

Date: June 02, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

Scrip Code: CHAVDA

Dear Sir/Madam,

Subject: Transcript of the Earnings call for the half year and year ended March 31, 2025

In furtherance to our letter dated May 31, 2025, enclosed is the Transcript of the Earnings call for the half year and year ended March 31, 2025.

We request you to take the above information on record.

For Chavda Infra Limited

Mahesh Gunvantlal Chavda
Chairman and Managing Director
DIN: 06387556



“Chavda Infra Limited Q4 FY-25 Earnings Conference Call”

May 30, 2025



MANAGEMENT: **MR. JOHIL CHAVDA – EXECUTIVE DIRECTOR,
CHAVDA INFRA LIMITED**
**MR. JEET CHAVDA – PROMOTER GROUP MEMBER,
CHAVDA INFRA LIMITED**
**MR. PARTH GURJAR – CHIEF EXECUTIVE OFFICER,
CHAVDA INFRA LIMITED**
**MR. MAYANK SHAH – CHIEF FINANCIAL OFFICER,
CHAVDA INFRA LIMITED**

MODERATORS: **MR. RUTUL SHAH – CAPITAL BRIDGE ADVISORS**
MR. RAJ SHAH – CAPITAL BRIDGE ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to Chavda Infra Limited FY25 earning conference call organized by Capital Bridge Advisors.

As a reminder all participant lines will be in the listen-only mode until the Q&A session which will follow the management's remarks. Should you need assistance during the conference call, please press '*' followed by '0' on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Johil Chavda – Executive Director. Thank you and over to you sir.

Johil Chavda: Thank you very much. Good afternoon, everyone and thank you for joining us. I hope all of you have had a chance to go through our financial results and investor presentation, which are available on our website and the stock exchange.

Joining me today on this call are Mr. Jeet Chavda – Promoter Group Member, Mr. Parth Gurjar – Chief Executive Officer, Mr. Mayank Shah – Chief Financial Officer, Mr. Rutul Shah and Mr. Raj Shah from Capital Bridge Advisors, our investor relations consultant.

Before starting with the key highlights for FY25, I would like to share that Board of Director in its meeting held today approved raising up to 100 crores through the issue of equity shares or equity linked instruments. This capital inclusion will further bolster our financial position and support our expansion plan, as a portion of these funds will be embarked to meet increased working capital requirements and to invest in additional equipments and machinery.

Let me now walk you through the key highlights of FY25:

We are happy to share that we have delivered a steady performance in FY25 with consolidated revenue, EBITDA and net earnings growing by 8%, 33% and 12% respectively. FY25 has been tepid year for Chavda Infra Limited in terms of performance. The muted performance was largely driven by the select projects such as Centroid, Nirma's Hostel and Shivalik Greenfield where execution has spilled over to Q1FY26 on account of regulatory and technical reasons, which are beyond the company's control. As we enter Q1FY26, we have started executing these projects and have begun recognizing associated revenue. In addition to this, we had to cancel one project awarded in FY25 on account of commercial reasons.

Starting with order wins and order inflow:

In FY25 the company was awarded 7 projects. Key projects awarded include:

- Construction of "The Identity," a commercial building in GIFT city with a total contract value of ₹219 crores

- Construction of “The Park,” a residential building with a total contract value of ₹30 crores
- In FY25, the company received orders totaling to ₹448 crores. The outstanding unexecuted orderbook was ₹703 crores. Of the outstanding orderbook, 41% was from residential sector, 51% was from commercial sector and the balance 8% was from institutional sector

In addition to the project mentioned above, please note as we enter FY26, the company has been awarded two key projects. These include:

- Construction of residential infrastructure of Arvind Aqua City with a total contract value of ₹150 crores
- Construction of Nirma Limited’s corporate house, with a total contract value of ₹73 crores
- The outstanding unexecuted orderbook as on May 30, 2025 is ₹953 crores

Before I hand over the call to Mr. Path Gurjar who will walk you through our project level execution updates, I would like touch upon the core philosophy that drives us at Chavda Infra Limited. Our focus remains on building a business that is sustainable, predictable and consistently profitable. We view our business in block of 3 years and our aim is to double it every cycle.

Over to you, Parth bhai.

Parth Gurjar: Moving to project level-execution updates:

- We are pleased to share that Chavda Infra Limited has successfully completed construction work of BeFree, our first project in GIFT city.
- The slab placement time for Mondel One has further reduced from 15 days to 10 days, leading to faster execution and better payment cycle.
- In FY25, the company completed 8 projects. The no. of ongoing projects as of 31st Mar, 2025 is 30+

I will now hand over the call to Mayank Bhai to walk through the financial metrics.

Mayank Shah: **Coming to financial metrics:**

- Revenue from operations grew by 8% YoY to 260 crores in FY25; In H2 FY25, it grew by 4% YoY to 145 crores
- EBITDA grew by 33% YoY to 56 crores in FY25; EBIDTA margins stood at 21.6% vs 17.7% last year, up 399 basis points, on a Y-o-Y basis

- In H2 FY25, EBIDTA grew by 13% YoY to 32 crores; EBIDTA margins stood at 21.9% vs 20.3% last year, up 160 basis points, on a Y-o-Y basis
- PAT grew by 12% YoY to 21 crores in FY25; PAT margins stood at 8.0% vs 7.8% last year; up 25 basis points, on a Y-o-Y basis
- In H2 FY25, PAT was 12 crores; PAT margins stood at 8.0%
- In FY25, the company had incurred 24 crores. in capex. Net block as on Mar 31, 2025 stood at 74 crores
- The value of inventories on the company's book stood at 74 crores as on 31st Mar, 2025
- Net unbilled revenue as of 31st March, 2025 stood at 26 crores
- The company's total borrowings stood at 162 crores. This includes long-term borrowings of ₹39 crores and short-term borrowings of 123 crores
- Of the total sanctioned credit facilities of 162 crores, the company has utilized 144 crores with 18 crores available for utilization
- The company has total fixed deposits of 9 crores as of 31st Mar 2025, which includes lien-free deposits of 1.5 crores and fixed deposits of 7.5 crores placed with banks to access credit facilities
- Cash flow from operations stood at negative 32.8 crores in FY25, primarily due to elevated trade receivables, as revenues were back-ended during the year. This led to an increase in short-term borrowings to support our working capital needs. We anticipate substantial collections in the first half of FY26, which should ease receivables pressure and help reduce short-term borrowings

We will now open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nikhil Shetty from Nuvama Wealth. Please go ahead.

Nikhil Shetty: Hi sir. Thank you for the opportunity. So, I have a couple of questions. So first one is how does Chavda Infra differentiate itself from the other infrastructure and construction player in your key market? Additionally, how do you approach your project selection and prioritization between private sector and government contracts?

Johil Chavda: First of all, the basic difference from the other peers is, we are primarily focused on private sector only. We have not been working with the government, that is the first thing. Second thing is in Chavda Infra we are very well placed in the middle of the tri-city that is Ahmedabad, GIFT and Gandhinagar. Very high developments are coming up in these three cities right now. And

being one of the top construction firms in Ahmedabad we get the added advantage to cater the clients in this regard. So that is one thing about the location geographical advantage. We also differentiate ourselves because we have been consistently delivering quality and workmanship at record speed over past many years. So, we have built an entire ecosystem in Ahmedabad wherein we have our own logistics department, we have our own laboratory, we have our own QA-QC team. So, we have our own PM department. So, wherever we need service it's just half an hour to one hour away. Because of this entire ecosystem we are able to give rapid service wherein we have been able to complete our project before time. This improves our credibility. Credibility of Chavda infra in these cities is very huge. We don't even have to go and tender for the projects. Most of the time what happens is even after being H1 we get awarded the project which gets us very good margins and we are the preferred contractor. So, we are never out of projects. We always have good projects to work on.

Nikhil Shetty: Great. And sir, you talked about strong order book in your opening remarks. So, what's the typical execution cycle for this order book?

Johil Chavda: Usually the typical execution cycle for such orders is between 2 to 3 years. So, this entire order book would be completed within 2 to 3 years.

Nikhil Shetty: And is the company exploring geographical expansion beyond Gujarat? The current focus is on strengthening its presence within existing market. And additionally, are there any plans to diversify into new segments such as industrial park, logistics hub or any broader infrastructure development?

Johil Chavda: Yes. I will give you a brief about that as well. So, we are primarily focused on tri-city because we have been getting so many projects from here itself. Within next 4 to 5 years when we have increased our capacity and when we are able to cater each and everything that is coming our way over here then we shall move ahead. We will move to top tier cities like Mumbai, Bangalore, Hyderabad, Delhi, just in case we have expanded like in 2 to 3 years, we will be expanding and after that maybe after that we will be making our move. And what was the second question that you asked?

Nikhil Shetty: Are there any plans to diversify into newer segments?

Johil Chavda: For us, industrial segment has been a relatively unexplored segment as of now. Because ever since we started our growth been very consistent across a single sector. We have now have the infrastructure, the bandwidth and the know how to expand ourselves industrial segment as well which is going to be happening in a very coming future. In next 4 to 6 months you would definitely hear from us that one of the projects is going to be an industrial one.

Nikhil Shetty: Great sir. That's all from my end. Thank you and all the best.

Johil Chavda: Thank you very much.

Moderator: Thank you. The next question is from the line of Rishi Kothari from Altracura India Long Only Growth Fund. Please go ahead.

Rishi Kothari: Thank you so much for the opportunity. One of my questions continue to the last participant was the geographical exposure. As we are seeing you are going to expand in other Tier I cities like Mumbai and all that. But at all we see there are very well-established places that are already have a presence. But if at all that is the thing how exactly you look at the competitive landscape and if at all, let's say that we still enter and have good projects in our hands. We see sort of margin dip just because you have that project in our portfolio, is that something that you have already thought of?

Johil Chavda: We directly don't jump into new city without any homework. We have our clients who have their projects in Mumbai, who have their projects in Pune and we have already been asked to come and deliver projects over there. The only reason we are not going is because we have our work going on in the tri-cities and we are not able to get out of here. Once we have enough projects over here, once our appetite increases, I think we these are all our old clients will be more than happy to give us work, because they are already seen our quality, they have already seen our work. So, when I step outside, that would be the plan. I will work with the people who I have already worked with here, I will see the margins and definitely there won't be dip. There won't be a meaningful increase in the margins but definitely there won't be dip because all the clients that we have are working on other top-tier clients. They are working at very good rates and that is how the it is going to work when we move out of Ahmedabad.

Rishi Kothari: Okay, Got it. So, for let's say the exposure, we have the plan but in terms of bid pipeline if I see an order inflow, what exactly are we looking at for the bid pipeline and order inflows?

Johil Chavda: I already have an order book of 953 crores if that is what you are asking. In FY26 we will get at least 300 crores or more. We are still in talks with many good projects from GIFT City, from Gandhinagar, from Ahmedabad and I think I will at least close 2 to 3 more projects. We have the bandwidth and the capacity to execute more than what we already have.

Rishi Kothari: Do we have any sort of bid pipeline ratio for the conversion of that project?

Johil Chavda: Usually it is around 40% to 50% the conversion rate. And currently I am saying you 300 crores because we are already having a bid pipeline of 600 crores. So, 300 is the bare minimum target that I can give you within FY26.

Rishi Kothari: And what will be the execution time period for that 300 odd crores?

Johil Chavda: It is going to be 2.5 to 3 years only.

Rishi Kothari: So in that business I see what would you, what would be the next year growth target for bottom line and top and just a ballpark?

Johil Chavda: It's going to be between 300 to 350 crores.

Rishi Kothari: And margins front, are we seeing any sort of margin expansion and PAT growth?

Johil Chavda: Margins are going to be the same because we are in the investment phase right now. So, Ahmedabad Skyline has recently been increased. First, we used to have the buildings of 60 to 85 meters. Now we have the buildings of 150 meters. So that has just been started and we have 7 such projects. We are the top contractors who have so many skyscrapers in Ahmedabad and for that we are investing in technology that can get us to at least 200 meters. So, we are investing for coming 10 years right now. So, the margins are not going to go low but they are going to stay stable.

Rishi Kothari: 8% TTM margins we are looking at, not less than that?

Johil Chavda: No, not less than that because I have already invested last year also because we had many projects last year and so there are going to be certain repetitions and there are going to be certain new purchases. Hence the margins are going to stay stable.

Rishi Kothari: Got it. And just on the exposure in terms of the private project. So, there is right now we anyway not planning for government projects intake, right? But after a point of time, we would have to expand. Don't you think it's just to have that exponential growth on our PAT level as a top line?

Johil Chavda: Definitely. We are open to that. As long as I get good rate as long as I get good margin, there are no constraints of doing a private or government. We are open to any projects. We just need a good margin. We need to have a sustainable business and sustainable profit. That's the only criteria. Be it or private sector be it government sector. And I am sure the government project also right now gives a very good margin. All the peers are working on government sector and they are giving decent margin. So, in future probably but currently we have got our bucket full.

Rishi Kothari: I mean the margins are good but the working of the cycle pretty much stuck with the government projects. But yes, it can be negotiated. Okay.

Johil Chavda: Whenever we step into any project that is the first and foremost thing that we enquire that how are the working capital cycles going to be. So, at current scenario as long as I have known the working capital cycle has been stable in government. I cannot talk about the future but right now it is. But currently for next 4 to 5 years I think we will be staying in private sector. So that is a very future concept. Currently we are focused on developing a skyscraper technology and culture at Chavda. That is our focus.

Rishi Kothari: Okay, got it. Thank you so much. I will join back. Just wanted to mention one thing. Terms of PPT that right now Quarter 4, we have presented pretty much very well upgraded compared to last quarter. Very well detailed and thank you so much for that detailed brief in.

Johil Chavda: Thank you so much.

Rishi Kothari: Thank you.

Moderator: Thank you. The next question is from the line of Neeraj from Pransh Capital Partners. Please go ahead.

Neeraj: My question is with regards to what happened with this year's revenue growth? We were estimating between 310 to 325 and we ended up at 261.

Jeet Chavda: I will give a very elaborate answer to this. Currently we had our order book in line with the estimation that we had given for growth. There were a total four projects, one of which got cancelled and the project Centroid was delayed because of the diaphragm wall. The diaphragm wall got broken and we had to wait for at least one year. Centroid was delayed because of that; diaphragm wall is the wall that we do before excavating. So that wall was broken. Once we excavated, we realized the wall was broken. So first we had to take necessary measures. There was a delay of up to 3 to 4 months in getting Rajachitthi for Nirma Girls Hostel and Shivali Greenfield. Rajachitthi that is the permission that is needed for excavation. So, these two projects were delayed because of the permission to excavate got delayed. And the fourth project Orchid, was cancelled because after receiving the LoI the client wanted to negotiate further and that is something that we don't do. So, these were the four projects that we took up and they didn't go according to the plan. They were delayed but we are still working on it and we are achieving the cycles right now. So, the three projects for Centroid, Nirma and Shivalik Greenfield will show up in next year. So, there was no other reason than this. We had the bandwidth to perform, we had the projects to perform but these four projects were unexpectedly delayed and hence the performance was just 8% to 10% higher than the last year.

Neeraj: So, what measures because these kind of issues will keep on happening in various projects as you go along with your journey. So, what measures you have taken to ensure future it won't happen?

Jeet Chavda: Yes, the measures that I have taken is I have given the news, once we have started working on the projects. So, all the projects that I have given the news of we have started working on already so there is no scope for further delay in those projects. The project that I mentioned Identity in GIFT, we have already excavated, we have already started the footing the project Aqua City of Arvind Smart Spaces, we have already started making the roads over there and the project Nirma corporate house. This was a 500 crores project that we received from January onwards until now. So, we have started the project and we are consistently performing on that already. So out of the news that I have already given, there is no reason that there's going to be any delay. Because we are very particular about this. Once it has happened it's not going to happen again.

Neeraj: Also there has been a slippage in the debtors. Is it one off for the March one and was corrected in the later quarter because the debtors got increased. I think previously it was well within a good range. It got increased to I think 112 days. So, what's your take on that?

Mayank Shah: This is Mayank. So, as I said earlier my debtors increased because my turnover, most of the turnover of H2 got accrued in the last quarter. So that's why and all those realizations will happen in FY26. So that is the main reason of debtors increase.

Jeet Chavda: I will give you brief project wise. So, we started Nirma Girls Hostel recently. We started Nirma's corporate house recently. We started Identity recently. So, we have invested a lot of funds in the new project that we have started. If you know we have already taken Mivan Aluminium Formwork that amounts to almost 30 to 40 Cr. As I said we are in an investment cycle currently and we have been investing a lot of money into the projects and this year we have started working so the repetition has started. So, once we are within like 1st Quarter, we will be able to considerably normalize this amount.

Neeraj: Understood. Last question before I go back in the queue is with regards to 100 crores resolution that you are looking to get it passed, what's the timeline for this fundraise, by when you think you intend to raise it? And also, is the promoter looking to invest in this round itself?

Jeet Chavda: We have initiated preliminary discussion with select merchant bankers. The management along with Capital Bridge Advisors is structuring the transaction to get high quality investors. We expect to close it in next 2 to 3 months depending upon how we are going to structure it and how does Capital Bridge Advisors advises us.

Neeraj: And with this 100 crores coming in what could be the multiple in terms of the top line additional growth we can expect?

Jeet Chavda: With the 100 crores coming in definitely we have a very smooth working cycle, cash flow that you see currently that is negative definitely it will be positive by second half of the quarter and we have got other investments as well coming up online, we have the expansion plan because of the flow this year we are going to be very aggressive in the next year and hence we will be needing fund to compensate for the new projects and the upcoming that we are going to take.

Neeraj: All the very best. Jeet bhai, hopefully you do 350 crores, not the lower end of the target this year that you have given.

Jeet Chavda: Definitely the target this year we won't be saying the numbers, we will be delivering it.

Moderator: Thank you. The next question is from the line of Neerav from Vopak. Please go ahead.

Neerav: Thank you for the opportunity. I just wanted to inquire that the amount that we are going to raise, 100 crores. Does it mean that at the current price we are going to dilute about one third of the equity?

Johil Chavda: We are still structuring it. It's not yet materialized. Once we have the investors, once we have the finances ready at that time, the amount and the percentage of dilution will be and definitely we are not going to dilute 20%. We are still structuring it. In the coming future, we will definitely come up with the exact amount and numbers that we are going to dilute and raise.

Neerav: And have you finalized what kind of instruments that we will be going through? Any warrants or something?

Johil Chavda: Still in talk, this is a very preliminary stage as I said, we are still in talks with our advisors and definitely once we finalize this, once we have our investors ready, we will definitely come to the board and inform all of you what's going to happen.

Neerav: Sure. And the way you mentioned, I think the requirement is to meet the working capital as well as to buy certain equipment as well. Right?

Johil Chavda: Yes, buy certain equipments and we are in expansion mode currently. And we are going to be aggressively investing it in the business. So, for the smooth transaction, I want my cash flow to be positive again, which was there last year. So, this year I think hopefully we will do it as well.

Neerav: Okay, thank you.

Johil Chavda: Thank you.

Moderator: We will move ahead with the next participant. The next question is from the line of Rajendra Passi from Equity Research. Please go ahead.

Rajendra Passi: Hi, Jeet bhai. So, I wanted to mainly understand like our receivables has increased almost by I would say 80% to 90% from approximately 47 crores last year to 89 crores this year. So, can you explain something about and have we recovered something out of these 90 crores like by the 30th May?

Mayank Shah: There are mainly two reasons. One reason is that as I said earlier, our most of the turnover of the second half is booked in the month of February & March. So, all those receivables will be materialized in the current financial year. That is the one thing and ATCR will have a part of 21 Cr approx is of retention money. So, this ATCR comprises of 21 Cr of retention money and another 60 Cr of my actual trade receivables. So, these are the main reason of this YoY change.

Rajendra Passi: And have we received anything like within these 2 months up in April and May or like is it still 60 crores as you said?

Mayank Shah: No. It is my continuous cycle. And yes, it is realized in the month of April-May and it will be realized by July or August. And out of returns and receivables also we will realize good amount in the H1 of FY26.

Rajendra Passi: Got it. And as we are going to raise 100 crores as Jeet bhai has already mentioned about that. So, like how many trenches can we basically expect that how many rounds will be there for that fundraise? Because right now like our share price is not that good that we can basically raise all the 100 crores.

Jeet Chavda: Rajendra bhai there will be just one fundraising and after that we will be focusing on our work, we will be focusing on our profit. So that is going to be that we are not going to have 2 or 3 in this year.

Rajendra Passi: So, let's say if we are going to raise 100 crores within one round then.

Jeet Chavda: We are planning for 100 crores. It might not be hundred. We are still to finalize; we are still in talks with Capital Bridge Advisors and other merchant bankers. And I think once we finalize the figure we will come up to you. We are not going to dilute that much. But definitely we will be diluting some funds because I need a smooth working cycle. Because we have taken up so many projects. This year we have been aggressively taking up projects to perform to compensate the last year's steady growth. So, for that I will need a capex.

Rajendra Passi: And as one of the investors already asked, I am not sure like, I did hear it correctly or not like are the promoters or you guys are also going to participate in that or will it be only for the non-promoters?

Jeet Chavda: We are still structuring it. Rajendra bhai see when first time when we came to take the funds, we were doing some odd 160 crores. That time we raised 43 crores. Right now, currently we have delivered 260 crores just in 2 years. So almost 100 crores we have grown by just taking 43 crores. Next year we are planning to go above 300. We are planning to do a considerable growth. For that we will need fund. But right now, the structuring is left. Once the structure is finalized we will definitely come up to the investors that in this way we are planning to do.

Rajendra Passi: Got it. And any plans to raise the debt further or are we that 100?

Jeet Chavda: No. The debt is not going to be raised. Definitely there is one thing that is not going to be raised is debt. I think and just in case it is going to little bit go down, not going to be raised.

Rajendra Passi: Got it. Yeah. That will be great.

Jeet Chavda: That's why it's going to go down and once we get the capital our working cycle is also going to improve. Our cash flows are going to considerably improv. And the profitability is going to have a very nice impact because the interest cost is going to be get lowered.

Rajendra Passi: Got it. What is our current rate of interest for the current debt?

Jeet Chavda: It comes around 9%.

Rajendra Passi: Okay. That's all. I will go back in line.

Jeet Chavda: Thank you.

Moderator: Thank you. The next question is from the line of Himanshu Dugar from Stylus Holdings. Please go ahead.

Himanshu Dugar: Hi. Thanks for the opportunity. The first question wanted to check about was on the credit rating aspect. Are we expecting the credit rating improvement or we applied or reached out to the agency for that?

Mayank Shah: We have not yet applied but we will definitely go for credit rating, and we will complete it by September.

Himanshu Dugar: Got it. Secondly, you mentioned about the receivables kind of inching up because the timing of how we do the revenue. But could you give a ballpark like approximately we have totally what I think for the half year we have booked almost 145 crores. So how much of that happened in the say the last 2 months, the February and March month?

Jeet Chavda: Almost 80 Cr happened in last 2 months. In any construction cycle these two months are the most critical, maximum turnover done in this 2 months. Reason being the labors and everyone, they go on holidays after Holi. So, before that 2 to 3 months are going to be the highest turnover months for any construction company. We have got the maximum manpower; we have the maximum working hours and also new project come up post Diwali because to avoid being in the excavated state during monsoon. So, we always start our new projects by January-February-March only. So maximum turnover happens in the foundation stage when the new project starts and obviously the old projects that are in construction, that cycle's speed is always good in these 3 months. So, these 3 months we have maximum labor and we get to do maximum turnover.

Himanshu Dugar: Got it. So, I think roughly that is what is basically standing the receivables also at the end of the year. That is why we see the number being little elevated. Other question was to our development project that is now completely done, right? Is there something in the balance sheet relates pertaining to the development business?

Jeet Chavda: Yes, that was a redevelopment project called Manali. And yes, it is completed and we are also 100% sold out. It will soon reflect on RERA website as well. So yes, it is completely realized and we received the BU I think in this week only.

Himanshu Dugar: In the balance sheet do we have any assets still related to the Manali or is that completely cleared?

Mayank Shah: So, we have booked the unbilled revenue of 35 Cr of Manali as on March '25.

Himanshu Dugar: Okay, my question was more on the balance sheet side, your receivables. Is there something pending which is also part of the receivables or the advances that we have on the balance sheet or that is sorted because like you said, 35 crores was booked?

Mayank Shah: We have received member advance from Manali new members and it is amounted to 16 Cr as a part of advance from customers.

Himanshu Dugar: Okay, understood. Last question from my side. So, like you mentioned, we are seeing some cash flow, kind of a bit of a stress. And that is why we are evaluating the fundraise. But when we look at an order pipeline, because you have announced a big order book, it's almost 570 crores the order book size now. Is there a limitation to getting more orders till the time this fundraise gets sorted or you still have the bandwidth, keep getting more orders and probably start working on more projects at the same time?

Jeet Chavda: No, we do have the bandwidth currently we are not waiting for the funding to happen. We do have the bandwidth to execute projects, take up new projects as well because many of my projects are about to get completed and many of the projects are about to get started. So, we have got the refurbishing done. We have got everything ready. So, we are just waiting. Once the monsoon passes away, we will definitely take up new projects and start working on it. It's not for that. We don't require fund for starting up the new project. We require fund to regularize our cash flow. We required the fund to smoothen our cycle.

Himanshu Dugar: But then I am not clear about this fundraise part because like you mentioned a big amount of the debtors that are standing today is basically from the Feb-March billing. So probably in a couple of months that should get cleared. So, we should have good cash flows already coming inside.

Jeet Chavda: Yes. The fundraising was planned a while back but because of market volatility we took up the debt to continue with our projects. Our projects have already started, so we didn't wait for the funding to come before starting our projects. So, we have already started our projects, we are already working on them. We have bought the regular necessary materials. We have bought the necessary formwork. Hence the debt has increased. But the projects are going on smoothly currently. So that is what we want to regularize once we get the funding done.

Himanshu Dugar: If I get you correctly, we have around 155 crores of net debt as of date, right? 162 crores of borrowings and 9 crores of cash.

Jeet Chavda: That is true. We have got 160 crores of debt.

Himanshu Dugar: And probably get some of the receivables coming down.

Jeet Chavda: Yes, these are going to come down. Yes, definitely it is going to come down in 2nd Quarter. Definitely the amount of debt has come down because we couldn't raise the fund in December. Our projects got delayed and started now. And then the cycle, the tariff war we delayed our fundraising and now we are currently planning for the fundraising but we have already taken the debt to continue the projects. So, projects can't be stopped. We got the good opportunity; we wanted to execute the project. So, we didn't stop taking the project instead of fundraising went to take the debt. So, now we are going to raise the fund and clear the debt.

Himanshu Dugar: Alright. The balance sheet because kind of looks a little stressed right now. So, I hope whether the fundraise or the improvement in the working capital we can have a better balance sheet in the September month.

Jeet Chavda: We already have very nice projects that are there. All the clients fortunately are also very good, really good clients. And we have started the project and it's going on smoothly. So, we just have to do one thing, add up the fund and everything goes very smooth from there on.

Himanshu Dugar: Perfect. Thank you. I will get back to the queue.

Jeet Chavda: Thank you.

Moderator: Thank you. The next question is from the line of Rajendra Passi from Equity Research. Please go ahead.

Rajendra Passi: So, Jeet bhai, I wanted to ask one thing. In our previous con-calls we were discussing around the merger of Chavda Infra with developers as well as I guess RMC. So, is there any plan to do that or what is the current progress over that?

Jeet Chavda: Yes. After the fundraising that is the next project that we are taking up.

Rajendra Passi: So, can we expect that the merger can be completed within this financial year or it can take long?

Jeet Chavda: Definitely, 100%. It will be completed within this financial year.

Rajendra Passi: Okay. That was all.

Jeet Chavda: Thank you.

Moderator: Thank you. The next question is from the line of Raju Rajnikant Baxi, an individual investor. Please go ahead.

Raju Rajnikant Baxi: My question is regarding the fundraising. So, I understand that the EBITDA margin is 21% and as you suggested you are always taking the orders at very high margins. So why don't you go

more for debt than for the equity because at 9% interest rate I think debt will be cheaper than equity? And your requirement is also what I presume is for a short term, the liquidity stress is for a short term. So why don't you go for debt rather than the equity raising?

Jeet Chavda: Usually, I will tell you this because what happens is the cash flow because of the huge EMI the cash flow is getting not very much but a bit disturbed. So, I think to better than to take up EMI. I would rather be paying my vendors and paying my labors on time. Once that has starts to happen, once the that cycle reaches from 114 days to 35 to 50 days, I think we will do splendid. I will have amazing working cycle; I will have amazing speed. I will be having amazing execution power. So, because of that we need to decrease debt and increase do our cash flow better.

Raju Rajnikant Baxi: Okay, got it. Thank you.

Moderator: Thank you. As there are no further questions from the participants, ladies and gentlemen, we would like to take this as the last question. I now hand the conference over to Mr. Jeet Chavda for closing comments.

Jeet Chavda: Thank you, everyone for joining today's call. Please feel free to reach out to Capital Bridge Advisor in case of any enquiries. Have a great evening.

Moderator: Thank you very much. On behalf of Capital Bridge Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.