir, one last question on the UAE and the Saudi side, the plan that we have of entering over there, what's the scale that we are expecting to achieve roughly over the next one or two years in terms of the CapEx or in terms of top line?

Dhruv Jhanwar

Let me tell you about these things with one company's CapEx, okay. I am not talking about the market itself. L&T has won INR 15,000 crores worth of orders in KSA. Is it an INR 10,000 crores single order in renewable energy and an INR 5,000 crores single order in renewable energy? When it comes to this kind

of CapEx happening with the EPC companies, then obviously they will be requiring cranes, manglers, hydraulic grabs, many such equipment's.

To tell you the exact market size is very difficult, but the amount of CapEx which is being done, we will very shortly come up with a proper roadmap about our UAE and KSA expansion. But we feel that in the next two quarters or so, we should be deploying our machines, sir, in the next two to three quarters.

Satya Mehta

Right. The utilizations are there as well. We expect a 100% to continue. We see the demand to be strong going forward.

Dhruv Jhanwar

100%, we already have signed orders till the financial year-end. Until the client is rehiring us, we should not be going below 98%, 99% for sure.

Satya Mehta

Is it that you're talking about India, or you're talking about UAE and Saudi?

Dhruv Jhanwar

Currently, India.

Satya Mehta

Right Got it.

Dhruv Jhanwar

See, whatever CapEx is happening in UAE, I'll tell you, if I'm being very honest right now, the only reason we are looking forward to expanding into UAE is because of this war, everything has gone back two years, three years. We were anyways late to go out to the party. Now we feel that since everything has gone back and taken two steps back, so now to have a good exposure there will make a lot of sense for us.

Satya Mehta

All right. Got it, sir. I will fall back into the queue. Thank you.

Dhruv Jhanwar

Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Rohan Mehta from Ecom Advisory. Please go ahead, sir.

Rohan Mehta

Hi. Am I audible?

Dhruv Jhanwar

Yeah, you're audible.

Rohan Mehta

Perfect. Thank you so much for the opportunity, and congratulations on a good set of numbers. I apologize if I missed the initial address. I have a few questions on the KSA market. So, given our strategic push into both UAE and KSA markets, have we reached a theoretical limit or ceiling for profitable fleet expansion within India because of intensifying domestic competition? That's first part of the question.

Also, is this geographic pivot, driven by limited incremental returns in India or purely by better opportunities internationally in the form of much more higher-yielding asset?

Dhruv Jhanwar

Yeah. Let me answer your second question first. The reason why we want to do a UAE expansion and KSA expansion is because our clients have asked us for it. So, if I'm meeting my clients on a weekly basis, like, L&T, KEC, Afcon, Reliance, and all, and those companies do have opportunities somewhere else where

they want to get the Indian companies to go to KSA and supply them the machines. So, that's a good thing for everyone if you technically see.

Plus, the second thing is that the yield in the KSA of market is significantly higher than the Indian markets, but the cost of operation is also quite high. Over there, getting an EBITDA margin of 50-52% will be a very good deal for us. But the demand is just, again, starting to grow over there. Last six months, there has been a complete halt in the demand side in the KSA market, which I feel in the next six months, all these things will be back to normal.

If we can actually monetize this opportunity in the next three or four months in order to form a company over there, start taking some orders and start expanding slowly, it will be a very good decision. Coming to your first question, see, in India, there is too much demand right now. If I can have the opportunity to having INR 1,000 crores of cash with me right now, between writing that, and then it will take me three to six months to deploy the whole INR 1,000 crores of fleet because Reliance and Dholera coming with few projects like the Kutch expansion where Reliance is happening, which they had announced in the AGM.

All these things are now coming in post monsoons. I'm not saying that the Indian market is not good. That is the reason why we are wanting to shift. It's just that wherever we get the opportunity, we would like to expand it.

At the end of the day, it does not matter that who has an INR 1,000 crore, INR 2,000 crore, INR 5,000 crore fleet. Everything matters. The only thing matters is the fleet utilization. If we diversify geographically also, then that helps our fleet utilization to be significantly higher in future. Because of these kinds of expansions, like changing our geographies and doing maybe INR 400 crores of CapEx another INR 300 crores of CapEx somewhere else. That will actually make our fleet utilization very stable in the 90s.

Product portfolio, also, we have to make sure that we have a good product portfolio. Because without a good product portfolio, again, being at a high utilization is very difficult. The wind energy segment also, why we want to get into it, the returns are similar to the current fleet we have. But the advantage is that the ticket size is significantly higher.

The smaller crane rental companies will never be able to buy a single machine for INR 25-30 crores. That gives us an exclusivity also. If you are getting a two year, three year, five year demand clarity, then why not? Earlier in the previous phone call, also, I had said that wind energy is not something which we are looking into right now because up till December, January, the companies like Suzlon and ReNew were only focusing on 3.3 megawatt, in which the 800-ton machines are required.

The 800-ton machines, the market has been flooded by the 800-ton machines. Now, when they are moving to 5.2 megawatt, then they require a larger size boom, which only a 900-ton machine can lift. Hence, we feel that in this particular segment, if we enter right now, again, it gives us a good demand clarity for the next four or five years.

Rohan Mehta

Got it. Thanks for the elaborate answer. Just to follow up on the KSA market. So, large established peers like, Sanghvi, they also operate in the KSA market. With them, they command a significant scale advantage, the fleet depth. And also because of that, they have some pricing leverage. I'm just trying to understand that, given their strong presence over that market as well, what is specifically your right to win in that market? How do you plan to differentiate yourself to capture market share against probably such a player like, Sanghvi?

Dhruv Jhanwar

So, see, I'll be very honest with you. The market is too huge for anyone to give X amount of machines. Now, the thing is that we don't see that we have to compete and get, like, if they are doing a INR 300 crore CapEx, we do a INR 400 crore CapEx over there. That's not how it works.

We are only and only focusing on certain projects, be it in India or be it in UAE. In UAE and KSA, we don't want to be like, and we give this company 2 machines, this company 5 machines, this company 10 machines. We would rather want to work with a specific set of clientele where we can give as much machines possible from our balance sheet perspective as well.

When it comes to the pricing cover, then currently, there is a very big constraint in the supply part be it Sanghvi, be it Barker, it any big company, it is very difficult for them also to supply the need which is there. For us also, it's not that we are competing. The market is only too big for everyone to take a good chunk out of it. This is what we have been seeing till now.

Rohan Mehta

Got it.

Rohan Mehta

You had mentioned the EBITDA margins on the KSA. This is somewhere around 50-55%. That is correct, right?

Rohan Mehta

50-52%. You see, this is the groundwork which we have done till now. We are seeing on the basis of that. Eventually, when we actually start working over there, we make Excel and all, like, everyone does that,

right? On Excel, we don't actually see that the, like, some miscellaneous expenses can be added, some can be waived off as well. According to our calculations, being at a 50-52% EBITDA margin in KAS is actually a good thing.

Rohan Mehta

Got it. Thank you. Thank you for answering my questions, and wishing you all the best.

Dhruv Jhanwar

Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Het Dedhia from Tiger Assets. Please go ahead, sir.

Het Dedhia

Hello. Am I audible?

Dhruv Jhanwar

Yeah, you're audible.

Het Dedhia

Hi, sir. Congratulations on your good results. Actually, I just wanted to know that is there any tie-up with any manufacturer for purchase of cranes or machines? Or are we in line to have any tie-up that particularly they will just provide to us?

Dhruv Jhanwar

Though, we cannot have any such tie-ups with anyone because we are not wanting to become dealers, right? We are wanting to be in the renting space itself. But, yeah, there is no scope of any tie-up with any company. We are currently only wanting to be a pure play rental model. So, yeah.

Het Dedhia

Okay. And what are the plans of the company regarding the EV machinery? We had posted a release regarding the EV machinery, right?

Dhruv Jhanwar

In the time, we're the first EV machines in Q2 itself. We have already ordered a few machines for two of our clientele. Since the EV machine have a lead time of around two months, so that's why it's starting to getting manufactured. As soon as we get it in India, we'll be supplying it to our clients.

Het Dedhia

Okay. So, like, the cost of the EV machinery is similar to the normal thing?

Dhruv Jhanwar

It is approximately 5% more costlier than the normal machines, like the diesel machines. But see, again, the same thing comes -- for us, it is the same thing because after two or three years, when the overseas pass out, then our OpEx becomes 5-6% of the top line. But in this case, there is no need for an OpEx, so the margins will be higher. It's all about how you diversify your fleet. So that you can be at a higher utilization.

Het Dedhia

Okay. Understood. As well, just a small query, regarding the diesel cost, what is the structure regarding the same? Do we bear it or does the client bear the same?

Dhruv Jhanwar

The client bears it. We don't bear the diesel cost. From our side, those total expenses which comes to our P&L is the cost of the operator who drives the machine, the cost of the helper, and the fooding of our laborers. We provide a place for them to live as well. So those are internals.

Het Dedhia

Okay. Understood. Thank you so much for the question and all the best.

Dhruv Jhanwar

Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Raghav Srivatsav from Waterstone Capital. Please go ahead, sir.

Raghav Srivatsav

Hello, I am audible?

Dhruv Jhanwar

Yeah, you are audible.

Raghav Srivatsav

Yes, hi, sir. I had this question. As you're entering into new business verticals, so do you plan to strengthen the leadership team with who have those industry-specific expertise, or you would be continue with the existing management team?

Dhruv Jhanwar

We'll be the existing management team, I feel, is quite good enough to expand into these things. And when it comes to the head of departments, we have currently hired a few people who are having 20-25 years of experience in the wind energy segment, and they have already joined us as well as HODs.

Raghav Srivatsav

Okay Got it. My next question was, so as your business expands into new geographies, new sectors, so how should investors think about capital allocation priorities, I mean, over the next two to three years? Can you just throw some light on it about capital allocation?

Dhruv Jhanwar

Capital allocation for India will be our major priority for the next few years because we don't see either demand going down because of many, many mega projects which will be opening up from October onwards.

The demand will, anyway, be here. When it comes to outside of India, when we expand in the UAE and KSA, we'll be allocating a certain budget over there, and we'll be doing our expansion with that particular set of budget only. Whatever the internal approvals will be there, we'll be expanding through that. So those are outside, it's a longer-term vision when it comes to UAE and KSA. Because the rental yields are also significantly higher over there. To expand at a faster pace with the internal approval will be a smarter move over there.

Raghav Srivatsav

Mostly, you would be expanding via internet accruals. Am I right?

Dhruv Jhanwar

Yes.

Raghav Srivatsava

Okay. Just last one question, I would like to squeeze in. Have you already secured any customer inquiries or LOIs or projects in the wind energy segment? Or are there discussions currently underway?

Dhruv Jhanwar

There are many discussions happening underway right now. It says that we send the lead time for the machine is significantly higher than the normal machine we keep purchasing regularly. That is the reason for us to get long-term projects is easier because the lead time is a lot.

Plus, there is one more thing that the two global leaders of 900-ton, the OEMs, the manufacturing leaders are semi and extremely. What I feel from the factory visits and all, that each of these companies cannot manufacture more than two machines per month. So anywhere, like, we have ordered a few machines already. We do have a lot of time in order to, like, whenever the requirements come, we do get a good two, three months advance LOIs and all.

Raghav Srivatsava

Okay. Got it. Yeah, that's it from my side, and all the best, sir. Thank you.

Dhruv Jhanwar

Thank you.

Moderator

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

The next question comes from the line of Mr. Anshul Sharma from Vortex Capital. Please go ahead, sir.

Anshul Sharma

Hi. Am I audible?

Dhruv Jhanwar

Yeah, you're audible.

Anshul Sharma

Hi. Firstly, sir, congratulations on a good start to numbers. Starting with financials, as I can see, in Q1 FY27 alone, we have logged in both top line and bottom line, like, half of what which was in FY26. So just wanted to ask, how do we expect for Q2, Q3, and Q4 for this year?

Dhruv Jhanwar

Currently, the executable order book which we have right now is around INR 70-72 crores. We can assume that you shall be gaining around 60% of EBIDTA on this number on a conservative basis and around 25-30% PAT margin result. Whatever machines we will be buying from here onwards will have a lead time of around one and a half months to start generating revenue. But as soon as those machines start generating revenue, this number will keep going up.

Anshul Sharma

Got it. Sir, regarding the UAE and Saudi Arabia expansion, will Trishakti Industries establish its own operation overseas? Will it be completely independent, or are we evaluating partnerships or joint ventures or any other local collaboration for the same?

Dhruv Jhanwar

No. It will be done only by us, no local collaborations.

Anshul Sharma

Okay. Got it. Lastly, which sector in the Middle East are we targeting initially? Is it renewable energy? Is it oil and gas? Is it infrastructure, ports, or other industrial projects?

Dhruv Jhanwar

You're talking about India or the KSA and UAE?

Anshul Sharma

This is regarding UAE and Saudi Arabia expansion.

Dhruv Jhanwar

Yeah, mainly renewable energy because right now, I think, for us to have an entry in these KSAs, we are going through -- the Indian company itself for working over there, and then we slowly expand with the local companies over there as well.

Right now, the kind of contracts which are like -- the Indian company or, like, L&T and all have won over there are usually, 95% of those contracts are renewable energy. That's why we'll be entering this market through, in from the sector itself. Once we have entered and we have established and the operations are smoothened out, then we'll go for other clientele as well.

Anshul Sharma

Okay. Sir, this last question, what is the expected timeline for this? Can we expect it to start from this year, FY27, or will it take much time?

Dhruv Jhanwar

No, no, we will start with this financial year only for sure.

Anshul Sharma

Okay. Got it. That's it from my side, sir. Thank you so much.

Dhruv Jhanwar

Yeah. Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad. The next question comes from the line of Riya Shah from RK Securities. Please go ahead, ma'am.

Riya Shah

Hello, am I audible?

Dhruv Jhanwar

Yeah, you're audible.

Riya Shah

Yes. I had a couple of questions. Regarding the market, how competitive is the wind energy equipment rental market? How does Trishakti, like, differentiate itself from other clean rental companies?

Dhruv Jhanwar

Yeah. See, the market is very big right now because that is a very big industry shift, which is happening from 3.3 megawatt to 5.2 megawatt. The 900-ton machine, which are introduced by the OEMs, this is the first set of machines which are coming in into India. It's not that we have much differentiating factor in this case because it's all about scale.

The smaller companies cannot possibly go for certain higher level of CapEx. The number of people doing this CapEx will be very limited in India. So, over there, we want to get the first mover advantage over here because the first of all, the lead time for these machines are significantly higher.

Plus, the capacity from the OEM side is also not a lot. It's, like, maximum four to five machines on a collective basis per month. Irrespective, this is the entry barrier for any other company and with respect to us. Because the machine is only not available, and we have ordered, like, a few machines. Obviously, how will anyone enter this industry?

Riya Shah

Okay. Understood. When do we expect the wind energy business to start contributing meaningfully with respect to revenue and profitability?

Dhruv Jhanwar

Q3 and Q4 because currently, the machines will take four months' time in order to be manufactured. Then it will come to India. It will be transported. Net around five months of net lead time will be there from now from the new generation perspective.

Riya Shah

Okay. Last question, do you expect the margins in this wind energy projects to be higher or similar or lower to your existing crane rental business?

Dhruv Jhanwar

It will be very similar. It will be slightly higher, but to be on the safer side, we can say that it's going to be almost very similar to the current fleet we have. The advantage that we get in this kind of fleet is that the amount of CapEx which we do will be significantly higher, from the current set of CapEx which we're doing because our ticket size is significantly higher.

Riya Shah

Okay, sir. That's it from my side. Thank you, and congratulations.

Dhruv Jhanwar

Thank you.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. I repeat, if you have any questions, please press * and 1 on a telephone keypad. We have follow-up question from Mr. Chaitanya Pujara from Arihant Capital. Please go ahead, sir.

Chaitanya Pujara

I do. Just to clarify, the remaining INR 130 crore of CapEx that we have planned for the year, out of that, how much have we placed an order for or how much have we gotten into production? Like, you mentioned about the wind energy or Internet equipment that will take four months to manufacture. In dollar terms, how much of that have we -- you know, already placed orders for that we can expect in the next four, five months.

Dhruv Jhanwar

Yeah. Approximately, 70% of this has already been placed. But, see, we'll be introducing two new machines as well. We'll be entering into tower cranes as well, which we have not announced yet. Because, again, there is a three-month lead time for those machines as well.

These machines will be used for data centers and all. Whatever data centers are being made, there will be a very -- like, there is a major shortage of 80-ton tower cranes in the market right now. We have ordered a few machines of those as well for specifically data center jobs. With all these, CapEx is included. We currently have approximately INR 100 crores worth of CapEx, which we have already planned and placed an order for.

Chaitanya Pujara

We can expect that to go live within the next four, five months. Am I right in my understanding?

Dhruv Jhanwar

Yeah. So, if you honestly see then the four months is the lead time for transportation. And in the fall, it will take another one, one and a half months. But to be on the safer side, same five months will be much better.

Chaitanya Pujara

Sure. And the realizations from those machines, like the utilization levels, will you say that it will take a little bit of time for them to reach higher utilizations, or there is demand strong enough to start immediately lending them out.

Dhruv Jhanwar

See, we can get the contracts right now also, the LOIs. The demand is not the issue. The supply is the issue. As our manufacturers are not being able to manufacture more than two, three machines, four machines a month, then obviously, there is a very big problem that's on the demand side you know, on the supplier side.

Chaitanya Pujara

Fair.

Dhruv Jhanwar

That's the reason why we want to enter with at least two to three machines. So, let's see. Maybe in December, what is wrong call, I can give you a very big and proper explanation about what machines we have got, what machines are still pending, what is the roadmap for FY28. I can answer all these things in December quarter's call, currently.

Chaitanya Pujara

Fair. Thank you so much.

Dhruv Jhanwar

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on a telephone keypad. The next question comes from the line of Mr. Chintan Patel, an individual investor. Please go ahead, sir.

Chintan Patel

Hello. Am I audible?

Dhruv Jhanwar

Yeah.

Chintan Patel

Okay. My question is, what is annual recurring revenue for this financial year?

Dhruv Jhanwar

It's around INR 70-72.

Chintan Patel

INR 71, 70. Okay. Thank you.

Moderator

Thank you, sir. We have a follow-up question from Mr. Satya Mehta, an individual investor. Please go ahead, sir.

Satya Mehta

Hi, Dhruv, sir. Thank you for the follow-up. Just want to understand, is there any seasonality in the quarter? Is Q2 softer because of monsoons or anything?

Dhruv Jhanwar

See, for the companies who are doing a new set of CapEx, for them, obviously, to do more CapEx in this particular quarter is very difficult because the demand is almost not there only. From October, November, the demand kicks in again. So, generally, what happens is if you already have signed contracts and you are at 100% utilization, then your top line, bottom line, everything should be safe. But from the CapEx perspective, to do a lot of CapEx in this quarter is a bit difficult.

Satya Mehta

Do we have signed contracts for Q2, try to understand for our company?

Dhruv Jhanwar

Yes. We are at 100% utilization and for this whole financial year, we have signed contracts.

Satya Mehta

Got it, sir. Thank you so much.

Moderator

Thank you so much, sir. There are no further questions. Now, I hand over the call to the management for the closing comments.

Dhruv Jhanwar

I would like to thank everyone of you to join our conference call. It's been a great pleasure to talk to you all, like, every quarter. Making you all understand is quite a good thing for me also because we want to create as much investor awareness as possible.

Thank you all for all the insightful questions and for the continued interest you have shown Trishakti industry. We also truly value the engagement and constructive feedback from our investors and analysts as it actually helps us continue to continuously strengthen our business and our communication with the investment community as well. So, thank you, guys.

Moderator

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

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