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Date : 17th May, 2025

To,
National Stock Exchange of India – Emerge Platform
Mumbai

Scrip Code : APRAMEYA ISIN : INE0LQG01010

Sub.: H2 & FY25 Earnings Call Audio Recording

Most Respectfully,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed a transcript of the earnings conference call for the quarter and year ended 31s March, 2025 which was held on Tuesday, 13th May, 2025. The same is also available on the website of the Company https://www.aelhealth.com/

This is to inform you that we have uploaded audio recording of the H2 and FY25 Earnings Call held on May 13, 2025, on our website: https://www.aelhealth.com/Earnings-Call-Audio-Recording.php

The conference call held on 13th May, 2025, as per the Transcript enclosed incorporates mainly the highlights of financial results upto 31st March, 2025, and other related information which is already in public domain and / or made available / uploaded on the Company's website

Kindly consider this in due compliance of all the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Kindly take note of the same and oblige.

Thanking You
For, Aprameya Engineering Limited

SAURABH KISHORBHAI BHATT
Digitally signed by SAURABH KISHORBHAI BHATT
Date: 2025.05.17 16:48:03 +05'30'

Managing Director
Saurabh Kishorbhai Bhatt
DIN : 03071549

"Aprameya Engineering Limited

H2 & FY '25 Earnings Conference Call"

May 13, 2025

MANAGEMENT: **MR. SAURABH BHATT – CHAIRMAN AND JOINT MANAGING DIRECTOR – APRAMEYA ENGINEERING LIMITED**
MR. CHETAN JOSHI – MANAGING DIRECTOR – APRAMEYA ENGINEERING LIMITED

MODERATOR: **MR. AKHILESH GANDHI – STELLAR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Aprameya Engineering Limited. H2 and FY '25 Earnings Conference Call. 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 star then zero on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar Investor Relations. Thank you and over to you.

Akhilesh Gandhi: Thank you. Good afternoon everyone. I, Akhilesh Gandhi, on behalf of Stellar Investor Relations, I welcome you all to Aprameya Engineering's H2 and FY '25 Earnings Conference Call. Today, we will be sharing the key operating and financial highlights for the second half and the full year ended on March 31, 2025.

We are pleased to have with us the management team of Aprameya Engineering with us today, Mr. Saurabhji Bhatt. He is the Chairman and the Joint Managing Director. With him, we also have Mr. Chetanji Joshi. He is the Managing Director. Before we begin, I would like to mention that this call may contain forward-looking statements which are based on company's current beliefs, opinions and expectations.

These statements are not a guarantee of future performance and are subject to risk and uncertainties and these are beyond company's control. The company undertakes no obligation to update any forward-looking statements to reflect events or developments that may occur after this call. The financial results and investor presentation have already been uploaded on the Stock Exchange and company's website for your reference.

With that, I now invite Mr. Chetanji to present his opening remarks on the company's performance for the second half and the full year ended on March 31, 2025. Following that, we will open the floor for Q&A session. Thank you and over to you, sir.

Chetan Joshi: Akhileshji, thank you. Good afternoon, everyone. It gives me immense pleasure to welcome you to Aprameya Engineering Limited's very first earning conference call. We got listed on the NSE Emerge in August 2024, which was a significant milestone in our company's journey. And I sincerely thank each one of you, our investors, analysts, partners for being part of it. Since this is our maiden call, some of you might be looking at the company for the first time.

Let me now spend some time to walk you through our business and explain what makes Aprameya unique. We founded in 2003 with a clear mission to strengthen India's healthcare infrastructure and make quality care more accessible. Over the past two decades, we have evolved from a medical equipment distributor to comprehensive turnkey healthcare solution provider.

Today, Aprameya delivers end-to-end services for setting up critical care units, modular operation theatres, prefabricated healthcare structures across India. Our operations are structured across three integrated business segments, out of which first healthcare infrastructure projects, also called as turnkey projects, and which is also called in some of the aspects EPC contracting.

This is the largest and most critical part of our business, contributing nearly 90% of our revenue in FY '25.

Under this segment, we design, execute, and maintain critical care facilities such as ICUs, NICUs, PICUs, modular operation theatres, dialysis centers, and prefabricated hospital wards. We handle everything from initial architectural design to the procurement of material and medical equipment to final installation, testing, and handover. And we don't stop there.

We also take care of long-term maintenance and upgrades. Since 2020, we have installed over 2,000 critical care beds, delivered 180+ dialysis centers, and completed projects worth INR 300 crores, including large-scale medical sector contracts in Rajasthan, Gujarat, Delhi, and Maharashtra.

This integrated approach allows our clients, whether it's a government medical college or a private multispeciality hospital, to work with a single trusted partner for the entire project. And that's a big advantage when timelines and budgets are tight. This is our first segment.

Our second segment is medical equipment solution. This part of the business focuses on supplying high-quality medical equipment for ICUs, diagnostic labs, and surgical centers. We are proud to be an authorized partner of leading global brands like Johnson & Johnson Private Limited, Schiller Healthcare Limited, Philips India Limited, Alan Electronic Systems Private Limited, and ResMed Healthcare Limited.

Through this segment, we offer not just supply, but complete equipment planning, installation, testing, training, and ongoing support. Our portfolio includes equipment for cardiology, nephrology, radiology, anesthesiology, and even home care. This segment contributes around 8% to our revenue last year.

And more important, it helps us maintain strong relationships with hospitals and doctors while broadening our brand presence. So, this was our second segment. Third segment, services and CAMCs. So, this segment provides ongoing maintenance and technical support through comprehensive maintenance contracts.

This covers preventive maintenance, repairs, calibration, software upgrades, and emergency assistance. Although it currently contributes around 2% of the revenue, we expect this segment to grow steadily as more of our completed project transition is into post-warranty phase.

All these three segments are connected by our core capability: delivering seamless turnkey solutions. Rather than managing multiple vendors, our clients rely on Aprameya as one-stop partner for infrastructure, equipment, and services. This capability has earned us the trust of major institutes ranging from AIMS and state-run medical colleges to large private hospitals in Gujarat, Rajasthan, Delhi, and Maharashtra.

In August 2024, we raised INR29.2 crores through our IPO, which is now being used to strengthen working capital and support expansion. Now, opportunities and growth that we are having. Before moving on to financials, I would like to highlight the scale of opportunity ahead.

India's healthcare structure or system continues to face a major infrastructure gap with only 1.3 hospital beds per thousand people, well below the global average of 2.9 per thousand people.

The government has significantly stepped-up investments, allocating INR98,000 crores in FY '25 alone, with a special focus on Tier 2 and Tier 3 cities. Meanwhile, India's medical equipment industry is experiencing unprecedented growth. The market was valued at $11 billion in 2022, and is projected to grow to $50 billion by 2030.

This survey is driven by hospital expansion, insurance coverage and the rapid adoption of cutting-edge technologies like robotic surgeries, modular OTs, AI-driven diagnostics, and mobile imaging units. Aprameya is well-positioned to capitalize on this demand. With deep OEM partnerships, strong SITC capabilities, and a proven execution model, we serve as a comprehensive value-driven partner to healthcare providers.

What further sets us apart is our focus on integrated and innovative solutions, including mobile stroke units, robotic surgery platforms, mobile CT scanners, and smart modular ICUs and OTs, all these on a turnkey basis that are tailored to the evolving needs of India's healthcare system. We are also expanding our geographic footprint. From a strong presence in Rajasthan, Gujarat, Delhi, and Maharashtra, we are now entering the states like Bihar, Uttarakhand, Assam, Chhattisgarh, Daman and Sikkim - markets that are witnessing rising demands for quality healthcare infrastructure.

With a healthy INR60 crores order book executable within five to six months, we are well-positioned for scalable and sustainable growth. Now, about financial performance. Now, coming to our financial performance for FY '25, revenue grew by 108% year-on-year to INR136 crores, driven by a greater share of high-margin turnkey projects, which made up 92% of revenue compared to 72% in FY '24, along with the services and CAMC contributions.

EBITDA increased to 267% year-on-year to INR 25 crores, with margins improving 795 basis points to 18%. Same way, PAT rose to 364% year-on-year to INR 16 crores, with PAT margin improving from 653 basis points to 12%. ROE and ROCE stood at 37% and 26% respectively. These numbers reflect the strength of our execution, the scalability of our model and disciplined approach to managing costs and capital.

With that, we now open the floor to our questions. Thank you so much.

Moderator: Thank you very much. We will take our first question from the line of Nupur from Aarth AIF. Please go ahead.

Nupur: Okay. Firstly, I would like to congratulate the management of the company for this wonderful growth. So, my first question is with respect to the geographical expansion that company is planning. So, what are the challenges and timelines for expansion into states like Bihar, Assam, Sikkim, Uttarakhand? We know the opportunities we have, but would like to understand about the challenges and timelines as well.

Chetan Joshi: Thank you, Nupur. Thanks for your understanding for the business. Basically, your question is very much relevant. As these all states you must be knowing, these are underdeveloped as compared to the states like Maharashtra, Gujarat, Tamil Nadu, Hyderabad, like Andhra. All these states come in developed category, and the states we are talking about or you are asking about are somewhat underdeveloped.

So, now what government is planning, the government needs to raise the health care infrastructure bar. For that, what they are doing now, this turnkey model has been well accepted by many of the governments, and all these states have also accepted this turnkey model. So, now what they are doing, whatever the medical college they are building in their state, like you must be knowing one policy has been approved by Shri PM Modi sir, that every district should have one medical college.

So, that policy already has been implemented, and all the states they are working. If you consider Bihar, Chhattisgarh, Sikkim, they all are developing one medical college at every district. So, in that infrastructure, what they are doing, they are constructing the building, and after the construction is completed, they are going to float one complete turnkey project, a tender, that will include all the equipment that is required for that medical college.

Usually, a medical college will have 22 departments. So, for all the 22 departments, they are going to combine all the equipment and float one specific tender, and in that tender, there will be an entry barrier. That tender value may be around INR60, INR70, INR80 crores, and in that entry barrier will be there, but you need to have at least 80% work as a past performance you have done. So, only those bidders can participate in those tenders.

So, we are very well-placed in that aspect. So, we are very hopeful that in coming, this running year, we are going to enter in those markets successfully. Hope I can explain you in a better way.

Nupur: Yes, definitely. One more thing that I would like to understand. Since last three years, if I consider the financials of March '23, '24, and '25 also, we are generating negative cash flow from operations. So, what timeline we can expect positive cash flows from our operations?

Chetan Joshi: Yes. Thank you, Nupur, for your question. Actually, if you have gone through the details, I don't know, but you need to understand the business model, what we are doing. We are mainly dependent on government schemes and government business. Our 90% revenue comes from government. So, you better understand, because the government is having certain roadmap for the year.

Usually, all the budgeting sessions will happen in the month of March for the coming year. Like this year, they have done the budgeting in March only. So, now, the budgeting is going to release for this current financial year in coming June, July, August. So, usually, what happens, they start floating tenders in those months, and gradually, they get all the money, and accordingly, they will release.

So, if you see our business model, in '22, '23, you must be seeing that cash flow is a big problem. But last financial year, if you see, our debtor cycle was around eight months, and that we have gradually reduced it to six months. Because what has happened, some of the projects, they are lying for 325 days, but that is not the case, because all the debtors are for that many days. So, gradually, we have reduced that debtor cycle. So, that has increased our cash flow compared to last two financial years.

The previous year was better in cash flow, and that we are improving. We are going to reduce this debtor cycle in coming days. So, we are in process to reduce it to four to five months. So, that will again add on the cash flow to the company.

Nupur: Okay. The only concern that I was having was that because of the negative cash flows, it becomes difficult for the company to manage its working capital. You need more and more of working capital, although the money that you raised in your IPO was basically for the working capital requirement only.

So, to some extent, that money really helped you in scaling up your business and everything. But as you said that you are working on that thing to help you in managing your working capital cycle. So, yes, okay. So, one thing that I read in the pitch deck was that, in Gujarat, you secured a PIU order to build 30 modular OTs across medical colleges in Surat, Valsad, etc. So, just want to have an understanding that what is the minimum order book, I mean to say what is the cost or what is the value of building one modular OT?

Chetan Joshi: Yes. So, I'd like to explain first the agency which we are talking about is PIU. It is Project Implementation Unit. That is the wing that has been developed by Gujarat government to strengthen the healthcare infrastructure. It is the agency which is connected to the R&D department, road and building development department. It is part of that department. But this department is specially made for healthcare strengthening.

So, now what Gujarat government is doing, they are having a good infrastructure like modular OTs and everything. But that has not been maintained for last 10 years. So, those OTs are in very worst condition. So, what the government has decided last year that they have floated one maintenance tender. In that maintenance tender, it was a turnkey maintenance tender and they have selected vendor.

They have empaneled vendor out of which, we are the one, we got the empanelment in that agency. So, they have divided some of the institutes and they have given the maintenance contract with renovation of all those modular OTs. So, that order we got for PIU Gujarat. It is not everything new we are not constructing in that order. So, if you roughly calculate the per OT maintenance cost or the upgradation cost, it will be around INR15 lakhs to INR20 lakhs depending on the OT infrastructure or what position they are having. That will depend in hospital to hospital.

They have decided bottom prices for all the items. Now, whatever things we are going to upgrade, we are going to pay for it. So, that way that is the contract. And in coming days, PIU is again going to float new tenders for all the new modular OTs. So, that is again an additional opportunity.

Moderator: Nupur, I request you to join back the queue please as we have other participants waiting for their turn. Thank you.

Nupur: Yes, I can just share.

Moderator: Thank you, Nupur. Kindly join the queue. Thank you. We'll take our next question from the line of Riddhi Agarwal, an individual investor. Please go ahead.

Riddhi Agarwal: Congratulations. First of all, congratulations to the management for good numbers. My first question is out of INR136 crores of revenue posted, around INR120 crores are debtors. Almost 87% of the total revenue is not collected. So, how are you planning to collect them and by when we can see that?

Chetan Joshi: Yes. Hi, Riddhi. Thanks for your question. Actually, I'll connect the same when what Nupur was asking. Actually, if you see a debtor list that we'll share, I don't have currently with me. So, if you see a debtor list, all debtors are not from the April to 2024. So, if those are from April 2024, then it has to call almost one year to get the debtors.

But if you see our majority business that has started from November, December. So, our major debtors are from January, February, and March so it is almost three months. And any government or any government organization, minimum three to four months is their payment cycle that you must acknowledge with me.

So, if you go through our debtor list, some of the debtors, those are very less debtors. Those are carry forwarded from May, June. And the value is very low. But the major debtors like INR120 crores, we are telling. So, that is from January, February, and March.

So, now, in this year, or this month, or maybe in the consecutive month, we'll get all those debtors paid. So, it is not debtors for last 1 year. So, that is misinterpreted because in balance sheet, I cannot show the thing in a different way. This is the only way. Interpretation is very important in this case.

So and that we are working to reduce our debtors by -- we have reduced from 8 months to 6 months. Now, we are further working on it. So, how we can reduce it to 4 to 5 months. So, that we are working already. Hope I can answer your question, or I can relate what you want to understand.

Riddhi Agarwal: Okay. So, basically, sir, what we can conclude is the tenders we get, for example, in Q1, the tenders we get, you are trying to collect those tenders by next quarter, Q2.

Chetan Joshi: Yes. No, not exactly quarter, but maybe 5 months, 4 to 5 months.

Riddhi Agarwal: 5 months. Okay. Thank you. So, my next question is, can you please tell us your current order book and what you are expecting for next two years, FY '26 and '27? Any quantitative number for your order book?

Chetan Joshi: Yes. Thank you. I'll answer that. Currently, we are having our order book of around INR60 crores, and that is to be executed within, I think, 5 to 6 months, we are going to finish that everything, whatever the order book we are having. And there are so many opportunities we are having in hand in coming days because this sector is growing very fast. So, if you can see the overall sector growth as CAGR, it is 22% for last decade. And this year, it has gone down. This last year, it was around 15%. So, we are getting very good opportunities in so many states.

Previously, we were only dependent on some of the states. Now, we are having a horizon of so many states. So, in coming days, whatever the CAGR that industry is doing, so we are aspiring to go very fast as compared to that growth. Maybe it will be very loud to say, but last year, we would like to do the same thing.

Riddhi Agarwal: But any number like from INR60 crores current, can we expect 20% growth in order book or..

Chetan Joshi: I cannot go with the numbers, but I can give you the assurance that we'll be doing a great job in this year also, because we are having so many opportunities and industry is going so fast and we are having entry barrier at very good level. So, all the players cannot intervene in those markets or in those tenders. So, we are very hopeful that we can secure good orders in coming days. Absolute number I cannot have at this moment. Sorry.

Riddhi Agarwal: No issue, sir. No issue, sir. Thank you. I will join in the queue back. Thank you, sir.

Chetan Joshi: Yes, yes. Thank you.

Moderator: Thank you. We'll take our next question from the line of Devender Wadhwa from Value Prolific Investment Advisory. Please go ahead with your question.

Devender Wadhwa: Hello, sir. I wanted to ask that basically already told, what transition you have made in your business in the last year that your revenue growth is more than 100% and if this will continue for next 2, 3 years or this will be stagnant after this period?

Management: Yes. Devender, thank you for your question. So, I'd like to explain some basic things about what business we have been doing for last 1 year. We have innovated ourselves. Basically, turnkey projects what I told you in my presentation like ICUs, intensive care units, and neonatal care units, pediatric care units, that was a routine business with complete equipment solution that we were doing. That still we are doing.

But what we have introduced now, we have come up with some proprietary solutions for super specialty hospitals. Like if you consider cardiology. So, we have come up with EP lab system that is electrophysiology lab on turnkey basis that will give complete end to end solution to a cardiologist.

If some cardiologist is dealing with angiography, angioplasty, he must be facing some of the patients who are having arrhythmia problems. Arrhythmia means their heart beats are missing, beats are not coming properly. In that case, angiography and angioplasty doesn't work. They need to put pacemaker to treat those patients. So, what doctors are now doing, they are using this EP lab system wherever we have installed. And they are diagnosing this arrhythmia and they are curing that arrhythmia with ablation technique that we are providing inbuilt.

So, all the patient doesn't require this pacemaker and pacemaker is very costly that is around INR25-INR30 lakhs cost of that pacemaker and everyone cannot afford and everyone is having that right to live.

So, they can have this EP lab diagnosis, EP lab treatment and they can live a healthy life, like heartbeat, their normal heartbeat can be achieved. So, this is one of the products that is proprietary in nature. So, this nobody is having in the world, the 3D CARTO System from Johnson & Johnson that we are dealing with. It is proprietary in nature.

So, last year, we got this opportunity and we have secured some of the orders for Maharashtra. With so many institutes, we have installed the same technology. Same way, we have come up with one other product that is mobile CT scan on turnkey basis. Now, what is mobile CT scan? You have heard of static CT scan where you can go and have your CT scan. So, in case of emergency, if the patient is in dire need of CT scan and if he is going to government center, their availability is an issue because they will be having queue and you need to come in queue and that patient may die if he is having certain emergency.

So, in that case, this CT will go to the patient. It is called mobile CT. It is like a vehicle. It is like having wheels in that CT and you can roam around in the hospital. If some patient is critical in ICU, that patient cannot be moved to CT. This CT can go to patient and you can have diagnosis. Again, this technology is proprietary in nature and we are doing it on turnkey basis. We are creating a complete infrastructure to park that CT, digital image intensifiers to produce whatever the prints you need for the CT, whatever the medical legal documents you need. So, you need to prepare the complete this room.

So, this is again a proprietary product that we are doing. This nobody is having in the world and this distribution lies with us. This product is from Samsung. Samsung, you must be knowing it is a very big company in healthcare also. Same way, we have come up with third this innovative solution that is mobile stroke unit. What is the mobile stroke unit?

You must have heard of ambulance or advanced life support ALS. But this mobile stroke unit is having inbuilt CT scan machine in that ambulance and that MSU can go to the patient if someone is having stroke, brain stroke. There are only 3 to 4 hours, those are called golden hours with that patient.

If he gets proper treatment in that 4 hours, he can be saved of paralysis, like partial paralysis, long term paralysis, full body paralysis or may lead to death because some clot is there, some blockage is there in the brain. That needs to be scanned and proper treatment should be started in that 4 hours.

So, now what is happening, so many places, someone is having brain stroke, he cannot reach to the hospital in time, he cannot have the CT scan in time, the time of golden hours has been missed. So, in that case, that patient will have some major complications. So, that you can completely avoid.

In this case, MSU can go to that patient. He can do CT scan there in that van only. There is a doctor team that is connected online with the hospital where it is attached with their super specialty neuro department. They will have consultation online. Whatever treatment needs to be started, that will be started in that MSU itself and then patient can move to the hospital.

And while traveling, doctors in the hospital can decide that this patient should be shifted to ICU, maybe to the OT, maybe to further operation or any other treatment. So, that can be decided in that traveling time. So, that is again an innovative product. So, these three I told you.

And one more innovation is there. Now, we are planning to come into the robotic surgery. Robotic surgery, there are very limited players and the product we are planning to come up, that is having unique advantages, like all India, they are having certain robots. So, one robot can be connected to other place and this doctor from maybe from Ahmedabad, he can operate in Delhi if he is sitting -- that patient is sitting in that OT and doctor is in Ahmedabad. The Ahmedabad doctor can operate that robot. So, that technology is something new that has come up. And these are surgical robots. Precision has increased and it is the future now.

So, these all are monopoly products. So, what happens? These all are proprietary products. So, entry will be for those only, those who are in these products. So, in that case, we can secure the orders, we can get the opportunity to go in multiple states and we can have good margins also.

Devender Wadhwa: Sir, thank you for your detailed answering. I think your innovation drives the growth. And my second question is, do you have any competitor nearby who is doing txhe same business as you are doing in the private market or the public market?

Chetan Joshi: Yes. So, I would like to answer further. Basically, if you look into this listed space, you will not find any of the competition in the listed space. But if you go into the detail, you will find some regional players, those are only territorial based, like someone is doing in a certain specific city, some may be doing in a certain specific state, and some may be doing in one or two states. Those types of players are there.

But those players do not have the entry barrier points now. If some tender that is coming for around, say, INR50, INR60, INR80 crores, a single tender only, they are putting the terms and conditions that you should have experience of minimum serving this much OT or this much IT or whatever the project they are having, that much performance you should have, then only you can put the tender, otherwise, you will not be qualified. So, in those cases, those players, those are regional players, so they do not have that much width or that much horizontal bandwidth.

So, they are not in able to participate those tenders. So, I do not think those are actually competition. They are doing regionally, and we are now going across India, and we are having good order books. Last year, we have done good this thing, revenue also. So, we are having good performance now. So, it is difficult for them to match. I do not think those are the competitors for us.

Devender Wadhwa: Okay, thank you so much. I wish you all the best for the future.

Chetan Joshi: Thank you so much. Thank you.

Moderator: Thank you. We will take our next question from the line of CA Vikash Vijayvargiya from Acorntree. Please go ahead.

Vikash Vijayvargiya: Yes, thank you. Chetan bhai, I want to understand, what is the difference in the FY22 versus FY25? Because what has happened in your revenue is very skewed. Particularly, FY22 is almost INR200 crores, and now it is INR136 crores. What are the changes that happened in the business, FY22 to FY25?

Chetan Joshi: Yes. Thank you, Vikas Ji. I will answer that also. Actually, if you see FY22, what has happened, there was a pandemic, COVID, that has come in around 2020 in India. So, healthcare infrastructure, they were having a disaster in so many states. They were not having that level of healthcare infrastructure to treat that much patients in one go.

So 20 to 21, they have struggled a lot. In 21, government has decided that we need to grow infrastructure at a very fast pace. Whoever is going to deliver us the healthcare infrastructure in 60 to 90 days, we are going to give the contract to them only.

So, in that scenario, we got the opportunity to build NICUs, ICUs, TICUs, prefabricated wards, and good order book we were having, and we have secured around INR115 crores for all these turnkey projects in that year 2022 that we have delivered. Plus, there was a requirement of oxygen across India. You must be knowing in there, everything, the news was floating that oxygen deficiency is there across India.

So in that case, government has decided to buy oxygen concentrators and give it to the patient at their home. So central government has decided to give additional budget to all the state governments and they should buy oxygen concentrators. So in that year, if you see, we got an order of oxygen concentrators around INR65 to INR70 crores.

That was one-time order. It was one-time policy of the government. And accordingly, we got that around INR200 crores if we had our trading business, services business. This comes in trading only oxygen concentrators and INR115 crores turnkey projects. So that overall we have got INR200 crores. But that was one-time opportunity in some of the cases, like oxygen concentrators was one-time opportunity.

But the turnkey projects has given us the edge because after that, we got into this turnkey business more and more and we got our entry barrier of this thing. So, that way, INR200 crores was there. And this INR136 crores, this is purely traditional business that we are doing.

This is not dependent on any of the pandemic or any of the adversity. This is the routine business that we have done, this INR136 crores. And if you see that INR136 crores, all these proprietary products is having major share.

So that you can see the revenue also on PAT, EBITDA, everything has increased. If you see 2022, the PAT, EBITDA, everything was very low, even if we had done INR200 crores. In this 25, you can see everything has increased. So, that has given us the edge. Hope I can explain.

Vikash Vijayvargiya: Yes, I understand. Because this is INR68 crores is the percentage of the stock is there, understand. The time your EBITDA is at 13% is there, is the agreement. Afterward, might be for the 2023 and 2024, some of the amount of the employee benefit expenses, the HR cost is there. More or less, it's the same is there in FY22 to FY25. Slightly down in FY23 to FY24. But might be the INR24-INR25 crores is a fixed cost kind of the cost is there. It is my understanding.

Chetan Joshi: Vikashji we were not prepared for INR200 crores, we got the opportunity. So, we didn't miss. So, we need to induct so many employees, the HR cost has increased for that INR200 crores. Then once that year has been completed, I cannot throw off all those guys that I don't have projects, you can go now. So, that has increased the cost of breakeven to my company. Then I tried for some more projects.

And I concluded so many projects as a turnkey. And once I have done so many projects, I need to induct services guys, because services need to need to provide. Otherwise, you are in three-year warranty clause, the action will be taken against you by the government, if you don't have that services.

So, we have inducted more and more service guys. Because after giving services, you can ask for consumables, disposables, this is additional business that is going to come through that services. So, that has also increased some of the HR costs.

And that will sustain for coming two years. So, that is the case. And 25, you can see we have increased some more guys, if you see FY25. Because that will add on, we need to give services.

Vikash Vijayvargiya: One last, one, two more questions is there, whether this sustainable EBITDA level is there, it's 18% in FY25, whatever you reported. Is sustainable EBITDA in future? Or if certain dip is possible, or some positives also possible? It depends on the contract to contract?

Chetan Joshi: Yes, because that's why I have given you a complete story of INR200 crores, the EBITDA, PAT, everything I have explained to you. In that year, after doing that much business, we have not earned that much EBITDA or PAT. And in FY25, with lesser this thing, revenue, we have earned more than that.

So this whatever the thing that we have realized in the year 23, 24 only, that we are going to work on margin, good margin products, and good margin projects only. We are not doing half other projects. If somebody comes to us and do this project, we cannot do.

We'll first evaluate our, this thing, costing and everything. And then only we decide. We don't quote all the tenders across India. There are so many tenders, maybe around 1000 correct tenders we are coming. We don't quote all the tenders. We quote only selective tenders where we find that we'll be in a comfortable position to quote, and we can secure our margins and whatever the expenses are there.

Then only we are going to move those tenders. So that is for sure that I can assure you here, that we are going to maintain whatever we have delivered. That is the only thing at this stage I can tell you. Rest in future, you can see also.

Vikash Vijayvargiya: Correct, correct. And one of the last part is my hope of this year, already asked to you. What about this trade payable, as compared to the recievableit's only the one third is there. It was INR120 crores is the receivable and INR40 crores is the trade payable is there. So, whether we have the, because you explained right now, receivable is 8 months to 6 months and in future is 4 to 5 months as possible. Trade payable, what is hedging period is there right now?

Chetan Joshi: Which trade payable or government payable?

Vikash Vijayvargiya: Trade payable. Government payable, you already explained for the trade payable?

Chetan Joshi: Trade payable, not that much big cycle we are having. We are having around 2 months, maximum 2 to 3 months. If you see bifurcation of our debtors, you'll find more debtors are in government only. Trade debtors you'll not find more that you can compare anytime. And if you are having questions in that also, you can get back to us through IR, our IR agency, Stellar. We can give you all the details also in that case.

Vikash Vijayvargiya: Okay. Thank you. Thank you, Chetan.

Moderator: We'll take our next question from the line of Himanshu Bisani from Pin Point X Capital. Please go ahead.

Himanshu Bisani: Hello, sir. Congratulations on the performance and thank you for the opportunity. Sir, I wanted to understand the order dynamics and the time cycle involved. So specifically, are all the orders based on, evaluated on L1 basis and also once a company wins an order, what is the typical timeline for execution and when do we see that in our numbers? If you could throw some light on that?

Chetan Joshi: Yes, basically. Hi, Himanshu ji. Thank you so much for your question. Basically, you need to understand this business model. As we are into this EPC contracting, so tenders is -- this business is through government only, so tendering will be done. But how you can secure in the tender process with all the terms and conditions because if government is doing some tenders, they'll be stringent terms and conditions. If some INR10 crores company is quoting INR80 crores tender, will it be viable for the government to give the tender to that company? Otherwise, what will happen?

He can take that order and he cannot execute and he can force with or whatever the amounts are those are there. So that is not viable for government even because their project will be delayed. So they are keeping stringent norms or stringent terms and conditions to qualify in the tender.

And we are at very good position, as I told you in my previous talk also that we are having now good entry barrier this category. So we can have good terms and condition and in that tender only we are going to quote, so that we can get at least security that we can secure this order. In that tender only we are going to quote.

So the possibility of winning is more. And as I told you when I was talking to Wadhwa ji that we are focusing more on the projects that we are implanting. We are not doing the projects that somebody has implanted and we are going to quote. So chances of winning are more in that case.

And regarding timelines, it depends on government-to-government. Like if you see Rajasthan, Rajasthan is having around 90 days criteria.

You need to deliver the project in 90 days, 90 to 120 days in Rajasthan. Gujarat, they are having different criteria. It depends on project-to-project. Whenever you will be getting the project in your hand, you can finish it from 30 days to 120 days. That depends what type of project is there and what all need is there. Same way in Maharashtra, we are having somewhat higher time for completion of project.

We are giving 32 weeks time for all the projects. It doesn't mean that we are going to take 32 weeks to deliver the project. If you see all our orders from Maharashtra, we got order in the month of October. I think we have uploaded on NSE also. And we have delivered almost 80% of that project in the month of March. So maybe in four months and we were getting around 8 months time.

So that all depends on person to person. So we are not taking that much time to deliver the project. And we are working on it that we can reduce that time again more because we have finalized some of the vendors and some of the procurement this thing. So we are getting very fast response from those parties. So you can take the example of last year only. So we will get your answer that we are trying to deliver it in time rather to say faster than any in time.

Himanshu Bisani: Okay understood sir. So also wanted to understand what is our outlook on private sector like 90% of our business is government. So how do you see the private business, private opportunity and what is the mix that you are targeting if we have our focus on the private as well?

Chetan Joshi: See currently we are not targeting this EPC contracting or turnkey in private, because private you need to understand they are having certain mindset like the big corporate groups they are having their own consultants on panel. They are having their own architectural or engineering team on their panel. So what happens they usually decide that the turnkey part whatever the renovation and whatever the expansion part is there they are going to do on their own and they are going to buy equipment’s one on one.

Because what they understand they are also having team of biomedical engineers. So they tell their biomedical engineers that you take out the price of all the equipment’s and accordingly you start procuring. Even if we give the turnkey solution of equipment to them they feel that we are charging more and they will go for individual equipment’s more. So that is why we are not much focusing on this thing private business. But now in coming days if you have heard or not I do not know.

Ayushman Bharat infrastructure scheme is coming up across the states. What they are doing National Health Authority has been built by central government and they have floated this Ayushman Bharat this thing insurance. So what is happening now insurance companies this insurance is having tie up with all the government hospitals as well as private hospitals those are trucsts or some other type of hospitals.

So they are paying for all the patients those we are sending to their sector. So now the whatever the earning has been increased for all those trust hospitals and all those private hospitals. So some of the projects we are coming to us that we are having now good patient flow and good revenue we are having at least you can support in one of the segment to us. Like one hospital has asked for complete OT complex you can build for us with modern whatever the infrastructure and they have agreed.

So gradually we are thinking that we should intervene in such projects only, but not in all the private projects because there is concern of our margins and whatever the revenue that we cannot compromise that I already told you to Wadhwa ji.

Himanshu Bisani: Sir concern on margins I wanted to understand that our pricing…

Moderator: Himanshu I request you to join back the queue please.

Himanshu Bisani: Ma'am only the continuing -- it's a continuing part of the question just one question. So when you say concern on margins are private contracts lesser in margin than government contracts is that what you are trying to convey?

Chetan Joshi: That's what I was telling you because they are having so many consultants. So everyone is trying to prove that I am having good knowledge in my field. So he is going to give the lowest price which may not be workable, but that is only the price. You got my point? Sometimes prices are there, but that is not the value proposition -- that is not the value proposition that is there. It is only price and if you stick to the price you cannot get whatever you are expecting. So that gap usually comes. So in that gap we feel that we may lose some margins. So that's why we don't want to intervene.

Himanshu Bisani: Understood sir. Thank you so much.

Moderator: Thank you. We'll take our next question from the line of Tanvi Bhandari from Hem Securities. Please go ahead.

Tanvi Bhandari: Hello, sir. Congratulations on good set of numbers.

Moderator: Tanvi can you use your handset mode please? Your audio is not clear.

Tanvi Bhandari: Yes so just one question would be sir if you could give a percentage share of the proprietary business and the trading business and also is it a asset light model and you will continue to work on a asset light model because in our balance sheet we can see fixed assets of almost under INR1 crores?

Chetan Joshi: Yes. Would you please repeat? Something has missed.

Tanvi Bhandari: Sir first I want a share split of revenue in terms of your proprietary business and trading business and others will you continue to be in the asset of under INR 1 crores in your balance sheet as of now?

Chetan Joshi: Your voice is going in between.

Tanvi Bhandari: Sir can you give a split of your revenue in proprietary business and trading business?

Chetan Joshi: Yes. First I'll answer that then you can ask the next question.

Tanvi Bhandari: Yes.

Chetan Joshi: See if you see three verticals I have already explained to you. So out of which around 85% to 90% we are having this turnkey model, turnkey business. Then there is this term trading model and third one is our services and CMC. If you consider around 85% to 90% is turnkey and out of that 85% to 90% turnkey. We have secured this year around 70% to 75% of that 80% to 90% of our business for this proprietary products that you can go on the NSE portal also. You can check whatever the updates we have given all those are proprietary products.

Hope you got the answer and trading rest of the thing is trading like 90%, if you count the turnkey business then 10% out of 10% it is around 7% to 8% is trading and rest is service -- because this year we have completed 3 years warranty for so many projects in 2022 whatever we have delivered, this year we are going to get all those CMCs and services contracts in this current running year. So service will increase in coming days.

Moderator: Tanvi, does that answer your question? Tanvi? Since there is no response.

We will move on to the next question from the line of Urmish Shah from Moneywisers. Please go ahead.

Urmish Shah: Yes, so thank you for the opportunity. I have two questions. As we have the order book of INR 60 crores and can you just give a revenue split from the states that we are present in like Gujarat, Maharashtra, Rajasthan? What is the revenue, what is the order from each state? First question.

Chetan Joshi: Yes, thank you for your question. Basically if you see this INR60 crores order book almost 60% to 70% is from Maharashtra. 10% to 20% you can count from Rajasthan and rest is from Gujarat. This is more turnkey. Trading is somewhat lesser in this INR60 crores.

Urmish Shah: This is purely turnkey or? Sorry, I missed that.

Chetan Joshi: No, no. It will be there for trading and the services also, but that will be very marginal. Because you actually said we have delivered more in this March. So trading places, target places, everything was there on the trading team also. So they have delivered over. So this quarter may go slow in trading, April, May, June.

Urmish Shah: Okay, sir. And my next question is that as we are expanding our business in different states and as per other three business verticals, you mentioned there are new products in the medical equipment that we are going to expand into. So my question is that as I see your financials, your debt levels have been coming down quite nicely? So during our expansion, will we be raising debt and will that affect our margins or our cash flow?

Chetan Joshi: Yes. See, I was answering to the same type of question you must have heard at that time also. We are working on our business debtor cycle that we are going to reduce. And even if we are entering a new state, we'll enter in those projects only wherever we find ourselves as a comfortable player in terms of revenue, in terms of margin, in terms of credit terms, whatever the debtor terms, whatever we are going to decide. Only those states we are going to cater. And this is not the case.

The states we are opening, they are having money lying with them, but they are not in position to utilize that. So money is not the problem for like Bihar, Chhattisgarh, all these states, they are rich states if you consider budget-wise. They do have budgets, but the project has not been executed.

So once you execute the project in time, they are ready to pay. So that's why we are exploring such states. Those are underdeveloped, but they are having funds for healthcare infrastructure. If you consider Rajasthan, Rajasthan has allotted the budget of 8.24% of their total GDP for healthcare. The state like Rajasthan, which comes under underdeveloped category.

So money is there. Only thing they need to float whatever their projects in time and they need to conclude that. We can deliver in time and we can take all those payments in time. It is not the case that we are going to have that intact if we increase those states. That we'll definitely keep in mind. We'll not add on those things like a debtors…

Urmish Shah: I know. My major concern was that the capex that we will be incurring while entering a state, entering a new state. So that was my basic concern, because I see your debt levels, net debt levels quite declining nicely year-on-year. So if we are expanding to new states, what capex will we incur if you can give a ballpark figure on that? And will that include rising, I mean, sorry, raising new debt from our sources?

Chetan Joshi: And if you see this EPC contracting on a turnkey basis, it is not one day you need to invest all the capex. It is a gradual step. If you got the south at a certain level and you are going to start whatever the work inside the building. We are not doing greenfield projects. We are doing only brownfield.

Building is ready. We are going to work inside only. So it is not one day job. So capital will be invested in, you can understand in maybe 2 months, 3 months that you are going to invest. And meanwhile, the other cycles are also running. Whatever the projects you have delivered, those payments are going to come and that rotation will go on. So it is not one day capex or capital you are going to invest in any of the state or any of the projects. It is gradual process.

Urmish Shah: All right. Any capex figure that you have in mind…

Moderator: Urmish, I request to joint back the queue please?

Urmish Shah: This is just a follow up on the capex. If any capex figure that you have in mind for the current year…

Chetan Joshi: That is very specific so that you can connect to our IR Agency like Stellar and we can answer all those questions anytime.

Urmish Shah: Sure. Thank you, sir. And all the best.

Chetan Joshi: Thank you so much.

Moderator: Thank you. We'll take our next question from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: So, thank you for the opportunity. Sir, I wanted to understand regarding our debtor days. So how much of the INR 120 crores of debtors that we have would be less than 6 months? And so the follow up on this would be, sir, being an MSME, sir, does the 45-day payment timeline is valid for us or no?

Management: Yes. Thank you, Madhur ji. If your question is over, can I answer?

Madhur Rathi: Yes, sir. Please.

Management: Yes. Actually, first I'll go to that MSME point. MSME, it is applicable now from this year only to the companies, those are below INR100 crores. And that too, if you are dealing with the government, it is not applicable to the government. Government may take any time to give to the MSME. The private companies has to pay in time. That is not the liability with the government.

And in any case, we are crossing INR 100 crores. So that is not applicable to us now. So that point is out of the question. Next question, I forgot what you were having. Total…

Madhur Rathi: So how much of the INR 120 crores of debtors that we have would be less than 6 months?

Management: Yes. If you consider less than 6 months, almost 90%, 95% data, those are less than 6 months. All the data can be shared whenever needed or whenever you want. You can contact to Stellar. Because majority of the projects has started from November, through out the December.

Madhur Rathi: Sir, I have another question on the turnkey side where we have mentioned that because of this proprietary solution that we provide to specialty hospitals and different unique solutions, we get better margins. So I wasn't able to clearly understand what is the value proposition that we bring to these hospitals that we get better margins? So if you can comment on that again, that would be very helpful? Thank you.

Management: Yes. Madhur ji, what happens here, the problem is very important. If you are approaching to any of the institute or any of the organization, those are the procurement agencies or maybe medical colleges, they are having certain problems that are not being solved for last so many years. So first, you need to sit with them and discuss about those problems.

And if you are in position to give solution to that problem, they are happy to entertain you regarding those projects. So if I'm coming up with the solution like MSU, I told you, I was explaining at that time, mobile stroke unit, it is a problem that is lying for years. Nobody has given a solution, nothing has been provided. We have come up with this unique solution.

And that solution is very important as it is lifesaving. It is not for luxury to the hospital or to the healthcare infrastructure. If it is then lifesaving, whatever the technology are coming up with, hospital is ready to buy or that institute or that organization is ready to buy. Only thing you need to make them understand and you need to design certain specification and certain budget.

In that budget, they are agreed to spend budget if that concept is unique. So there you can secure if you are having proprietary products and if you are having proprietary concept, you can secure your margins also and that will be executed in a much proper way with the quality of standard you are going to deliver to that project.

Madhur Rathi: Just a final follow-up…

Moderator: Madhur, I request to joint back the queue?

Madhur Rathi: Just a final follow-up question. These orders that we get, are these orders first we go and meet the authorities, we present whatever solution that we can provide and then we receive the order? Is that the reason why we can get better orders than any other player?

Management: No, no. You need to understand that I was explaining you that first you need to meet end-user because this will be used by some of the doctors only or maybe some of the specialists only. So first you need to meet the end-user, you need to explain that this is the concept, this is the problem you are facing for this much years and this is the solution we are going to offer you. Once that doctor is convinced, he is going to put his intent or his requirement to his higher authority, maybe the Principal or Dean of that college.

Then that Dean or Principal is going to write the same thing to their Commissioner, whatever the organization, like Maharashtra is there. So DMER they are having Commissioner, they are going to write all the requisition to that Commissioner. Commissioner is going to send all those requisition to his Secretary, maybe Health Secretary and Secretary is again going to send all those requisitions to the Ministry, because the requirement has come from doctor.

So they cannot decide whether to give it or not. They have to give it because it is a diagnosis and doctor has given complete explanation why this thing is needed and what are the problems that it is going to solve. So in that way, it will reach to Ministry. The Ministry is going to float maybe tender. If it is proprietary item, they will again send in the same process back to the doctor that if you want to buy this on proprietary basis.

You need to certify that this is proprietary in nature and with whatever the requirements which is satisfied as per your needs. If that happens, then government may give order directly on proprietary basis or if it is not proprietary, then tender will be floated for that purpose.

Moderator: We'll take our next question from the line of Nupur from Aarth AIF. Please go ahead.

Nupur: So Chetanji, as you mentioned that we don't have any listed players. We just have a few unlisted players and that are also regional. So whenever government is coming up with any tender, so the probability of winning that tender is 100%, right?

Chetan Joshi: Yes, Nupur, anything cannot be 100%. Probability must be higher. It cannot be 100% every time. But why probability has increased? Because they are not organized players or that is not the organized market. So they may not be prepared for some of the projects because some projects, they need to go in some interior regions and you need to educate.

They may not be having the team, ample team to support that project. So they may quote or they may not quote. Even if they want to quote, but if they are not qualifying for the criteria, like whatever the entry barriers they have asked or whatever the terms and conditions they have asked, they cannot quote.

So more and more chances, if you go for bigger projects, there the chances are very less that all those unorganized players will come in that market. And organized players like all the big companies, like multinational companies, they don't do all those projects. They are concerned with their equipment only. So they'll not come in that segment. It is very much clearly defined.

Nupur: Okay. So one more thing that I would like to ask. Are we thinking of any new OEM partnerships that will support us in the expansion in the ORC business?

Chetan Joshi: ORC, okay, Overriding Commission you are asking about. So basically, we are having main tie-ups with Johnson & Johnson, which is a US-based company. And we are serving them for the Rajasthan state. And we are gradually expanding to some other states with them also for this ORC agreement. But in pipeline, we are having some more companies. Those are approaching us, but not yet finalized. So I cannot comment on that.

But so many companies, they are approaching. And only we are working mainly for more multinational companies. Because product quality is very important where you are not supplying, but some other company is supplying. Your name will also spoil. So we are not considering any local players right now. But maybe multinational companies we will be considering in coming days. So many companies, they are approaching already.

Moderator: We'll take our next question from the line of Riddhi Agarwal, an individual investor.

Riddhi Agarwal: Sir, my first question is, can you specify the percentage of bad debts as we have a very high debt toll? And how much is it from government and private sector?

Chetan Joshi: Actually, if you understand, in government business, you cannot have bad debt kind of concept. If you are not getting your payment from the government, there must be some gap from your side or maybe the other side, they are not getting whatever the solution. Government cannot have bad debt because if government is going to give bad debt to the private player, that is an unforeseeable thing. Then where you will go? So government, you don't have bad debt.

We don't have experience for the last 22 years. It may happen that some amount may go in litigation, like they are considering the liquidity damages and we are not accepting it as a liquidity damages. So that debatable issue will remain, but that is not bad debt. You are still fighting for that. So bad debt as such in government is very less. And in private business, if you consider like whatever the private business we are doing, it will be less than around 1% of whatever trade business we are doing.

Riddhi Agarwal: Okay. This answers my question. Sir, my last question is, how are you planning your working capital management? Any plans to make the working capital positive? And though we are having so many expansion plans, so how are you planning to cater this?

Chetan Joshi: Yes, I already -- I was telling to I think Himanshu or Tanvi, that we are planning to reduce for this debtor cycle so that we can have a good cash inflow in our hand. And wherever we are going to do the projects, we are going to do the projects as per our requirement only. We are not going to quote all the projects we are getting, wherever we are getting. We are not going to do that kind of project.

So we are concentrating more on propriety, more on the tenders that are controlled by us or that we are having -- we are in position to have to secure that project with the budget, whatever the budgeting is there should be secured. So those projects we are going to cater. And whatever the implementation or the capex we are going to implement in all those projects, that is gradual process. So that we are going to do in very gradual way so that it should not hamper much cash flow.

So the cycle should be maintained, like whatever we have supplied to Maharashtra, Rajasthan or Gujarat, it should come in time. And the same way we are going to implement new projects and we are going to have outflow in the same way, in the same ratio. So that we are going to increase -- improve in coming days, this cash flow. If you see for last three years, that has improved only.

Moderator: We'll take our next question from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand regarding our margin profile. So what would be the minimum margin based on the order number that we will be quoting in the EPC or the turnkey segment that we'll be able to achieve? And sir, in services segment, it looks like the margin might be much higher. Sir, so if you could just guide us, how are we planning, rather than just banking on the project that we have done, coming to warranty, are we planning to target private sector in this segment as well?

Chetan Joshi: Yes, so I would like to tell about the margins you are asking. So if you go to our testing EBITDA, our gross margins, we have complete balance sheet online. So you can find we are playing in very good margin range. Specific amount you can take from the balance sheet, whatever the last year we are having, and that we are going to maintain.

Like you are asking for service model, we are having very good margins in service model also. Why that service model we are having good margin? Because whatever the projects we have delivered before three years, those are going to expire now. If INR100 project was delivered at that time, they have made it very clear that after warranty, they are going to give the fixed CMC to that company for coming five years.

And that some states have finalized 4%, some have finalized 5%, some have finalized 6% percent of whatever the tender project was there. It's now INR100 if you count. So we'll be getting around 4% or 5% or 6%, 4, 5, 6 rupees every year for that project. And that is the additional thing that we are going to get. And that you understand, it is like insurance.

Every project or every site will not have the same expense or same whatever the thing you are going to deliver. So you'll be having overall gross margin, a good gross margin. Hope you understand.

Madhur Rathi: Yes, sir. So if I look at the INR200 crores project that we executed in FY22, can we expect a INR15 crores to INR20 crores recurring run rate from the services segment for the next 3, 4, 5 years? And can we expect a high teens to mid-20s kind of EBITDA margin on these projects?

Chetan Joshi: You need to understand that only this, whatever the 4%, 5%, 6% I was telling, the CMC they have given us the final amount, that we are not going to get from those centers. Whatever projects we have done, like in INR200 crores, INR115 or INR120 crores, we have done turnkey. So what we are going to get? We are going to get CMC for that project, as well as whatever the consumables are there, like ventilators are there, monitors are there, so many products are there.

So they doesn't work only as a standalone unit. You need to have circuits like a disposable, whatever the probes, whatever the leads, whatever the things for all those equipment. And that is the recurring business. And that disposable you need to have to run that equipment. And that is not covered in CMC. That is, they need to buy separately.

So whatever the amount or whatever the thing, I cannot comment on the amount exactly, but hopefully we can whatever, cross that amount. That is possible.

Madhur Rathi: Sir, is my understanding correct that whatever order we execute, 5% to 6% of its order value usually comes as a maintenance and over and above that, whatever new equipment or replacement product that they require, that is the additional revenue that we can get from that?

Chetan Joshi: No, no, no. Not the additional product, because once the project is done, you cannot have additional product. But additional consumables or disposables to run that equipment, it is compulsory. Because every equipment will have 10 years minimum life as a medical equipment. So for coming whatever the 7 years, we need to have consumables. Every year we need to use consumables, disposables for that equipment. So that additional business, I am telling. Not medical equipment, additionally.

Madhur Rathi: Sir, the maintenance part was right, sir. The 5% to 6% maintenance of whatever order that we execute, generally?

Chetan Joshi: Yes. I didn't get you?

Madhur Rathi: Sir, so if we execute -- sir, like you mentioned that if we execute INR100 order today, over the next 3 years when it goes post warranty, there is a INR5 or INR6, between INR4 to INR6 kind of a maintenance, annual maintenance contact that is there.

Chetan Joshi: With escalation of 5% every year.

Madhur Rathi: Okay, got it.

Chetan Joshi: In some states, 10% escalation.

Madhur Rathi: Okay, got it. And sir, on the final question, sir, so the minimum margin that we'll expect before quoting on any new orders in the turnkey segment?

Chetan Joshi: Margins, you need to go through balance sheets and everything. You'll get what margins we are working. And we are going to maintain those only. You'll get everything in that. I think you can get those answers from there only.

Madhur Rathi: Okay. Sir, thank you so much for answering my questions and all the best. Thank you. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Chetan Joshi for closing comments. Over to you, sir.

Chetan Joshi: Thank you, madam. To sum up, Aprameya is entering a new phase of opportunity and growth. We are not just building infrastructure. We are enabling access to reliable, modern, and efficient healthcare across India. With a fully integrated model, trusted OEM relationships, a growing order book, and a strong focus on innovation, we are confident in our ability to create long-term value for all the stakeholders.

We remain optimistic about our capacity to drive sustained growth while staying focused on exhibiting our vision, overwhelming challenges, and improving operational efficiencies. We extend our sincere gratitude to our employees, our customers, partners, shareholders, our bankers, our advisors, for their continuous support. We look forward to updating you on our process of progress in coming quarters. Thank you so much for patiently hearing me. Thank you so much.

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