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Date: November 02, 2024 **Scrip Code: 505872**

To
BSE Limited
PJ Towers,
Dalal Street,
Mumbai- 400001

REF: REGULATION 30 OF SEBI (LODR) REGULATIONS, 2015

Dear Sir,

With reference to above, enclosed herewith is a Transcript of Q2/H1–FY25 Earnings Conference Call of the Company held on October 30, 2024.

Thanking you.

Yours Faithfully,

FOR WPIL LIMITED

KRISHNA KUMAR GANERIWALA
Digitally signed by KRISHNA KUMAR GANERIWALA
Date: 2024.11.02 16:28:10 +05'30'

[K.K. GANERIWALA]
EXECUTIVE DIRECTOR

WPIL Limited
Q2 & H1 FY25 Earnings Conference Call
October 30, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Q2 & H1 FY25 Conference Call of WPIL Limited. 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 the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, sir.

Anuj Sonpal: Thank you. Good evening, everyone. My name is Anuj Sonpal from Valorem Advisors. We represent Investor Relations for WPIL limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the Second Quarter and First Half of Financial Year 2025.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by, and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is probably to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for the opening remarks. We firstly have with us Mr. Prakash Agarwal – Managing Director and Promoter; and Mr. KK Ganeriwala – Executive Director. Without any further delay, I request Mr. Prakash Agrawal to start with his opening remarks. Thank you and over to you, sir.

Prakash Agrawal: Thank you, Anuj. And good evening everyone. It is a pleasure to welcome you all to our earnings conference call for the second quarter and first half of the financial year 2025 and wish you a Happy Diwali in advance.

Let me first take you through the financial performance of the company, followed by the operational highlights. For the quarter under review, consolidated revenues from operations reach 491 crores, reflecting 54% Y-on-Y growth, EBITDA was 104 crores representing a growth of 57% Y-on-Y, with EBITDA margins for the quarter reported at 21.27. Profit after tax amounted to 70 crores, representing a growth of 64% Y-on-Y and PAT margins were reported at 15.3%.

For the first half under review, consolidated revenue from operations reached 853 crores, representing a growth of 33% Y-on-Year, EBITDA was 165 crores, a growth of 31% with EBITDA margins for the period at 19.28. Profit after tax amounted to 113 crores representing a growth of 36% Y-on-Y with PAT margins at 13.28%. On a standalone basis, the quarterly revenues grew by 78% Y-on-Y reaching 330 crores with EBITDA increasing by 104% Y-on-Y to 63 crores and EBITDA margins at 19.22%. Net profit also grew by approximately 99% to 47 crores. For the first half, the stand alone revenues grew by 55% Y-on-Y to 569 crores. EBITDA grew by 70% Y-on-Y to 103 crores, and EBITDA margins were 18.17%. Net profit grew by 70% Y-on-Y to 77 crores with PAT margins at 13.6%.

As of 30th September, our international order books stood at 534 crores. In the domestic order book, the project business stood at 2730 crores, while the domestic product business was around 401 crores. On the operation front, we witness a strong performance in the domestic business driven by both the product and project divisions. The product division revenues grew significantly to 83 crores in the first half of financial year, up from 60 crores in FY24. With a positive outlook, supported by a growing product portfolio and a strong market presence, as well as excellent prospects on the export front from our international operations.

The project division saw substantial revenue increase as well, where in the revenue for the first half reached 431 crores, compared to 260 crores in FY24. Project execution momentum has picked up which grew further expected to accelerate in the second half of the financial year, post monsoons. Project commissioning has remained on schedule over the past two quarters. Additionally, the company is actively pursuing new contract opportunities and expecting a boost in tender activity in the second half of the financial year. Our international operations remain stable with a strong outlook across all business units. Gruppo Aturia and Italy is experiencing robust aftermarket performance and is positioned to benefit from the revival of delayed contracts in the MENA region.

WPIL in South Africa had delivered exemplary results in first half, and with the agri **–5:08** acquisition set to enhance product offerings in the expanding South African water sector. Large investment in South Africa's water and power sectors add to the positive growth outlook. Meanwhile, Sterling Pumps and United Pumps, Australia have record order books, and on track for significant revenue growth in FY25. WPIL Thailand is also benefiting from the country's substantial water infrastructure investments. With this, we can open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Siddharth from Jefferies. Please go ahead.

Siddharth: So just wanted to understand, so our product business has done tremendously well in this quarter. Just wanted to understand what has driven, this particular segment and how's the outlook, how the international business panning out, what is the demand scenario. So, how about the oil and gas CAPEX, we have seen that it has slowed down a bit earlier. So, what kind of, are there any offshoots there, so just wanted to understand the overall possibilities are there?

Prakash Agrawal: So, the product business in India has been gaining strength over the last couple of years, especially with our new product offerings and our market presence, and translated into a strong order book and we see good growth in it. And in the product business, project business, or an international business, we are not really looking at specific offshoots. We are looking at more steady growth because of the diversification and the reach which we have achieved. So we see steady growth coming from opportunities.

Siddharth: No, sir I am more interested about your international business.

Prakash Agrawal: Same for the international business also say, for example as I mentioned South Africa is making substantial investments in water and the power sector is also bouncing back there. We are present in both, so we see good opportunity there, already our order book is strong. And same in Aturia as we mentioned, that Aturia has a lot of contracts also, which are delayed due to this present Middle East crisis. Hopefully this will settle down, these are all infrastructure projects which can be postponed but not canceled. And similarly, in the oil and gas, as I mentioned the aftermarket business, which is perpetual for keeping production constant is unaffected by spikes in crude price. So again, that is a steady growth area. And we mentioned, this new acquisition which we have done in South Africa, which will really strengthen the offering we have there, because we can cater to the entire water sector there now.

Siddharth: Okay, so got it sir. Do you think this particular growth and margins are sustainable going forward?

Prakash Agrawal: Yes, we think we can keep growing.

Siddharth: So could you give some color on guidance, what could be this year's overall, revenue and two year guidance?

Prakash Agrawal: No, I don't want to give any guidance, just that we see strong growth and sustainability. Because we are not riding a particular wave or something, so it's more sustainable.

Siddharth: Okay. And one last question from my end sir, how about the project business sir, how is it panning out for you?

Prakash Agrawal: The project business, as we said we were working on enhancing revenues. So we are very pleased with the present jump in revenues, which we have got. And we have been working on this for some time now it's happened. And this will allow us to, get back the growth because you cannot grow by order books you have to grow by execution.

Moderator: Thank you. Next question is from the line of Deepak Purswani from Swan Investments. Please go ahead.

Deepak Purswani: Sir firstly, wanted to check it out on the execution front, if I were to look into the first half, in the project business we did an execution of close to 430 odd crores. And currently we had the order book of 2700 crore. So in the second half, how should we expect this run rate to continue going ahead?

Prakash Agrawal: It should keep improving. Very frankly, the second half, especially in the project business is much better. Primarily be it to construction season, already the dry weather is helping us ramp up production. The monsoons, this was a very heavy monsoon, so we really struggled in July, August, September, and really looking forward to the next six months to gain further traction.

Deepak Purswani: And in terms of the challenges earlier we were facing with one of the clients in terms of BG and everything is now sorted and execution is now in the full swing going ahead, how should we see?

Prakash Agrawal: We are focused, we as a company are totally focused on execution, rather than building up a order book. So we are keeping it matching and we have already gained with this ramp up in our revenues and the way we see it panning out in the next six months, the clients happy.

Deepak Purswani: And sir if I were to look into the further, let's say we have the order book of 2700 crore as the current juncture, and probably in the second half, we could do another 600 odd crore execution. So by end of next year, at the beginning of the year we will have the order book of 2100. So if you can share your thoughts in terms of the execution for the FY26, especially you touched upon this **–12:27** we booked in the new activities in terms of the order flow. So if you can throw some light on the order inflow, how should we see this from the medium term perspective, so that this growth should sustain in this particular segment?

Prakash Agrawal: Absolutely right. So now that we have seen this ramp up in execution, which we have been mentioning for the last three quarters. Now, we are pleased and we have started actively pursuing opportunities. As I mentioned, you see a lot of tenders coming up in the second half this year, primarily because of elections, and other state elections, the things were delayed. There was less tendering opportunity, but that pent up jobs should be tendered soon and finalized before March. So we expect to get a good share from that.

Deepak Purswani: So, sir would you like to share any update on the bid pipeline at the current juncture. If you can throw some light on that, how has been a bid pipeline spanning out for us in this particular segment?

Prakash Agrawal: So, the bid pipeline has been quite, last six months has been quite slow in the entire water sector. And it's just as I mentioned, it should ramp up now we just started seeing some tenders coming out this month. So, we should see a lot of tender because, they have to use the budget by March, so they will tender and try to close it quickly.

Deepak Purswani: Okay. And then moving to the product division, we did a one new acquisition in the South Africa, if you can share the details on this acquisition in terms of the investment we made and what has been the financial performance of this subsidy, and also what are the particular opportunity we would like to explore through this acquisition?

Prakash Agrawal: So, this business is in the, we are a project company and we work closely with them already, because we were supplying pumping solutions there. So by combining them, we have a broader offering for the client. The clients were the same, and we have a lot of expertise in India in our project business. So we can use this to get into South Africa, which has a large water investment plan, and Southern Africa. So this is what we had always wanted to do. We always thought that India and Africa are the two main areas for water infrastructure projects. So we are very happy that we have a foot hold in Africa, and we will look to build on this.

Deepak Purswani: Okay. So this particular company is into the project business, which we acquired, or it is a product company?

Prakash Agrawal: Project business, it is in the project business.

Deepak Purswani: And can you please share the investment in the financial performance of this company, for the last year or whatever the last.

Prakash Agrawal: The revenues were approximately 150 million rand, which is roughly 75 crores. And our investment is confidential, but was quite reasonable, good value we could extract.

Moderator: Thank you. Next question is from the line of Nikunj Doshi from Bay Capital. Please go ahead.

Nikunj Doshi: Just wanted to understand the margin profile that we have, because we have significant portion of revenue coming from projects, and yet our margins are very high we can say, so it’s comparable to other engineering companies. So what is helping us in margins so are the product margins significantly high that's helping us to achieve the overall margins. Can you just guide us on that?

Prakash Agrawal: Actually, we are quite differentiated in our product offering, we give solutions. So, we are not primarily an EPC company as such. We are in the low solution business, so we are always looking at retaining our margin. So we do projects where we can get our margin, and that's why we are not so revenue focused, that is one. We have always targeted businesses, we expect our business to be between 15% to 20% so when it is getting to 20% we start pushing revenues. And when it's getting 15% then we start looking at, how do we build the margin up again. So, that is, so we want to be there, and we have a lot of different high value products like for example, in the projects we did these pump turbines for these river linking projects, which are very high margin because they are very mission critical pumps. Similarly, in water projects, we try to do EPC, where we can do engineering. So by using sound engineering and good our expertise there we can add value and get money.

Nikunj Doshi: Got it. So can we assume it, as you mentioned this 15% to 20% is the range that we have to look for?

Prakash Agrawal: That is our mandate, or say what we aim at, and any business we want to do, we want to stay in that, we don't want to do commoditized businesses.

Nikunj Doshi: And just one more, just to understand the business better. We have shown presence across so many countries and geographies. So how do we manage our businesses, what is the organization structure that we have to take care of this execution, project execution and the sales management?

Prakash Agrawal: We are very fortunate that we have a these businesses that we buy and try to add value to, they are all very strong brands number one, so they have a basic business and a team. So they are all existing for more than 30, 40, 50 years. So it's well intensive markets and well intensive teams. So we basically work on the Board of Directors, and we let the operations, to the team itself. And secondly, then we focus ourselves on synergy. So by using synergy between ourselves, like we have lot of R&D resources, or management resources, supply chain resources, which we can add further value and we can improve that operation.

Moderator: Thank you. Next question is from the line of Neerav Seth from Emkay Global. Please go ahead.

Neerav Seth: Two quick questions. You always talked about trying to pace up your execution capacity and that the order book should move in tandem with that. Are there any critical bottlenecks you see in trying to speed up your execution levels further because the opportunity ahead is immense, that's my number one question.

Prakash Agrawal: So, no, absolutely not we are very happy that we have done it. It was a good ramp up, and we are confident of further enhancing this going forward. So no challenge there now.

Neerav Seth: Okay. The second question is, if you look at some of your competitors, they are into probably slightly low value added stuff like solar pumps and all, but there is also big addressable market and they have been able to create some value opportunity over there. Is that a market that you have shunned out of choice because it is low margin, just trying to gather your thoughts over here.

Prakash Agrawal: Actually, first of all we have been in this business for a very long time, and we have all these companies which are there with sustainable business models. Firstly, we actually explored the option of solar and felt that it not commensurate with us. One, because the solar pumping system, it's a system and the buyouts are very high, so the pump component is quite small in that and secondly, it's quite a commoditized product.

Neerav Seth: Got it. Third, final question we are sitting on substantial cash, and historically we deployed capital very effective in acquisitions. Are we getting close to getting our door through in US, which is the biggest market, our valuations have challenge, something like that, where are we on that?

Prakash Agrawal: So, the South Africa was our first step. We have been aggressively exploring this. Yes, in we missed out a couple of opportunities because of valuation. However, we have a very big pipeline up ahead and very confident of keeping this run rate going.

Neerav Seth: Excellent, thank you. Just one more question to Mr. Ganeriwala. Sir, this negative operating cash flow that you are seeing right now, I assuming is transient just billing differences in receivables?

KK Ganeriwala: Yes, this is because of receivables.

Moderator: Thank you. Next question is from the line of Namish Gupta from NGC. Please go ahead.

Namish Gupta: I have some two, three questions. My first question is, what is our competitive advantage, or any entry barriers or any niche in the businesses that we operate in, and another question is, currently what is our total addressable market as of now?

Prakash Agrawal: Firstly, we have very strong brands and business models. So our technology, our market presence, the brand recall, these are what positions us as a very strong player in the markets. Secondly, we have a very big entry barrier in this segment in which we operate, and that's what we want to operate in, so that, we can add value which others cannot. The entry barriers, people all our projects or plants or equipment are for lifetimes of about 20 to 50 years. So when someone buys a product for 20 to 50 years, they need assurance that this guy has supplied it earlier and it is working. And, what's the track record like, so that is the biggest entry barrier to this in our sector. Second, the addressable market is very large, because the global pump business is roughly about close to 70 billion, and India is quite a small segment in that. So our aim was to try to address the global pump market. So we try to go in different product ranges, and wherever we see opportunities is one and secondly, the project business in India and Africa is another very big business segment. For example, the tender system in the water sector is roughly somewhere between 1 lakh to 2 lakh crores a year in India. Then the business composed of large players, large, medium, small, and we are slowly moving into the medium to large player in this segment.

Namish Gupta: Okay. And, so one more question I would like to ask, who are our competitors in Indian markets in big players?

Prakash Agrawal: We don't have a one-to-one competitor, because we operate in different segments so in projects, as you know the big players are L&T, NCC, Kalpataru they are all operating very strong players in the water segment and in the pumps segment we are competing with Kirloskar in some of the engineered products, and different companies and different products. So we have a wide range of products, and we are focused on the engineered range. And we have different competitors there, some of the players are global. So it's different, different players in different segments, and that's why we have diversified into it's one business, but diversified over a lot of different segments.

Moderator: Thank you. Next question is from the line of Samir Palod from AUM. Please go ahead.

Samir Palod: Prakash one question, you had an international subsidiary which was divested last year at around 600 crores, which had the nuclear pumping technology, from what we are reading, that is going to be a very, very large opportunity internationally, as well as possibly in India as well. So any thoughts on, how do you stay relevant in addressing that market or is that a market not for you?

Prakash Agrawal: We have decided the market is not for us. One is that, nuclear is a very long life cycle, the projects take a long time to come through. These programs are ever shifting and the opportunity is not that large, because you have to take the timeframe. A nuclear plant takes about 15 years to set up. So very long tenure. So you get one contract which is executed, and then you are setting it up. And then you would get aftermarket business which is for the next 30, 40, years. So we decided that, the resources this valuation we could get is better used in other areas.

Samir Palod: Right. And sir my second question, last question is on the industrial segment, the product segment in India, if you can just elaborate a few examples of what are the kinds of solutions that you are providing, let's say for a very large industrial customer, et cetera just to give us a sense of what the opportunity is. We are aware of the sort of government Jal Mission and all of those kinds of projects, but on the product side, where you are customizing products for industrial applications, if you could just throw some light on that?

Prakash Agrawal: So in industrial products, most of these plants, any industrial plant has a cooling water system, because any operation, whether heat generated needs to be cooled, then you need to take the water from the reservoir, it's an intake water. Then that entire water is stored and pumped throughout the plant. So you have cooling towers, say, for example a steel plant, they will have to cool the blast furnace, they will have to cool the rolling mills. So they would run cooling circuits, and all those circuits are moved by pumps. So that is one, for example and now in power plants, we are very big because, the steam is what we are using. So you are pumping a huge amount of water through the boiler turbines, and then through the cooling towers cooling it down. So to keep the circuit moving so you take water from the source and then you put it in the system, and you keep circulating it, so that circulating water system is primarily the area and which is in every industry.

Samir Palod: Right. So, but you mentioned that a lot of you are competitors, they are all EPC companies in this segment, L&T and Kalpataru. So where are they buying the product from?

Prakash Agrawal: First of all, so you said industrial segment is bought directly by the sale or TISCO and Reliance, et cetera. But in the EPC segment now you have a water segment where we do projects. So in water, yes our L&T would be buying from us, or L&T is buying from us, Kalpataru is buying from us and so on and so forth. So we would supply to all the contractors also the pumps that is in water, again, in irrigation we would supply the pumps to them, in sewage we would supply the pumps, in drainage we would supply the pump.

Samir Palod: So in just supplying the pumps who is your larger competitor, not the EPC ones. Guys you compete with for supply of the pumps, who would the EPC contractors go to other than you?

Prakash Agrawal: As I mentioned, so for water in our water projects, irrigation projects, mostly it's Kirloskar, in sewage and drainage it's different players. In Navy, it's different players where we have so defense, is a big area for us.

Moderator: Thank you. Next question is from the line of Balu from Parami Financial Service. Please go ahead. As there is no response from the current questioner, we will move to the next question from the line of Vinay Nadkarni from Hathaway Investments Private Limited. Please go ahead.

Vinay Nadkarni: Prakash just wanted to check out growth in this particular quarter. Was it something to do with the first quarter being the election quarter in which was not many government orders came about and all those got bunched in the second quarter?

Prakash Agrawal: No, it's the fact that, the order book has been growing, and obviously the execution comes with a lag. So the order book grew first with the business opportunities, and then the execution has started developing from there.

Vinay Nadkarni: And this on, the South African acquisition, roughly what kind of addition to the top line would you estimate that in FY26?

Prakash Agrawal: The business as I mentioned, had revenues of roughly 150 million rand which is 75 crores. So, we will hope beyond that, we would look to be hoping that we can grow that.

Vinay Nadkarni: Okay. And the margins are similar to Indian margins, or better than that?

Prakash Agrawal: No, we will have to improve that, so that's where we want to add value to.

Vinay Nadkarni: Okay. You can share the current margin?

Prakash Agrawal: It's lower than our Indian margins, so we think we can add value there.

Moderator: Thank you. Next question is from the line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: So sir, I wanted to understand the end user, if you could just give a breakup of your project order book in terms of say how much is to towards let's say power, and how much is towards, let's say water, and water also if you could specifically break down, let's say how much is for sewage, how much is for water supply, and then irrigation is also a component of that. If you just can give me a breakup of this?

Prakash Agrawal: So, over the last three, four years the water segment was dominated by this Jal Jeevan Mission of the government and post that we see the buildup in AMRUT scheme, which is the urban water. So we have rural water under Jal Jeevan and urban water under AMRUT. So these two were major constituents in order book. And prior to that, we had a large number of irrigation jobs. So now that we see a shift back to irrigation, because we have got a good amount of traction in water in the country, building up a lot of capacity. So, it keeps fluctuating, but primarily between water and irrigation, is where our project division works. Our pumps work across all sectors.

Tej Patel: Is there any major end user segment in, let's say your pump also from which you are deriving majority of revenue from, because you give your pumps for Navy also, and then you give your pumps for irrigation also, and then for sewage plants also, so I am just trying to understand where does your majority of the revenues come from?

Prakash Agrawal: It's very balanced there. We had a big crush, because if there are large number of water projects awarded in the last two years, we had a large segment of water pumps requirement. Now we see that shift going to irrigation, then we will have a large number of irrigation pumps, industrial, power, et cetera, Navy, a Navy is a big growth area which has given by the government so we see a good growth there. So it's quite balanced for us over a period of time. So, if you take a five year cycle is quite balanced proportion.

Tej Patel: Got it. And sir what would be our current bank guarantee limits and how much of it would be utilized as of now?

Prakash Agrawal: I am sorry I don't have that here, but it's commiserated with our business. No challenge there.

Tej Patel: What was I trying to understand is, how much order can we take more given our utilization?

Prakash Agrawal: The orders very frankly in the project business, have a time frame of about two years. So if you get that two year time frame for an order so, it has to be, we rather to have an order book of about two and half times our revenue. So, if our revenue was about 800 crores previously, so we were pushing up our revenues so that we can enhance the order book we have to keep that balance. Otherwise you will have unexecuted orders which are very painful for the company.

Moderator: Thank you. Next question is from the line of Siddharth from Jefferies. Please go ahead.

Siddharth: One more question from my end. So since we are sitting on huge pile of cash, so, did you narrow down on any potential acquisition targets, I know as we wanted to get a foothold in North America. Just wanted to understand, so what's the game plan here?

Prakash Agrawal: Yes, exactly. So we have a long list of targets, and we are actively pursuing them. And yes, you are right. One of the major addressable markets for us is the US. And, we want to deploy this cash well so we are also keen, the market is now more favorable. The valuations are becoming reasonable, so we see good opportunity there now.

Siddharth: Alright, can we expect announcement soon sir?

Prakash Agrawal: I hope so. So the South African one was a good start, and we will build up on this in the second half.

Moderator: Thank you. Next question is from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: So, I just want to know the guidance of FY25?

Prakash Agrawal: We have seen good growth, as we have been mentioning with a good strong order book and very robust outlook across all our businesses. We see good growth in FY25.

Raman KV: Sir can I get some numbers with respect to it?

Prakash Agrawal: So, we don't like to give guidance, because there are quite a few moving parts, you have say for example, some projects shifting, some dispatcher shifting. So, we would avoid that.

Raman KV: And one small clarification, you said the 600 crores is under execution. And around 2700 crores is the order book with respect to the projects right?

Prakash Agrawal: Last year we had a revenue execution of about 800 crores. And present order book, as of today is 2730 in the projects.

Moderator: Thank you. Next question is from the line of Ankit from Alpha Capital. Please go ahead.

Ankit: As in project business you said second half is much better than first off. So that is understandable, but have you seen in pump side the same story, so can you please comment why?

Prakash Agrawal: Yes, you are absolutely right because the contractors also, the people we supply to like us they would also be buying more in the second half. And the governments also, they are pushing in the second half. So we see a lot of, the quicker short turnaround order is also coming in now. So overall, if you see our history, it's always been a build up from the first quarter onwards, the last quarter is the biggest normally.

Ankit: Got it sir. And sir on margin side you said 15% to 20% is generally the range. But I see, in this Q2 as well as last year Q2 we had around 21% margin, which tend to reduce going forward why is that sir and what should be our expectation?

Prakash Agrawal: Similarly, so it keeps fluctuating through the year, but we keep it in that area, we might have a good year, certain good projects went out, certain areas, regions performed well. So, it shifts the thing, but it's a mix of revenue. So when the revenues are increasing, the margin also I see moderates.

Moderator: Thank you. Next question is from the line of Saket Kapoor from Kapoor and Co. Please go ahead.

Saket Kapoor: Sir, I joined very late, so sorry for any repetition. Firstly, sir the government is very much keen on this river linking project. So in this scope of work, what can be the kind of requirement, or either in the project business or in the pump side, where we can be an active player?

Prakash Agrawal: We are one of the few people who have executed this size. We have done these large, 30 megawatt pump turbines for river linking in Telangana, and we successfully commissioned both the schemes last year. So we are well placed when the river linking projects take up.

Saket Kapoor: The **–1:30** project, that is what is been talked about. So you would be having better understanding on the same sir?

Prakash Agrawal: When we mentioned irrigation, a lot of these large irrigation projects are actually river linking. We are seeing some in Rajasthan already.

Saket Kapoor: So there is lot of trust, that is what our understanding?

Prakash Agrawal: As I mentioned to be very clear. This investment in water and irrigation and river leaking, sewage drainage is going to be there for a very long time.

Saket Kapoor: Sir, when we look at the order book mix which you have presented in the presentation. O&M part is around 529 crore and 2200 is the project size of it, that is the construction side of it. So what should be the executable period for the same and for international order book is totally about this pumps part, that is the product side. So, if you could just give a timeline on the executable period for both the segments?

Prakash Agrawal: Both the segments, just the product segment. We normally look at a lead time of anywhere between four to eight months, depending on the product and in the projects we are looking at, a rough idea is two years execution. So, some projects get delayed, postponed because of some design issues, some land issue. So, you can take it two and a half years, is what we are aiming, and we would like an order book to be round about two and a half times of our revenue, execution capability.

Moderator: Thank you. Next question is from the line of Vineeth Lambu from HSBC Asset Management. Please go ahead.

Vineeth Lambu: So, I have a question regarding the project's business. So right now, 2700 crores, whatever the order book is there out of this, what could be the exposure to Jal nigam, or this missions of government projects, if I can know?

Management: Close to 60% would be right now. Jal Jeevan, and just to qualify that we had the O&M business also in the project business, which will continue for a long time, so we will be having a significant presence in the Jal Jeevan, the O&Ms are about 15 years, 10 to 15 years.

Vineeth Lambu: And any order book trends in this first half, like have won any order?

Management: Small orders which are, I don't want to the present projects, but no major project, because the tenders were not there or very few?

Vineeth Lambu: Okay. And just last one question, so what is the win rate of our projects, which we bid and any pipeline which is visible from different governments and in which states you are present in, so that would be helpful, because there is lot towards government projects. So that's why I want to know, in which states you are present in and which states you are focusing in?

Management: So water and irrigation are both state subjects. So yes, we are working with the states. Now it will depend on where the investments come, right now there is a sort of a lull period going on, and we expect major thrust in the second half. So, we will be able to talk more about the bid pipeline and prospects in the next meetings.

Vineeth Lambu: Like which states you are present in, if you can?

Management: Right now we are present in, we are working in more or less all the states. Majorly we were working in Madhya Pradesh and West Bengal, and we are working in Telangana, we are working in Gujarat, we are working in Maharashtra so quite a spread out in the big states.

Moderator: Thank you. Next question is from the line of Deepak Purswani from Swan Investments. Please go ahead.

Deepak Purswani: Sir, just continuing on the international market, if you could throw some light in the Australian market, especially for the Sterling Pumps and United Pumps, how do we see the underlying environment at the current geniture and how should we see the opportunities here?

Management: So the Australian market both companies are doing exceedingly well. And, the growth prospects are very large there. The new acquisition we did of United Pumps has really been successful. And, we are ramping up our execution there also, because after buying this business, we got a large amount of orders and that execution is now coming through. So second half of this year, and going forward we should see jump there. We have already seen it in South Africa now we expect it in Australia.

Deepak Purswani: Okay. So sir in the investor presentation we have mentioned, out of the total international order book of 534 Australian market is 21% which is order book of 112 crore. And if I were to look into the previous quarter in the same time, it used to be 136 or 156 crore. So just wanted to check, am I missing something or how should we look into the order inflow opportunity in the Australia market?

Management: We are at a good size, what we are mentioning say about 20 to 25 million Australian dollar size. We have to deliver, and then we can ramp up so the opportunities exist. We are one of the strongest players in the oil and gas sector in Australia, huge amount of gas investments, LNG terminals are being put up there. So we are the preferred supplier there. So, execution is there also an area we are focusing on now, the order book is right there for us.

Moderator: Thank you. Next question is from the line of Jainish Shah an Individual Investor. Please go ahead.

Jainish Shah: So, I just have a couple of questions one, on the margins and the pump segment, it is all being now at 25% on the EBIT level which is visible in the numbers. Just wanted to understand, is there a product mix which has played a part here in boosting the margins here, or it is more like a secular trend where structurally the margin in the business is changing. That is one question and second, as you are looking out for acquisition opportunities, what are the guardrails earmarked when it comes to the target companies, is it in the form of the capabilities which you want to build and also on the financial matrix, what kind of payback measures or the IRR you are looking at in such kind of an opportunity, you can just give some better understanding that will be helpful. Thank you, sir.

Management: Two things. One is, the product margins in across our businesses, as we have mentioned are strong and stable. So it's not that it is fluctuating based on a trend. Yes, sometimes we feel a bit of pressure because of commodity prices. Right now commodity prices are stable and have corrected from their highs. So, that's a positive tailwind there, but otherwise we are very mission critical products and lot of aftermarket there, so close to the customer. And, this is the sort of margin range we operate in. And the second thing is, we are looking at enhancing businesses in the same products we are in, and we want to expand into different geographies and further strengthen our operation. So, if you see we bought one business in Italy, and we merged it with our Italian business. So that strengthened it, same we did in Australia now the same thing we are doing in South Africa. In India, we bought Modi Pumps and we merged it into our business. So this is a trend, we keep building on these competencies very focused. It's not just acquisition for acquisition sake, where we can add value. So basically, more driven by synergy and yes, we pay, we are looking for businesses at a very good value we don't want to overpay. We are looking at a payback of four years.

Jainish Shah: Okay. So, four years of payback which you are looking at in the investments, which you are going to be?

Management: We hope we can get it at that.

Moderator: Thank you. Next question is from the line of Namish Gupta from NGC. Please proceed.

Namish Gupta: Yes, sir I just want to know in, some segments, what is our market share currently?

Management: Our market share, the market is very, very big, as I just mentioned that, we are trying to be a international player, or a global player and operating in global markets. The global pump market is about 70 billion. So, even 1% is 700 million, which is about 6000 crores, so very far away for us. And we try to use the size of the global market and the range of the global market that is one of the size of different geographies, and second is the different market segments. Like, for example, you have positive displacement pumps, centrifugal pumps, then various sub segments within that. So we try to gain as many segments as we can so that we can gain revenues. We are looking at an overall market share, not in a country, say for example in India we are operating in say power plant pumps, and then we are operating in sewage pumps. So we have different, different market shares in each products. We would be in the top four in every segment we work in.

Namish Gupta: Okay. So, we are like you said in some of the pumping solutions, our main competitor is Kirloskar so, can you just guide me what kind of market share we enjoy at least in India region?

Management: As I said, we are in top four in all segments. That is our aim, we are in top four in all our segments, in India and globally, wherever we operate, we are in the top four, but the percentage varies from time to time.

Moderator: Thank you. Next question is from the line of Ravi Anand, an Individual Investor. Please go ahead.

Ravi Anand: My first question is, how many projects are nearing completion in Q3 of 25?

Management: In the second half of the year, we are looking at about four to five projects for commissioning?

Ravi Anand: Right. And second question is, what is the status of the onboard pumps for the Indian navy?

Management: They are progressing very well, and we look forward to getting bulk orders from next year, that means next calendar year.

Moderator: Thank you. Next question is from the line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: My question have been called by the previous participants. Thank you.

Moderator: Thank you. Next question is from the line of Aditya from Sovilio Investments Managers. Please go ahead.

Aditya: So, I have couple of questions one is that, I just want to know that these projects which are awarded by the state government, are they fully funded by the state government, or is it like partial state and central or do you also have like multilateral agencies which are part of the funding. So, with that follow on would be like, does that impact your collection in terms of revenues like this events like elections, do these things impact your revenue collections?

Management: One, is you are looking at a mix of funding the Jal Jeevan Mission was a special scheme where the center and state were co-partnering there center supported the states, but otherwise, mostly the water is a state subject, state uses its own funds and sometimes reaches out to, so we have some, like we are doing a West Bengal project in Purulia, which is ADP funded at the same time, we are doing a Purulia project, which is Jal Jeevan Mission project. So it's a mix of funding agencies. Secondly, yes as you have seen in the last six months, funding has been affected first the election and then the state election.

Aditya: Okay. So that means that there is a chance for delay, but there's no chance for default, right?

Management: Yes, that is very correct statement you have made.

Aditya: Fine. And then this previous participant did ask this, but I want little more clarity, especially in terms of the states in India. Can you just you mentioned Madhya Pradesh, West Bengal, Telangana, Gujarat, Maharashtra. Is this the in order of revenue that is mentioned because, I just want to know that in order…..

Management: I just want to clarify that, the Jal Jeevan Mission when we got involved, we focused on the states which had maximum schemes to be implemented. For example, Goa was 100% already all Jal Jeevan Mission projects are already done. Same in Telangana, so Madhya Pradesh, West Bengal and UP were the state where there were large number of projects in the pipeline. That's why we focused on that. So similarly in irrigation, you will see, like Maharashtra is a big area, lot of irrigation schemes are there. Rajasthan has taken up a large number of river linking project schemes. So you have to go by the opportunities?

Aditya: Okay. In your current list, which state rank high, the order of revenue by state. Do you have that handy?

Management: Very frankly, we are now looking at the next set of work which is coming up. The old jobs are quite advanced, so it will shift the matrix. That's why this the history is not a precursor to the future, for example Madhya Pradesh, most of the Jal Jeevan Schemes have been awarded already.

Moderator: Thank you. Next follow up question is from the line of Vineeth Lambu from HSBC Asset Management. Please go ahead.

Vineeth Lambu: So, I have a similar question on the project revenue. So last year, the project revenue was like skewed, 65% execution was in second half and 35% was in first half. So this would be similarly in the range in this year also, like the execution would be similarly skewed?

Management: It will be skewed, because, as I mentioned that the post monsoon season is the real work season for us, we are looking at good growth in the six months. The percentages might change, but yes it will be skewed.

Moderator: Thank you. Next follow up question is from the line of Deepak Purswani from Swan Investments. Please go ahead.

Deepak Purswani: Sir just wanted to check it out on the cash flows. Since this time we have a negative operating cash flow. If I were to look into the broader item, there are the two broader items, apart from the trade payables, that is contractual assets, which has increased this time in the balance sheet and contracts liability which is declined this time. So contract asset is grown at 82 crore odd. So if you can give some sense what exactly these items are, and how should we look into going ahead in terms of the cash flow?

Management: So one is receivables we should see that improving. There was a sluggishness due to elections and spillover from that. We already seeing a bit of easing there, and we see it further improving as the months go by. Next couple of months, that is one. Secondly, as you execute the billing schedules are such that you have a significant amount for commissioning. So as more projects are commissioned, the assets will go down and the liabilities will increase.

Moderator: Thank you. Next follow up question is from the line of Vinay Nadkarni from Hathaway Investments Private Limited. Please go ahead.

Vinay Nadkarni: Yes, Prakash just one quick question on the margins, when I see this current quarter, both for international as well as domestic, they have jumped up, especially if I see I am talking year-on-year for international the jump from 16.5 to almost 25.5 any particular thing where we have made this growth, is it more in value or price increases or what exactly is it?

Management: The one point I see as a trend is that, we had always mentioned that we wanted to bring our product ratio up. That means our project revenues had moved disproportionately to our product, our product revenues have started going up, and we see this positively influencing margins going forward.

Vinay Nadkarni: Okay. And in domestic also?

Management: This is primarily domestic. In the domestic segment, we have projects and products. So as the ratio increases of products, we will find margins improving.

Vinay Nadkarni: And in international jump?

Management: Intentional is pretty stable, no significant reason for the third quarter, it could be a quarter-on-quarter change.

Moderator: Thank you. The next follow up question is from the line of Saket Kapoor from Kapoor and Co. Please go ahead.

Saket Kapoor: Sir when we look at our cash flow and then simultaneously on the balance sheet part, we have long term borrowing which we have drawn closer to 100 crores. So if you could explain to us the nature of the same and then the terms and the purpose of this long term borrowing and cost of fund?

Management: It's for working capital only, no other specific purpose. We face some as I mentioned that the fund flow receivables went up because of the fund flow from the government was slow. So we took this just to give ourselves some headroom there we took this long term loan. But as things ease out now we will maybe pre pay it if required.

Saket Kapoor: Okay. Since they are clubbed under the non-current liberty, I thought that it is for a longer tenure?

Management: So we took a precautionary thing that in case this drag down this crisis fund issue.

Saket Kapoor: Correct. And sir I missed your opening remarks, have you mentioned about the cost of acquisition for our South African?

Management: I mentioned, it's confidential and quite small, relative to the business we have bought its quite small.

Saket Kapoor: Okay. So any strategic part we are playing in terms of this small acquisition. Where do this company fits in the realm of things that that attracted us. So as you are mentioning that the size of the company has grown, and then only 75 crore revenue has been done by them. So what took our attention, any technology, what was the reason for the buyers?

Management: So they ticked all the boxes. Number one, they work in the same clients as we do in South Africa. They are very strong, they have been there for nearly 40 years, very well established, very good team of people, which we have got with them, big asset and it's lot of synergies, they are in Johannesburg, very close to our team. They are known to our team, they have been working together in lots of projects as JVs. We have formed a JV with them in the past. So that is a plus and secondly, we are targeting, to build on the synergy. If we buy a company and we cannot add value to it, then we cannot improve payback, and returns from it. So we are always looking at companies where we can use the synergy.

Saket Kapoor: Sir you mentioned about that majority of the project for Madhya Pradesh, Jal Jeevan and other has been given and done. There were some reversal due to some project delays, or there were some regulatory issues, any update on the same. So, where are we in mids of that?

Management: We are in litigation right now, for that particular contract, but otherwise we have eight projects which we are running with Jal Nigam.

Saket Kapoor: No update on the same sir as of now?

Management: So, litigation is proceeding it will take time, please.

Moderator: Thank you. Next follow up question is from the line of Namish Gupta from NGC. Please go ahead.

Namish Gupta: I have two more questions, sir. This was also asked by a previous participants, but just would like to confirm, are we focusing more on products than on projects so that we want to take our share of product business more than project business, this is my first question. And my second question is, are we also in this segment of pump storage project?

Management: So, first question is that our project business had ramped up. So our ratio went off. That means we had gone down to 25:75 in domestic, we want to bring it back to 40:60 if we can. So both businesses need to grow. So that is the positive thrust we are doing, and the environment for the product business is also improving that is one. Yes, we have pumps for pump storage. Pump storage is also done by the pump turbines which we have commissioned in the river linking.

Moderator: Thank you. Next follow up question is from the line of Aditya from Sovilio Investments Managers. Please go ahead.

Aditya: I just want to know the breakup of the product business between domestic and international. Order book.

Management: Order book is about 540 crores in the international and domestic is 401 crores.

Aditya: And for the projects business what is the execution time?

Management: Roughly two years is tentatively, some delays, some approvals get delayed. So you can take two and a half years generally.

Aditya: Sure, sir. And just one last question, in this Kaleshwaram lift the KLIC project. So there, there were some newspaper articles which had come up on the viability and all that. So, I just wanted to understand, are we in any way affected because of that?

Management: No, we are not affected. Yes, we are affected that some, the financing for the project got disturbed. It was earlier financed by Power Finance Corporation apparently, there is some fund issue, so we are unable to get our last payments. But otherwise we are not affected. Our projects are well commissioned and doing very well.

Aditya: So how much is stuck over there?

Management: Not really stuck. It's a commissioning and the project closure process is on.

Aditya: Okay, what is the amount can you tell me?

Management: It's not available with me right now, because it will be have to be certified. So once the commissioning activity, one is the closing activities are started and then they will close it.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Mr. Prakash Agrawal from WPIL Limited for the closing comments.

Prakash Agrawal: Thank you all for participating in this earnings conference call. I hope we were able to answer your question satisfactorily, and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our investor relation managers at Valorem Advisors. Thank you, and Happy Diwali to you.

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