

Speaker 1: 00:00

Oh yeah. We can continue.

Speaker 2: 00:05

Good afternoon, ladies and gentlemen. Good day and welcome to evening call of Chavda Infra Ltd. All participants are currently muted. We'll open the floor for questions after the presentation concludes. Please note that this conference is being recorded.

Speaker 1: 00:23

Okay. From Chavda Infra Ltd. We have with us today, Mr. Johil Chavda, the Director. Mr. Jeet Chavda, Promoter Mr. Parth Gurjar, Chief Executive officer. I now hand over the conference over to Mr. Jeet Chavda the promoter for giving a brief introduction about the company. Thank you. And over to you sir.

Speaker 2: 00:44

Good afternoon again. Yeah.

Speaker 3: 00:51

Can you please mute all the participants.

Speaker 2: 00:57

Allow myself to brief a bit about our company Chavda Infra Ltd. So, we have been working in this industry since around three and a half decades. And in this three and a half decade we have covered many locations in Gujarat. Especially we have covered many big cities. Rajkot, Ahmedabad, Baroda, Gift, Gandhi Nagar. And we majorly are working right now in Ahmedabad Gift and Gandhi Nagar. So, these are our three main cities that we have been consistently working on. Can you move the side slide?

Speaker 3: 01:35

Next slide.

Speaker 2: 01:39

So, we have got a brief presentation for you all to you know, go through it So, you can have a bit of knowledge about the company. Anyways let me go through it without the slide. So, our company is almost 35 years old which was started by my father and it has been. We are doing providing service of construction and infrastructure for our esteemed clients. So, basically when since the conception of the company we started with constructing small scales project, we started with constructing a renovation of first floors. Then eventually we started developing private bungalows, designer bungalows. And after a while, after a certain momentum we got the fancy of few architects and a few designers in Ahmedabad who literally appreciated our work, our quality. And after that there was a very brief period where we started getting few projects wherein, we had worked with Zaida School, we had worked with Nirma University. So, those were a few big scale projects that we started concluding. And after that we came into the era of high rises wherein Ahmedabad started getting many new high rises. So, in 2013-2019 as it's

mentioned over here, we started getting new Highrise s where we got one such new Highrise called Staff Luxuria. We got one such high rise called Staff Luxuria in Ahmedabad which was quite remarkable project because of its location. So, the we were noticed at that particular time post up luxury. We started getting many calls from the developers as well and the architects because of the quality and speed at which we concluded the project was really nice. So, post staff luxury we started expanding our projects and our operations. So, from that one tower we went to five towers then five to 20. Right now, we are working with 36 towers of. Recently there is. There has been starting a culture in Ahmedabad of skyscrapers. So, skyscrapers are 150 plus, 150 meter plus tall buildings wherein Chavda is doing very significant work in Ahmedabad. We have been covering many buildings that are 150 meter plus. And you know as we have been established really well in Ahmedabad So, people have placed their trust, the developers have placed their trust first with us. So, all the new Highrise projects that has been coming to Ahmedabad are moving through us or we are directly or either indirectly involved in either tendering process or construction process. So, basically this is what we have been doing in Chavda Infra. This has been a very brief account of the progress that we have performed over the period of time. And obviously after 2020 in like last year we came up with the issue with having an overwhelming response from everyone, each of our investors. And right now, we are in a very good position in Ahmedabad where we can cater to many new projects and we have been consistently giving you a regular increase in the sales and the revenue structure as well. So, yeah. Next slide.

Speaker 3: 05:21

Next Siddhi, next slide.

Speaker 2: 05:25

So, this, this is the brief introduction about the directors and CEO Mr. Mahesh. The company was started by my father, he's our MD and chairman. It was started in 1990 under his vision. It was his vision to provide the best and top-notch quality. And under his vision we have expanded. Mr. Johil Chavda, my elder brother Mr. Jeet Chavda, that's myself and Mr. Has been with us for more than 20 years and he's CEO and it takes care of all the operations and sites in our company.

Speaker 3: 06:04

Next.

Speaker 2: 06:08

So, the core strength of our Chavda Infra limited is first of all let me come to our USP. Our USP is the quality and the speed at which we work. So, basically the quality and speed at which we work has been the repeated, you know, account of number of years that we have been performing, number of years we have been consistently delivering and why it has been possible. It is because you know we treat our employees, our colleagues as our family. So, over the period of time we have, we have the engineers and we have the staff who has been with us for 20 years, 15 years, 30 years. So, what happens is basically when we have a family who has tuck us who has been with us for a while, they know how the company works. They know which

are the fundamentals of the company. They know what should be done exactly, you know that should be appropriate to get more clients to have an impressive work portfolio. And also, we have a very loyal base. Like everyone in my company I trust like my family member. So, I think we are very blessed in that way that we have got an amazing, amazing stuff that we have been working and for that we can, you know preserve our USP to that we can preserve our quality work that we have been doing over for So, many months' times. Our expertise lies in at first look the field of expertise has over the period of time according to the market has kept on changing. First when we started our expertise lied in the designer bungalows. We used to be really good with expose RCC work. So, all the exposed RCC design of bungalows came to us after a while. We were really good with the high rise. Right now, if you ask in Ahmedabad which are, which are the top contractors who could do good skyscrapers. I'm definitely sure that people will come up with our name because the way we have been performing with the ex, uh, existing skyscrapers is phenomenal. So, team as we, as I spoke about the team that we have got a team of almost 400 people who are working with us. We have a very, you know, structured way. Like we have almost 10 to 15 departments. Each department has their own hierarchy. We have a head of department, then we have senior engineers, then we have mid-level engineers, then we have the supervisors. So, each level has been, you know, deliberately created and created in such a way that we promote our own old employees to come in front, you know, take the lead and promote them and to make them a manager. Because it has always been a more successful idea to have Someone who's been working with you since long time has incorporated your values and they move with you to the top. So, all, all our departments say RMC department ready mix concrete. We have a quality department, we have electrical department, we have a purchase department, safety department, accounts department. So, in all we have at least like store department departments. And our team is basically I what I believe our team is, are the back end of our success stories. Values of Chavda Infra has always been a very ethical chavda. Infra if you ask in the market has been a very ethical company ever since the start of our company. See how we are able to deliver the quality, how we are able to you know, deliver on time because of the values that we have incorporated. How does it come to play? Yes, like see you have people who are stuck with you for a while because they appreciate your value. So, these people generate a good work, consistent work. Also, our clients have ours. You know, the clients also, are very happy with what we are doing. And because of our work style pattern they are continuously. We have repaired flights for almost eight to 10 years. Our experience is hands on to the construction that is going on in Ahmedabad, Gandhinagar and gifts. We have done So, many projects and are ready to do even more and have been continuously getting better at our game. At every new change in Ahmedabad, we are going to be there. And the management we have like the top management. Like as I said, we have a hierarchy. Each department, 10 to 15 departments each has a management have each. Every department has a head of department who reports to the CEO, CFO and directors. So, we have a very nice structure framed out for everyone. So, they know the person at the bottom knows who to go to when in the time of the crisis. So, this is the brief of the company and that next. So, this is one such material management efficiency. We have a go down a stockyard wherein the most important thing in any construction company is reputation of the formwork system. The reputation of material machineries and the materials are at our assets are our formwork, our machineries. So, if we want to go for a long duration, we need to be

continuously taking care of what we have invested our money. So, it's the heart of hard-earned money of the company. It's the hardened money of the investors. So, we have to take care of it in that way. So, basically this stockyard shows are the efficiency of working of Chavda Infra. After every project we bring the material, the formwork system, the machineries, everything to the stockyard. It has been completely refurbished. It has been completely repaired or maintained and once it's ready to use again it goes to another site. So, this entire operation is managed with our logistic and ERP Software wherein each entry has been done in ERP and once the refurbishment is completed it is shifted to another site. So, this is one of the core places where we can we. We have shown our material management efficiency. Can you ask them to play the video? No, no, don't change space.

Speaker 3: 12:38

Play the video.

Speaker 2: 12:42

Can you play the video So, the investor can get the brief idea?

Speaker 1: 12:57

Sir, actually video is not getting.

Speaker 2: 13:00

No. Did you try using the spacebar?

Speaker 1: 13:03

Yeah, I've done that sir.

Speaker 3: 13:08

Okay, move to next slide.

Speaker 2: 13:15

Foreign we have the Chavda infra company has two ready mix concrete plant wherein the ready-mix concrete plant we manufacture our own concrete. So, the main. One of the main, you know USP of Chavda is we manufacture our own concrete. So, the service and the quality that we can provide in our buildings is a top notch. We also, have our own in-house laboratory where each raw materials when they are before they are offloaded, we conduct a certain test of raw materials. And once the raw material test comes okay then and then only, we actually have the permission to use it in our concrete. So, whatever goes inside the concrete. Concrete and building of Chavda is 100 properly measured quantity and properly qualified quantity. That is why we have been able to do amazing work with our buildings as well. So, this basically is one of our plants. We have actually 2 RMC plant M1 capacity. And we cater all over Ahmedabad. All our sites also, we have clients other than our sites.

Speaker 3: 14:32

Nicely.

Speaker 2: 14:34

I play any kind of video So; it doesn't make sense because the videos are actually created. So, technological integration is in Chavda Infra. Basically, over the period of time we have been shift. We have been adopting new and new, new and newer technology. One such you can show it has been seen in our screen. This was in Ahmedabad particularly this was first time adopted. This is edge protection system. And three floors have been covered. The edges of three floors have been covered. So, each and every labor that works inside the building is not able to see outside and able to work in very safe environment. And it's very easy to operate if you're going for 150-meter-high tall buildings. These are one of the essential things. Another technological integration. We have been using the formwork system. We have been using My1 system. My1 is one of the good technologies that is from Southeast Asia. Then we also, using a German technology called Skydeck system. So, in high rises when we. If I talk about the high rises, if I talk about the high rises, the technology becomes. If we talk about the high rises, the technology becomes of the most importance. Because if we don't have the proper technology to go at the heights, there can be So, So, many disasters that are waiting to happen. Say for high rises or skyscrapers you need a proper designing department. First you have to design how the formwork will go from bottom foundation to the top. So, for that, you know, first we have to figure out which machinery should be utilized. How we are doing material handling, how we are doing concrete handling, how we are, how we are going to, you know, have the form work placed, how we are going to have the safety place. Once the plan finalized then we can move on to the next step of construction. So, in Chavda infra I Particularly am very particular about adopting the best practices needed for the construction. So, we have been working with all the best technologies like Skydeck systems. We it's an aluminum panel system that has been invented in Germany. Then we have been working at my one system that is a Southeast Asian system which is a monolithic shuttering system and all the other safeties and other systems that. Now this is a technological integration video. First, I'd like to play this. Then we'll go through other videos as well. So, this all the sites are actually the present site of Chavda infra. We have taken the video of our own site to get you a brief of what's been happening and all the sites as you can see, we have branded it. This is the technological integration video wherein we showed you what homework's that we are working on, what RNC plans that we have been working on. Also, let me let's go to the stock video as well. Basically, let's go to the stockyard video So, people can know how the refurbishing of the material has been managed by chavda. This is how the total refurbishing work is done. Each and our material are particularly cared for each and our investment. Each every everything is particularly can maintained and refurbished and ready for the next project. So, this is one of our material management efficiencies. This is how we ensure that the money that we have spent is spent wisely and maintained wisely. Let's go to the RMC. So, this video is very important for all of you to understand how the management works in chavda infra and how particularly we take care of each and every minute details. It this basically was our RMC that was basically our RMC plant. And now we can move to the next slide foreign. So, this basically was the ppt of the slide of our safety measures that has been taken in Chavda. So, basically to make a very safe environment for our workers, our employees are the first topmost priority. Because you know the business can, you know said there are certain times that the life of the person that you're working with is the most important thing. The most

important thing in any business. So, we have taken each and every preventive measures. You know we have a very huge safety department wherein we have a regular audit getting conducted. All the latest technologies that have been invite for safety in construction has been used in Chavda Infra. So, also, we are very proud to tell you that we have last couple of years has been a really zero casualty years. So, diligently we have been working out very hard to make sure that the workers or the employees, the family that we think we have had been properly cared for and properly protected. We have all the insurance policy policies. We have everything worked out for our workers as well. If anybody has a way, even if they get a little hurt, we can you know take care of them on site. If they have a major problem, we have like 10 ambulance and everything connected. So, 10 minutes they can go to the hospital. So, safety has always been one of the top priorities at Chavda and we have been working very hard to ensure the safety of our workers. This is our head office. It's foreign. These are few of our ongoing projects that we are working on. So, this brief we are giving because you know if you're in Ahmedabad definitely you'll come across Chavda a lot many times. But if you're not from Ahmedabad, this is for you to you know, have and see what we are doing over here, the exceptional quality that we are doing. So, I particularly made the videos of our ongoing sites that we are doing and as you can see the quality of over here the work that we are doing is like the top-notch work that has been done. That is why we have been in such a demand. We have like continuously get keep getting projects. It. So, those were the pictures of the photos that we are actually working on right now. These are the present images. So, those are the pictures. These are the other ongoing projects that we are working on right now. So, as you can see there are So, many projects we are almost doing 36 projects with. So, me of them are about to get completed. So, me of them are just started and so, me of them are in the middle stage of the execution. These are a few accounts of our completed project wherein we have So, lidus, sky stuff, Luxuria, Mara Binori, V Square. So, all the buildings, the photos and three days of the building. These are our completed projects named and these are the clients almost all the good developers and industries and corporates that we have worked with over the time in Ahmedabad. So, these are just a few and the list has ever since kept on increasing. So, the total projects we have completed are 130 plus ongoing are 30 plus manpower strength. That is the technical standard. Our own staff is 350. If you consider the workers, it would go around 4,000 to 5,000. And the tallest construction in meters is 140 plus. I'm working on 150 as well. So, So, this is the basic industry claims in Gujarat. The real estate has been really promising particularly in Ahmedabad ever since the announcement of Olympic and the business that are Burning and growing on in Ahmedabad and the gift city. The hype of the gift city, lot and lot of investments are coming in in Ahmedabad. So, many people have been migrated from other cities to Ahmedabad because of the good working conditions, because of the security and safety. So, I think Ahmedabad growth story has just started and there are So, many projects that are coming up to cater all the people that are migrating to Ahmedabad. Also, the considering the current scenario, Ahmedabad is one of the cities that is about to be recognized as the metro city. So, we are yet not there. But the rates compared to other metro city, I think Ahmedabad has got a really good rates and a very good future. Because in future for investors perspective also, the rates compared to other metro cities are going to escalate in a very long run. So, this is the brief of the industry and the very promising and a bright future of Ahmedabad. So, these basically are the stats of how the Ahmedabad has been growing. And in 2024 the housing demand in the city

increased to around 21.4%. Average property rates surged to 1.4%. Ahmedabad's residential real estate market saw healthy growth on 614. 6,194 units were launched in 24. So, basically, we have given the accounts of, you know what's happening in Ahmedabad So, as to know that we are in a very good place at a very good time to cater. So, these are the order book ever since our IPO that came in September 2023. So, we have order book escalated from 601 crore to almost 1100 crores now. So, we have been getting a very steady order book. And thing about order book is we are taking as many projects only as we can cater. So, there are So, many pools of projects that are coming on to Chavda Infra. But we are very selective about the project. We are taking in account the profitability, preparation of our material, the time that we can that we don't get into, indulge into over trading and are able to manage the quality and the profitability in long run. So, we pause for a while like we take projects for six months and for another six months, we stop taking the projects in Ahmedabad because we have been getting a lot of orders lately. So, this is how the working pattern has been in for Jabra Intra. This is basically the market size overview, the industry market size overview and as you can see it's in fine FY23, FY24 and forecasting of FY28. These are the total statistics of Chavda infra of financial year 24. And this these are our total balance sheet of 2024 and person. I think this is not this. All this information is available online.

Speaker 3: 31:10

So, basically as far as financial analysis is concerned. So, we have a surge of revenue from operations increased by 12% from previous H1 of 24 to H1 of 25. Our EBITDA margin has been increased from 13.98 14% to 21.79 around 22%. Our fat margin also, increased from 6.47% to 8.08% which is a which shows our efficient use of our resources as well as efficient use of our total funds. So, yes, these are So, me key ratios pertaining to our financials. So, this is basically age of our total order book. So, it shows that projects which has the age of 0 to 6 months. We have 271.31 crore of revenues and book from these projects. So, we have 6 to 12 months old project in which we have unbooked revenue of 232.49 crore. We have a project raising of 12 to 18 months in which we are yet to book one 8.90 cr of revenue. And so, as to 18.2 80 to 24 months and 24 to 30 months is this is our vision and mission statement. So, thank you.

Speaker 1: 33:03

Thank you So, much sir.

Speaker 2: 33:04

Thank you for the time. Okay.

Speaker 1: 33:09

Okay. We will now begin the question-and-answer session. Anyone who wishes to ask the question please raise your hands. Okay, we'll take the first question from Mr. Amit Bhatt. Please unmute yourself and ask the question.

Speaker 2: 33:43

Mr. Amit Bhatt, can you unmute yourself and ask the question please.

Speaker 1: 33:52

By the time let's take the question from Mr. Nirvana.

Speaker 4: 33:57

Hi, thank you for the opportunity. Am I audible?

Speaker 2: 34:00

Yeah, yeah, you're audible. Nirvana.

Speaker 4: 34:02

Yeah. Thank you So, much for the presentation helped us understand more. I have three four questions. So, first of all can you tell me the unexecuted part of the order book right now and what is the timeline for execution?

Speaker 2: 34:17

Unexecuted, it's 670 crores. That is the graph that we have shown. The aging graph that we have shown was of that only. It is 670 crores and unexpected executed part and I think it will be completed. The project timeline is from differs from like So, me of the projects are about to get completed and so, me other projects. So, basically you can for example you can consider 24 months with all the projects will be mostly completed.

Speaker 4: 34:44

Okay, got it.

Speaker 2: 34:46

Duration many new and more projects would come in So, we'll be executing other projects as well. In the same duration.

Speaker 4: 34:53

Sure, sure. And in. In terms of H1 revenues, I think they were a little muted. We had So, me 1213 kind of your growth. So, in H2 overall for the year, do we think that we can hit 300 crore revenues which will be like a 25% kind of a growth? Not, not asking for a guidance but just trying to understand the execution.

Speaker 2: 35:16

Yeah. Let me brief you in this as well. If you see the graph of Chavda infra over the period of time in every year, the first quarter like first six months are a bit steady and the next six months has the maximum turnover. Reason is construction holy and monsoon sets in. So, the, you know, after the laborers and the new projects they start coming after like September. So, from October to March is our golden period to work. Right now, our strength is at the highest level and we almost book more like almost double or a bit less than double turnover in second quarter in next six months.

Speaker 4: 36:01



Got it. So, 25% yearly growth.

Speaker 2: 36:16

So, 100% strength plus foundation maximum billing. We are going to H300.

Speaker 4: 36:40

Okay. Okay. And sir, contract I think everything is from. All the orders are from private sector. So, do we have cost escalation clauses for raw material?

Speaker 2: 36:50

In all our orders we not have. We are not having cost. Yes, cost acceleration. We have the basic rate. Like if the steel. 63 rupees. We have been quoted for 63 rupees steel. So, even a minor plus or minus will be able to claim on each bill. So, each and every raw material if the rate has, you know, escalated will keep it on build-to-build basis. So, if it gets lower, we'll have to give them back. If it gets higher, we have to take the extra amount.

Speaker 4: 37:20

Okay.

Speaker 2: 37:20

And yeah, private contracting in Ahmedabad gift is working right now.

Speaker 4: 37:25

Sure. And. And it's immediate, right? Like for the. If, if every bill, every bill, every.

Speaker 2: 37:31

Every RA bill is submitted with the rate basically difference. We call it the basic rate. So, the basic rate is defined in the tender. If we have any plus or minus in that basic rate, we claim every bid.

Speaker 4: 37:43

Got it. And if I look at your construction expenses plus cost of materials cost for H1 it was 66.5%. Last year it was much higher, 72.5%. And even last year H2 70%. So, it has come down quite a lot from 72.5% to 66.5. So, I just want to understand is this sustainable going forward for H2 and for FY26? And what is the reason behind?

Speaker 2: 38:12

First of all, okay, we get reputation of the material of last year. Reputation because the order book has increased. But the material may we don't have to purchase each and every site. Consider this year we are investing heavily on my one shuttering and high skyscrapers technology. So, next year we'll get the repetition of the same thing. So, So, that figure can keep on varying. So, me years it will be on higher side, So, me year it will be on a lower side depending upon the material and technology that we are investing and repeating.

Speaker 4: 38:48

Okay, but the 20% EBITA margin that you're printing for the last two halves, is that sustainable?

Speaker 2: 39:02

As I said, the maximum foundation work keeps on going. So, Mahape, we have got a maximum C building May 30 to 40% work goes on in foundation, maximum concreting steel, maximum margin.

Speaker 4: 39:19

Okay. Sir, question. Can I ask or should I come back in the queue?

Speaker 2: 39:24

Yes, please come.

Speaker 4: 39:26

Okay. So, sir, our gross assets have increased. If I see from FY23 it was 60 crores. Now it is about 115 crores, almost double. So, what is the capex that we are looking to do in H2 and FY26? If you can guide.

Speaker 3: 39:45

Yes Nirvanaji, actually we have a plan to add around 10 SIA in H2 of 25. And for 26 we will add approximate 15 to 20 Crore fix asset to our GCA.

Speaker 4: 40:03

Okay, and what are these assets that you're adding? Bulk of this war, is it like mainly.

Speaker 3: 40:08

Mainly shuttering materials.

Speaker 4: 40:10

Shuttering materials. And you depreciate shuttering materials over three years?

Speaker 3: 40:15

No, we are depreciated over seven to eight years.

Speaker 4: 40:20

Seven to eight years. Okay. Okay. And in terms of our networking capital days, So, I think right now we are at around 190 days. So, where do you expect it to settle? Steady state, May. And related to that, can you tell me what is the current fund based and non-fund-based limit and what is our utilization level? Those are my last questions.

Speaker 3: 40:41

So, as far as working capital cycle is concerned, we'll definitely going to reduce it. And we are striving to reduce as much as we can. And as far as point based and non-point based working capital limit working limits is concerned, please share your mail ID to me. I'll share all the details to your mail ID So, you can have exact idea of the fingers.

Speaker 4: 41:06

Sure. Working capital, do you have a target number of days by end of this year or FY26 network?

Speaker 3: 41:12

Yes, we have a target to reduce it up to 170175 days.

Speaker 4: 41:20

Okay. All right. And any plans of introducing government Orders in your order book or will you continue with private and only as of.

Speaker 2: 41:28

Now we are very keen on. We are getting a lot of private inquiries and the margins. See in Ahmedabad we are the preferred contractors. So, the it's not like when we go to the tender, we have to take the project from N1. So, basically in private sector we all almost in every project we are either H1 or H2 and hence our margins are maintained very nicely in the private segment. And we have a very good repo with the customer clients as well. So, for now I'll be investing my time and money in private sector only. But in future maybe we can think about it. But for now, now we are not able to cater what we what is coming our way. So, to move to another place is right now not in the books.

Speaker 4: 42:15

Got it sir, thank you So, much and wish you all the best.

Speaker 2: 42:18

Thank you very much.

Speaker 1: 42:20

We'll take the next question from Mr. Manan Madlani. Sir, are you comfortable asking the question?

Speaker 2: 42:31

Mr. Manan Madlani.

Speaker 1: 42:36

Mr. Rajendra Pasi, please ask your questions.

Speaker 4: 42:40

Sure.

Speaker 5: 42:40

Am I audible?

Speaker 2: 42:41

Yeah, you're audible.

Speaker 5: 42:44

Sir, as you have mentioned the projected number for the upcoming HOH like 0 to 6 and 6 to 12. So, can you mention like what is 0 to 6 in terms of.

Speaker 2: 42:56

Yes, 6 months. 0 to 6 months. 6 to 12 months. The project that has been aged comes to 0 to 6 months. They come in 0 to 12 months. So, this is how the aging goes in months.

Speaker 5: 43:17

Got it. And the numbers that we have projected corresponding to those months. So, are we talking about those. The billable numbers that would be there?

Speaker 2: 43:26

Yeah, yeah, yeah. Those are the billable numbers. Yes. Okay.

Speaker 5: 43:29

And what are our projections for H2FY25?

Speaker 2: 43:35

Like.

Speaker 5: 43:39

H H2FY25.

Speaker 2: 43:44

So, this year we'll be doing around 300 and next year the projection would increase around 25 to 30%. It will be a very consistent growth. So, our growth trajectory has always been about 25, 30% each year So, that we don't over trade and step into the, you know, zone wherein there is a lot of investment coming in and the profitability decrease. So, we have a very steady growth ratio plan to maintain our profitability and to go for the longer run.

Speaker 5: 44:16

Got it. And can you mention Something about the IT rate that we have recently and has IT had any impact on our business or anything?

Speaker 3: 44:26

No, as far as impact on business is concerned. So, even during the IT search our all sites over all projects were in operation as IT is. So, during the IT search, Income Tax officer have found that 22 lakhs around cash from our premises which is already accounted. And out of that they have searched 15 lakhs and they have searched all our digital data. And now they'll process that this whole data at the place and they'll ask for their queries and their questions. So, as far as our present scenario is concerned there is nothing material to materials has been found to income tax authorities.

Speaker 5: 45:17

Got it. Thanks. Thanks for the info.

Speaker 3: 45:22

Sorry.

Speaker 5: 45:24

I said thank you for the information.

Speaker 2: 45:25

Okay.

Speaker 1: 45:30

Mr. Jignesh, please unmute yourself and ask the questions.

Speaker 3: 45:35

Yes.

Speaker 6: 45:36

So, wanted to understand lot of projects are being launched in Gift city. I think a few of them are government projects and aha. Many would be private. So, we. We are not entering any government projects in Gift city.

Speaker 2: 45:56

Government there are certain So, many things like first of all you have to provide the earnest money deposit. Then they have the penalty clause. Then they have the procedure wherein in pending you have to take the project if you are L1. So, even the lowest has a very low rate and a very low profit margin. So, for us we have certain privileges in the area that we are working. We don't have to rely on getting L1. We can be H1 and still get the project. We do not work with penalty clause because you know that will hit our profitability. So, we do not. We have this strict policy wherein we do not work with the penalty across. We do not provide any earnest money deposit bill because that will blow our capital. Instead, we ask for the mobilization advance to our clients and they are very happy to give because the way we have been doing the project after that has been exceptional. So, these are certain criteria that we are, you know, not getting indulged into government project for now. We want our capital, our money to be focused in the place where we can grow and give a good growth rate and good profitability.

Speaker 6: 47:15

Opportunities. Give city apart from government that we can back.

Speaker 2: 47:27

But we are not very keen on government and we're not very keen on getting the project as an alien basis.

Speaker 6: 47:32

My only intention was now since the competition in Ahmedabad is broadly between you and PSP which has been taken over by Adani. So, I think then all the government tenders PSP would be leading in that way since we are not.

Speaker 2: 47:52

PSP is registered government contractor.

Speaker 6: 48:23

Domain player, competitive intensity.

Speaker 2: 48:30

Particularly or particular. The condition is So, that everyone has got ample of work. So, not just us, all the other like top major contractors. And we are not actually you know looking for the projects because project come to us. We are looking for the good Rates we are looking for good profitability and to work with good clients. The competition culture particular.

Speaker 6: 49:00

Right, right. Equity capital. And since if we get a big project, we need to raise funds. I think as per the new SEBI regulations it has increased to 35 crores or regulation in force. When can it be increased and whether it will benefit you going ahead.

Speaker 2: 49:39

No.

Speaker 3: 49:39

As far as SEBI notification is concerned, we don't have that updates that it can be increased up to 35 crosses. But we have that update that we can raise more points without migrating to main board. So, we are working on that opportunity. And if any. Any material will happen we'll definitely inform exchange about the same. Okay.

Speaker 6: 50:08

But I. I don't think that is in force till now. Because that is current recent SAB amendments.

Speaker 3: 50:15

I think it is very recent SE engine. So, we are also, our hands on that updates how further it will and how market will react to the that as well.

Speaker 2: 50:29

Okay. Okay. Thank you. Thank you.

Speaker 1: 50:34

We'll take the Next question from Mr. Zakir Hussain. Zakir sir, you there Mr. Amit Bhatt. You can ask the question now.

Speaker 7: 50:58

Yeah. Congratulations team Chara for very good presentation. And the presentation is self-explanatory. But I'm having few questions. Sir you are having unexecuted order book of 1093 crores. Almost 1100 crores order book you are having. And this year you are giving a guidance of 300 crore means in H2 you are going to do So, me 175 to 180 crores. So, sir next year FY26 now you have to do at least 440 crores if you want to complete this order book in 2.5 years. So, this assessment is right sir that next year 400 to 425 crores. You know revenue we can get with this order.

Speaker 2: 51:35

Yeah. Yeah.

Speaker 3: 51:35

Considering the.

Speaker 2: 51:36

Considering the order book and if there's no. Hello, Am I audible to you?

Speaker 7: 51:42

Yeah.

Speaker 2: 51:42

Yeah.

Speaker 7: 51:42

You're audible.

Speaker 2: 51:43

Yeah. So, considering our order book. First of all, it is unexecuted order book is 670 crores. And in right now we are planning, we are targeting 300 and the next year probably will be able to complete. As you said that the remaining order book that we have and probably the new projects would join in as well. So, the next target as we the growth that we have been giving is going to be easy for us. Even at this time. Particularly it we were planning more than 300 but we got to 300 because certain projects, two or three projects they got a Bit delayed because they

were supposed to start by September. Now they are starting from January So, that two, three months where you know cut short and probably in next year it will add onto the for revenue or the sales.

Speaker 7: 52:37

Okay now another question sir as you said that you are you know refusing the orders because of you know So, me you know margin issues or you don't want to overstretch yourself. You don't want to spread yourself too thin. Now the thing is that that you are working capital cycle is you know more than you know 120 days. So, you must require 100 to 125 crore rupees for the working capital and even capex you required for the you know formwork upgradation or adding you know So, me new cranes and you know construction machineries. So, why we are not diluting sir our stake, you know people are coming with the preferential market is very you know nowadays very you know happy with the EPC companies. So, why we are not diluting and you know raising the equity through preferential and we can you know increase our you know this order book and increase our business. Why we are not utilizing this you know golden opportunity which other EPC companies are doing and market is very good sir. People will ready to you know give you money even if you come with the right issue. We are ready to you know participate in that. So, if money is the problem to increase the order book, then you should think you know and you know you have to raise equity.

Speaker 4: 53:52

Sir.

Speaker 7: 53:52

What's your thought? Sir, can you throw So, me light?

Speaker 2: 53:54

I mean first of all this is our first year we the last September only we came up with the issue and we have been since up Mary project may increase 600 crore key order book. May we have 1100 crore order book. So, we have been consistently taking the orders. Secondly, we are getting, we are getting many opportunities. That is correct. But as I said focus is on the profit margin. Focus is on safety of our money and our asset. First of all, one part of taking project or second part of taking project is where I will invest at one particular time if I keep on investing a lot of money or mirror repetition cycle slow Jaga. So, overall, it will impact on our capital or mirror profitability. And I don't want to that to happen. So, okay we are doing. We are giving you very good results. We are you know expanding at a very good growth rate. Even if you come to Ahmedabad gift, you'll see a lot of population. You'll see our board uh in So, many places. So, we are very particular about Selecting our projects. We are very particular about uh, you know being profitable because taking the heart of hardened money of our investor is a very huge responsibility. And I don't want to take a step wherein you know we disappoint the investors. We're not able to give good profits, we're not able to give good revenue. Okay. And sir order book preferential definitely. If I get a very good opportunity this may margin body say repeat hora then definitely, we'll plan for the preferential and you know diluting So, that can be considered if I have like you know very good opportunity on our hand. So, we are looking for



one such thing project that is huge and we have a very good opportunity of investing and making a very good profit out of it. We'll definitely you know strike it on the right time.

Speaker 3: 56:20

Okay.

Speaker 7: 56:22

Unexecuted order book 1093 crores. Unexecuted 650 crores. We can't understand this properly.

Speaker 3: 56:49

Can you please explain sir, it is very much clear. So, 10931100 crore that is my total order book value. And out of that 1100 we have already booked a 384 Something car and now out of that 1100690 cr 670 cr is pending to be built. So, 1100 is value of total order book out of that unbooked, unbilled revenue is six seventies here. So, okay.

Speaker 7: 57:24

Understand.

Speaker 2: 57:27

Simple terms. At that time, we were particularly executing. When we said 1100, we were executing those projects. Now they are out and completed. Right now, we are on hand 670.

Speaker 7: 57:51

Okay, now the last question is a historical like other EPC player h1 contributes 40 percentage and h2 60 percentage. Right. Hamari company b40 h1 Karthi h1 revenue book 60 percentage like other EPC right. Historically profit margin it is because of the operational efficiency kicks in in H2 because you know profit margin H2 compared to H1 assessments.

Speaker 2: 58:27

This is very true. Especially for a construction company. This is very true. And I'd say even more than 60% of the turnover will be booked in this next H2. Okay.

Speaker 7: 58:37

So, sir Amara 8%. Because this time in H1 we clocked more than 8 percentage which is really good. I congratulate you for this 8% to be second with fixed cost 8 percentage second H2 may can we go up to 8.8 like FY24 that we can achieve.

Speaker 2: 58:59

It will go as per the trend. Definitely will give you a grow growth and give you an increase that is that we have been maintaining the consistent profit increase.

Speaker 7: 59:12

There is a one small request from our investor because you know we invested from the first day in this company and we are holding it for long. And that is that in the first day when first conclave when you held you told that redevelopment. But after that redevelopment. So, my request to you is existing because you are not going to the government. So, for you the logical thing to do in the coming years to grow and become big like PSP construction quality. It is one of the best qualities you are delivering. So, what I personally feel.

Speaker 2: 01:00:20

And that was the first thing that we wanted to do. So, if we are considering is the bankers are very supportive for Chavda Infra being a contractor and being a developer. They are not really comfortable. So, we were having certain problems with the bankers. And that was the reason. You know we did one project in this Chavda Infra and the others we had done the Chakra developers. That is the plan and the promise in future definitely Hoga. And we are finding a way to, you know, incorporate them for us also, you know, focusing on one.

Speaker 7: 01:01:15

Existing investor. We get a first chance.

Speaker 2: 01:01:30

That is the plan. From the very beginning I never wanted to, you know, have another company. This may probably correct. But because of the banking restrictions we had to change the company. But very future we have the plan that is coming up where we can merge the two or either you can be the part of both the entities.

Speaker 7: 01:01:46

Absolutely.

Speaker 2: 01:01:47

Thanks a lot, sir. And in the long-term plan and definitely we are working on it and we'll definitely come up with Something for that.

Speaker 7: 01:01:53

Now you are one of the great managements and all the best for the future. We will always be with you in this journey.

Speaker 2: 01:02:00

Thank you. Promise you a lot of, you know, growth and expansion coming in future. You won't be wrong. Yeah.

Speaker 7: 01:02:05

No, no, no. Thanks a lot, sir.

Speaker 2: 01:02:07

Thank you very much.

Speaker 1: 01:02:11

Sir. Let's keep it to three questions per person from now So, that we can answer the maximum number of attendees. Okay. We'll take next question from Mr. Suraj party.

Speaker 2: 01:02:25

Hey.

Speaker 7: 01:02:26

Hello.

Speaker 8: 01:02:27

So, I have question regarding cash flows. In H1 we were having negative cash flows mainly due to the loans and advances. Can you please clarify the. You know, later. What exactly was it in H1? Yeah, we had negative cash flows mainly due from operating activities. Mainly due to the loans and advances. So, if you can just clarify. You know.

Speaker 3: 01:03:04

I think for H1 of 2025 we have a positive cash flow from operating activities. Not negative.

Speaker 8: 01:03:20

Okay, but yeah, okay. Yeah. On the balance sheet if you could see we have a significant increase in the Just give me a second. Yeah, yeah. In the balance sheet if you see the current assets in the item number D, we are having significant increase in the short-term loans and advances they have been raised from 55 year to 80 cr and also,

Speaker 3: 01:04:07

Yeah So, the in mainly this increase is due to our redevelopment project. So, what happens? We have booked a revenue of redevelopment project as unbate revenue. So, as So, on as we got the BU permission and sales date has been started to executed, we will transfer this revenue to our build revenue. So, out of this 18.01 cr 31 cr is from my Manali unbilled revenue. So, major portion is that.

Speaker 8: 01:04:42

Oh, okay that clarifies. Thank you.

Speaker 1: 01:04:52

Mr. Nirvan, please ask the question.

Speaker 4: 01:04:55

Yeah, thanks for the opportunity again, sir, if you can tell us about your current bid pipeline and how much order intake do you expect in H2 and in FY26.

Speaker 2: 01:05:09

So, the order book is right now 677. So,

Speaker 3: 01:05:13

So, Nirvanaji, we have a three to four project. Three to four projects into a pipeline.

Speaker 2: 01:05:20

And around like that would be CBRN talks with certain developers and certain institutes right now and new projects. Three to four projects would be around 200, 300 in between 200 to 300 cr.

Speaker 4: 01:05:38

So, okay, do you expect any order inflows on H2 and what is the.

Speaker 2: 01:05:42

Target for effect 2? We are expecting it will be coming around January or February.

Speaker 4: 01:05:50

The entire amount 200 crores or so, me.

Speaker 2: 01:05:52

A part of it depends on the development. Because see we are in talks, we are in the advanced talks but the moment it is completed, you know, the negotiations are completed and then they are ready to give us the work order. So, that process takes So, me time. So, probably we can expect one or two months. We'll be giving the good news.

Speaker 3: 01:06:10

Sure.

Speaker 4: 01:06:10

Because the reason I'm asking is your order book is 670 and this year you're going to do 300. So, the order book to revenue ratio is already less than 3. Usually for EPC contractors doing skyscrapers etc. I think 3 is considered to be a comfortable order book to revenue ratio where you have visibility. So, just trying to understand from that point of view because you are guiding for aggressive growth in the next two years.

Speaker 2: 01:06:34

We are doing a very aggressive growth. So, within this H2 we will be getting, getting two or three projects and projects and over the period of time in next financial year we'll be taking up other projects as well. So, the flow of projects will come on, keep on getting, you know, keep on increasing.

Speaker 4: 01:06:52

Okay, and what, what was your employee strength at the end of FY24 and. And what is it currently?

Speaker 3: 01:06:59

So, FY24 we have an employee strength of 284 employees. And as on the. As on the 30th of November we have employee strength of 3, 324. Considering group company, we have more than three people.

Speaker 2: 01:07:21

More than 400. Four hundred and fifty. And.

Speaker 4: 01:07:24

And this. It is a like for like number was 284. Group company number was 284 in March.

Speaker 3: 01:07:30

Yes. Yes.

Speaker 4: 01:07:32

And that has become 450 now. So, it has increased by 170.

Speaker 3: 01:07:39

Not exactly 450 but it is around 425.

Speaker 4: 01:07:44

Okay. Okay. Got it. Got it. And last question. So, uh. The depreciation now that you've done a lot of capex. You said you will do future more capex in the future. But whatever you have done currently the gross block that you have currently has the max depreciation come in the books already or is Something still pending to come in H2 from the current growth?

Speaker 3: 01:08:07

No, it will depreciation. We have a bifurcated very constant basis. So, there were.

Speaker 2: 01:08:18

There.

Speaker 3: 01:08:19

There were. There will be no major difference between H1 and H2 as far as depreciation is concerned.

Speaker 4: 01:08:26

Okay. All right. Thank you So, much.

Speaker 1: 01:08:31

Sir, I've received So, me questions in the chat box. I'll read them. The first question is. Last fall total tender book was 600 to 700 Cr for which result was expected to be around this Diwali. So,

how much utilization rate came in the same and current bid book for Chavda Type of bid book and highest bid for any project. That was the question.

Speaker 3: 01:09:03

So, can you repeat it?

Speaker 1: 01:09:06

Last call 10. Total tender book was 600 to 700cr for which result was expected to be around this Diwali. So, how much you how much utilization rate came in the same and current bit book for Chavda Type of bid book and highest bid for any project.

Speaker 3: 01:09:26

So, you are talking about on ongoing bid or you are talking about already awarded projects?

Speaker 1: 01:09:34

The last call total bit.

Speaker 2: 01:09:37

So,

Speaker 3: 01:09:37

Last call last call. Our total order book was I think 900. Around 900 that cr.

Speaker 1: 01:09:48

A second. I'm just copy pasting the whole.

Speaker 2: 01:09:54

To you.

Speaker 3: 01:09:56

Please clarify the question because I'm not getting any confused.

Speaker 1: 01:10:01

Actually, I've received it from the investor and they are not on the. Sir, I've shared the all the questions. You can answer the question that you are understanding. Yes sir, I've shared the. I've shared all the questions in this chat box only So, that you can read it from there and answer the questions. That would be easier for you to understand also, sir. Till then we can take A question from Mr. Tejas K.

Speaker 3: 01:11:26

Happy new.

Speaker 4: 01:11:29

Hello.

Speaker 9: 01:11:30

Am I audible?

Speaker 1: 01:11:31

Yes sir, you're audible.

Speaker 9: 01:11:33

So, what I was trying to understand that out of these 670 crores worth of order book or you have given that 271 worth of orders are executable in next six months, right? And now we are. And now we are targeting 185 crores for H2FI 25.

Speaker 2: 01:11:52

So, why is.

Speaker 9: 01:11:53

Why is there a gap of 85?

Speaker 3: 01:11:55

No. No. That is. There is an error of understanding this. The 271 cr is unbid revenue for the project who which has an age of 0 to 6 month. So, those projects who has been recently awarded out of those projects. We have 271cr yet to book. So, it is not that we will book 271cr in six months. It is not like that.

Speaker 2: 01:12:27

Thank you.

Speaker 3: 01:12:31

Hello. Hello.

Speaker 2: 01:12:40

Am I audible to you?

Speaker 1: 01:12:42

Hello sir, you are audible. I think Mr. Tejas's network has gone.

Speaker 3: 01:12:45

Okay.

Speaker 1: 01:12:46

So, we can take the question from the chat box.

Speaker 3: 01:13:04

There is a question from Mr. Suraj Pattewar. For their development projects our teams are said that same of Chavda intra. As far as project execution is concerned team is the same. But sales. As far as sales is concerned, we have a totally different team for our redevelopment projects. So, So, there is a question from Mr. Lokes Patel that mostly all listed company below 1000 crore market cap is similar. Business is giving guidance of 40 to 50% AVP infra give guidance of 90 to 100%.

Speaker 2: 01:13:46

Why we.

Speaker 3: 01:13:46

Why are we targeting just 25 to 30% 300cr this year is 24 growths below the most listed peers.

Speaker 2: 01:13:55

See the answer to this is why the volume game is not always necessary. Why we focus on volume game. But would you like to be invested in a company would be you know 500 or 200 to 1000 in just two years. Or would you like to be invested in a company which is giving consistently good profit and is about to get very big. And when it's going to be 1000 it's going to be almost debt free and profitable. So, it is up to you. There's always going to be So, me company who will tell you that we'll do 1,000 crores in two years. And probably they will. But how good they are maintaining the profitability. Because for me more than the sales and revenue part, the profitability part is important for Every business to survive So, or not. And we're not focusing on the volume game, we are focusing on the profit game.

Speaker 3: 01:14:44

Next question. Hope your answer is answered well. So, there is a question from Mr. Tejas. I think that question we have already answered. There is A question from Mr. Jumet S. Your mostly order comes from Ahmedabad Gandhi Nagar area and you plan to get order from other cities like Surat or Baroda or other towns.

Speaker 2: 01:15:10

Definitely. Once we are able to cater everything that comes our way in Ahmedabad and if we are looking but we not be going to the cities that are smaller than Ahmedabad. If we plan to expand pan India it would be in a city that is bigger than Ahmedabad. Because we are primarily focusing. If we set up an infrastructure in certain cities we are going to be there for a while. We're not just going to do one project and leave. So, the next project that if we are we happen to go outside it will be in a bigger city. Consider Mumbai, Hyderabad, Chennai or Delhi. The top tier cities that are in India. So, that is the plan.

Speaker 3: 01:15:53

Question from Mr. Nissan is that can you explain what is the typical completion timeline and how does month wide percentage revenue is recognized?

Speaker 2: 01:16:02



The typical completion timeline differs. See if you are doing a seven-story building the timeline is about 12 to 14 months. If you are doing a high rise building of around 14 to 15 stories or say that timeline is around 18 months. If you are doing it for like 36 to 40 stories the timeline goes to around 26 to 28 months. So, it's a very selective thing. It's not one answer to this question. If you're doing a Society of bungalows it can vary around two to three years. So, it's a very different definition to each and every projects.

Speaker 3: 01:16:40

There is a question from Mr. Gulati. Any plans to enter industrial construction?

Speaker 2: 01:16:46

Definitely. This is in our mind. We have been planning and we have in past also, we have done industrial projects. But ever since, you know people here are very fond of the way we are working and building. We are not getting free from building but industry industrial projects are very profitable and it's very easy as well. So, definitely we are planning. Probably by next year you'll hear good news about Chavda getting into industrial construction as well. So, it's nothing different. Industrial construction is not very different from the building construction. Just we don't have to scale the heights, we have to scale the horizontal distance much So, very doable.

Speaker 3: 01:17:26

I think we have answered all the questions from the chat box.

Speaker 1: 01:17:30

Yes. Do we have any other questions from any other investor? Please Raise your hand.

Speaker 2: 01:17:38

Yes. Can you proceed with the question?

Speaker 10: 01:17:41

Yeah. Hi. So, I wanted to just understand. The redevelopment projects are not part of our company, right?

Speaker 2: 01:17:49

No. Right now we are doing a redevelopment project that has been booked under Chavda Infra Ltd. But for the future references we have made another company that is touted developers and we are taking new redevelopment projects over there.

Speaker 10: 01:18:02

But then that's not going to be part of a subsidy.

Speaker 2: 01:18:07

For now, it is not. But in future we are planning to do a merger in a way that could benefit our investors. Right now, we can't take it in Chavda Infra Ltd. Because the bankers are not very supportive about the real estate or developers.

Speaker 10: 01:18:20

But then sir, there are other ways to raise capital instead of bankers. And the other thing is we are using.

Speaker 2: 01:18:27

That is the plan. That is the plan. When we are able to do that, we'll definitely merge the two companies. So, we are looking for the opportunity wherein we can get to that state that we no longer need bankers and we can 100 rely on the investment coming from outside. And that is the time then we'd be merging the two and the plan. And the criteria have always been to you know, grow chavda infra. So, definitely once we have a very good books with chavda developers we'll definitely do further.

Speaker 10: 01:18:57

We are using resources of chavda infra for redevelopment projects.

Speaker 2: 01:19:02

No, that is hardly necessarily because you know, see one reason we are not using it is because we don't have to purchase the land in redevelopment project. And second thing is since we have a very huge brand value, Chavda is a very good brand in Ahmedabad. So, the moment you put up a project you can see for Manali. If I say Manali, Manali was like 50 books when we were in the basement. So, the projects in redevelopment are the center of the city and we are a very good brand. We get very easy sales done and in fact we get money in advance in redevelopment projects. So, no scope of using the resources of Chavda Infra Ltd. That reason that.

Speaker 10: 01:19:45

Because we know that you've got such a good brand value and positioning, we would like the redevelopment to come with the same company.

Speaker 2: 01:19:54

Definitely that's the plan. We are planning to do that in near future. We are going to do or do that. But for now, because of the banking restrictions, we are unable to do that. And because of that we have taken the project in another company.

Speaker 10: 01:20:08

By when can we get full clarity on this as investors?

Speaker 2: 01:20:12

Probably next year we'll get the full clarity on it.

Speaker 10: 01:20:15

Okay, thank you So, much.

Speaker 2: 01:20:17

Thank you very much.

Speaker 1: 01:20:23

Further Question.

Speaker 9: 01:20:25

Hello, Can I ask one question? So, this is more like a bookkeeping question. So, typical project. So, you mentioned that you know there are the completion timeline varies how is the revenue recognition happens like for a typical project let's say you are doing a 14 story project which will complete in 18 months. And do you get what is the percentage of advance that you typically get? And like let's say you complete 50% of the project, you get your 50% payment then can you just briefly talk about that?

Speaker 2: 01:20:56

Yeah, yeah. I'll give you a very brief accounts of how the payment system works in construction. See we charge 5% mobilization advance. So, that mobilization advance value is around 5 to 10% from each party. So, that is going to be our first payment before we start the execution work. Second, the stages come as in first we have to complete the foundation that is one payment stage. And then every month the payment stage is the slab cycle. Like we have completed two slabs, we'll be keeping the by 30th we'll be keeping the bill. So, either in it varies from each party. Either it's two billing a cycle or one billing a cycle. So, everyone we have definitely we every project we have billing cycles one or two in every month. One. So, and we get the payment in within 30 to 45 days of putting up the bill. Does that answer your question, Nishan?

Speaker 9: 01:21:51

Yes. So, basically, you're saying that every month you'll be billing basis the completion.

Speaker 2: 01:21:55

Every month we'll be putting up either one bill or two.

Speaker 9: 01:21:59

Got it, Got it. So, there's a regular cash inflow which keeps on happening for a project. So, there is nothing like you are not getting stuck at the end of the day for working capital, right?

Speaker 2: 01:22:07

No, no, no. In contracting firm, we have like every step cycle we are doing enough billing. Also, we are charging to developers for the mobilization advance before setting up. So, that way we don't have to rely on the funds. Like we do have a healthy cash flow coming in from the clients.

Speaker 9: 01:22:28

Got it. And at the end sir, do you have any kind of a retention which you know your customer will.

Speaker 2: 01:22:33

Yeah, that's called a defect liability period in each tender. So, defect liability periods go from six months to one year. So, when once the completion like in every billing, we have like 3 to 5% of retention that has been, you know, carry forward by the developers. It is given to us after 6 to 12 months of completion of the project. Until that time any defect liability appears we have to do and completed with free of cost.

Speaker 9: 01:23:00

Got it sir, Got it. Thank you, sir, for taking the question.

Speaker 2: 01:23:02

Thank you very much.

Speaker 1: 01:23:06

We have any other question from anyone please raise your hand as there are no further questions. I would now like to hand the conference over to Mr. Parker the CEO for closing comments.

Speaker 3: 01:23:23

Thank you everyone for investor stakeholders and well-wishers for joining us today and believing in Chavda Infra your trust and encouragement inspire us to keep improving and delivering on our promises as we move forward. We remain focused on growing sustainability, working efficiently and creating the value all for you. We deeply value your trust and we continue working hard to meet the extent of your expectation. Thank you once again on being a part of this journey together we will building a stronger and brighter future. Thank you So, much. Thank you again.

Speaker 1: 01:24:04

Thank you, sir. On behalf of Chavda Infra Ltd. I thank you all for joining us and you may now disconnect from the meeting. Thank you.