AVP INFRACON LIMITED
Formerly - AVP INFRACON (P)LTD & AVP CONSTRUCTIONS (P)LTD
Reg. Off: E-30, IInd Floor, IInd Avenue, Besant Nagar,
Chennai-600090. Tel No: 044-4868 3999
CIN: L45400TN2009PLC072861

To,

Date: 09-11-2026

The Manager - Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', 5th Floor, 'G' Block,
Bandra-Kurla Complex
Bandra (East), Mumbai 400051

Scrip Symbol: AVPINFRA

Subject: Submission of Transcript of the Earnings Conference call held on Thursday, November 05, 2026 at 11:00 A.M.

Dear Sir /Ma'am,

In continuation of our earlier letter dated November, 05, 2026 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Thursday, November 05, 2026 at 11:00 A.M. to discussed the Un-Audited Financial Results (Standalone and Consolidated) of the Company for the Half Year ended 30th September, 2026.

Kindly acknowledge and take the same on records.

Thanking you,

Yours faithfully,
For AVP Infracon Limited

PRIYANKA SINGH
Digitally signed by PRIYANKA SINGH
Date: 2026.11.09 09:56:35 +05'30'

Priyanka Singh

Company Secretary and Compliance Officer

“AVP Infracon Limited H1 FY 2027 Earnings Conference Call”

November 5, 2026

Management: Mr. Prasanna Dhandayuthapani - Chairman, Managing Director & Chief Executive Officer
Ms. Priyanka Singh – Company Secretary & Compliance Officer

Investor Relations Advisor: Ms. Preet Choradiya – Atlas Capital
Mr Rutul Shah – Atlas Capital

Moderator: Ladies and gentlemen, good day, and welcome to AVP Infracon Limited H1 FY 2027 Earnings Conference Call, hosted by Atlas Capital. Please note this call is being recorded. We have with us the management team, represented by Mr. Prasanna, Chairman, Managing Director, and CEO, Ms. Priyanka Singh, CS and Compliance Officer, and Preet Choradiya from Atlas Capital, the company's Investor Relations Advisor. With that, I hand over the call to Chairman Mr. Prasanna. Thank you, and over to you, sir.

Prasanna D: Very good morning to all of you who has joined this earnings call. Happy to see you all again in a very good state of mind in the morning. This is about AVP Infracon Limited H1 FY 2027 Earnings call. We have published our results yesterday. We are getting into this earnings call to clear whatever queries or whatever doubts, or whatever you wanted to clarify. We are happy to help you all. The floor is yours. You can start your questions.

Moderator: Thank you, sir. Ladies and gentlemen, we will now move to the Q&A segment. Anyone who wishes to ask a question may click on the raise hand icon located at the bottom toolbar on your screen. When called upon, you will receive a prompt to unmute. We will wait for a moment while the question queue assembles. We will take the first question from Vishrut Shah of VFS Advisory. Please go ahead.

Vishrut Shah: Hi Prasanna sir. Thank you for the opportunity. I had a few questions. First of all, our revenue grew by 23%, while our EBITDA only increased by 8%, whereas the PAT declined by 4%. So, could the management explain why this divergence is present currently?

Prasanna D: Can you just repeat, EBITDA rose by around 20-some-odd percent, and the next question is?

Vishrut Shah: Sir, EBITDA increased, I think, only by 8%, right? And revenue grew by 20%.

Prasanna D: Okay, and then, please, the next one.

Vishrut Shah: And the PAT declined by 4%, so could you explain why there is a divergence between the PAT, EBITDA and revenue?

Prasanna D: Okay, the part, from, 4% from which where to where it has come down?

Vishrut Shah: I do not have the exact numbers, but I think that PAT declined by 4%, correct me if I am wrong.

Prasanna D: No, we are maintaining a PAT of 10%. It was last half year.

Vishrut Shah: 9.4%.

Prasanna D: No, no, it was 10% last time also, and this time also it is 10%.

Vishrut Shah: Okay, so what about the EBITDA margins, even they have contracted, right?

Prasanna D: No, EBITDA margins is also on track only. There is no much of decline in EBITDA margin.

Vishrut Shah: Got it. Okay. One more question I have is we have, I think in the business update, we have reiterated our revenue of Rs.600 Crores, right?

Prasanna D: Yes, sir.

Vishrut Shah: And currently in H1, we have Rs.240 Crores of revenue.

Prasanna D: Yes.

Vishrut Shah: So this implies approximately Rs.360 Crores of revenue in H2. So, we have, I think, order book of Rs.400 Crores, which is unexecuted. So, what gives you the confidence that we can achieve this acceleration in the revenue?

Prasanna D: So, normally, our order book increases in H2 only. H2, we have bid several projects. Our all-time order book increase will be in the H2 only. H1 will not be, half year, where we will get the increase in order book, it happens only in H2, when all the tender process happen after this budgeting, all these things, gets completed. So, this normally happens and our unexecuted order book of Rs.400 Crores will be all completed within the 6 to 8 months. So, whichever it will be, we are sufficed with whatever order to be completed in this half yearly. And apart from this, we have bid for many projects and we are also speaking on back-to-back projects from leading contractors, so that we are positive of getting increased order book in the next two months itself. So, every time it happens, when we do this, the Q4, January, February, and March, these are all the three months where we increase our top line. This will be the highest scoring quarter in all the four quarters. So, we are very confident about that. Last year also, if you just check out the average or the ratio between Q1, Q2, Q3 and Q4, Q4 will be almost equal to all the other three quarters put together. So that is how it happens and this will definitely be maintained this year also.

Vishrut Shah: Okay, sir. How much of this H2 revenue will be coming from existing projects versus the new orders that we will be securing? And all the other projects that we are nearing the completion.

Prasanna D: Sir, we are at least 50% of this H2 revenue will be with the existing projects, and the balance, 50% will be with the new projects, and the back-to-backs which we are speaking about. So, back-to-back, we are almost on the verge of finalization of some projects, but we have not finalized, so hence we could not disclose about it. So, we are in talks and that will be finalized any moment. So, just the difference of the pricing is, we have been negotiating on the pricing factors. The primary financial, technical, all this has been completed. Only the commercial part is pending and we are on negotiation. We are coming up with two or three other quotation-based order back, which is a repeat order from our earlier customer also. So that will also happen in this, obviously.

Vishrut Shah: Got it, got it. Yes, I will join back in the queue if I have any more questions. Thank you.

Prasanna D: Yes, thank you.

Moderator: Thank you. Our next question is from Paras Chheda of Purpleone Vertex Ventures. Please go ahead. Paras, you may go ahead.

Paras Chheda: Good morning, sir. Thank you for this opportunity. I just noticed that, you know, there is a sharp drop in the trade receivables. And, almost equally sharp rise in the other assets. Could you explain what is the sort of, change here, actually?

Prasanna D: See, the receivables, earlier it was high in the month of March, it was around 140 or odd, and see, it was due to these elections, all these things that was held up and we have managed to receive all the payments, which were over and above the debtor days, and now it has come down drastically. Now, that we are trying to maintain this debtor outstanding at this level, so that working capital cycle will be maintained. And, in the increase in the capital, increase in the current assets, what you are mentioning is, it is due to this we have classified this, the unbilled revenue, which we have not raised the invoice, which we have bifurcated and put it in the current assets, so that the current assets have increased in that way. Earlier, we used to have this work in progress, and as well as stocks. So, the stock, closing stock, kind of thing. So now we have reclassified this and, going forward in the next year and all we have to go by Ind AS accounting method. So, but this is how the regrouping is happening in the Ind AS for infra companies, so we have started, adopting to that. Priyanka, if you have anything to add, else we can add.

Priyanka Singh: Sir, just one thing is that it is still a part of current asset, it has always been a part of current asset, so instead of inventory, we just reclassified it on other current asset. That is the only thing that we have done.

Paras Chheda: So, effectively, you mean to say this should be a part of the inventories, more or less? We just…

Priyanka Singh: No, sir, actually, a lot of companies show it as part of sales itself, but we show it only the billing portion, and what we used to do is, in inventory, we used to include 3 things. Unbilled, work in progress, and raw material. But from now onwards, after speaking to our auditors and all, what we did, it is still a part of current asset, but instead of inventory, we reclassified it under other current asset, only the unbilled portion. Inventory still has the raw material and work in progress.

Paras Chheda: Right, so there is a sharp jump, so from 85 to 198 about 100 plus Crores, the jump is basically…

Priyanka Singh: Unbilled.

Paras Chheda: Unbilled.

Priyanka Singh: Yes.

Paras Chheda: Right, and when do you expect a lot of these to sort of shift to…

Priyanka Singh: Usually, the unbilled revenue will be billed in the next 3 to 4 months. Usually, that is the pattern, in infra companies.

Paras Chheda: Understood. And what is in our revised guidance for FY 2027 revenue and FY 2028, if it is possible?

Priyanka Singh: Sir, FY 2027 to Rs.600 Crore that, sir, has declared itself. FY 2028, around, we will try and keep it 750 to 800.

Paras Chheda: Understood.

Priyanka Singh: This is all conservative numbers, so we are just telling it. Of course, it will be equal to this or more than this, but on a conservative base, this is the number.

Paras Chheda: Understood. Thank you so much.

Prasanna D: Thank you, sir.

Moderator: Thank you. We will take our next question from Akshi Chauhan from Pinnacle Wealth Advisors. Please go ahead.

Akshi Chauhan: Good morning, sir. Earlier we were talking about our order book of approximately Rs.400 Crores. Could you provide me a breakup of this order book as in in terms of what projects are of, NHAI versus what are of Tamil Nadu state governments or maybe private sector clients.

Prasanna D: Around Rs.125 Crores, it is from the state government, and balance of Rs.275, almost Rs.200 Crores is from, 225 will be from NHAI. So, balance will be from this private thing, we have private from Reliance, and we have it from other back-to-back things also.

Akshi Chauhan: Okay, right. And out of the 400 Crores order book, like how many of them are fixed priced and how many of them are like how many of them are price escalation early linked contracts?

Prasanna D: Apart from state government, every other contracts or price variation, we have price escalation for that. In state government also, we have price escalation, but there is a restriction for 5% of the total project cost. So if it is more than 5%, we have to get a revised administrative sanction from the state itself. We are working on it, and every contractor from state government and everyone who has been doing the projects, executing the projects have applied for this revised administrative sanction, and government has also accepted that they will do this revised sanction and accord the price variation amount, whatever it is as per the actuals.

Akshi Chauhan: Right, okay, got it. Can you give us an expected timeline for the execution for let us say the top 5 projects?

Prasanna D: If you can drop down your e-mail, I can give you the clear picture about when it will be completed everything madam. It will not be… I cannot just, like that, over the call, give you the details. I have to check with each and every project and then only I can give it to you. I do not have it handy with me also.

Akshi Chauhan: Okay, got it, no worries. And, also, another question I had, when I went through the presentation that it identifies Tamil Nadu as AVP's primary operating markets and what the percentage of current revenue and the executable order book is directly or maybe indirectly dependent on Tamil Nadu government departments?

Prasanna D: The state government project, which I have mentioned earlier, Rs.120 or 125 crores, is from Tamil Nadu government. Rest of all is from central government, yes. Rest of all is from central government.

Akshi Chauhan: Okay. Got it. And are we trying to diversify our customer concentration in terms of state?

Prasanna D: Yes, we are not looking to enter any other state government works apart from Tamil Nadu, but we are bidding NHAI projects and MoRTH projects outside Tamil Nadu also. But we are not concentrating on any other state government projects outside Tamil Nadu.

Akshi Chauhan: Okay, got it. And with the new government in place, are you sensing any change in the tendering or maybe project approvals or any delays in execution?

Prasanna D: There is not much of change. Actually, this has been corrupt-free government till date. So, things are going on in a smoother way only. There was some delay in our receivables in the first 3 or 4 months. Now, that has also come in place. So I do not think any negative factors affecting the infrastructure segment. Maybe the tender, the quantum of our work which was coming up earlier in the other government that may be coming down a little, but, I do not think there is any other negative factors affecting the infra segment. And moreover, we are not just concentrating on state government works, we are always concentrating much on NHAI works, so we are not dependent on this and it is not bothering us too much also.

Akshi Chauhan: Okay and are we experiencing any delays in any administrative approvals?

Prasanna D: No, not at all.

Akshi Chauhan: Okay. Got it, I will, get in the queue again if I have any other questions. Thank you.

Prasanna D: Thank you.

Moderator: Thank you, we take our next question from Udit Sehgal of PinPoint X Capital. Please go ahead.

Udit Sehgal: Good afternoon, sir. Sir, could you just elaborate on what you spoke about the new government? Because I think in an early announcement, you said that the receivables are coming faster now and things are going smoother. So, how do you see this going forward?

Prasanna D: Yes, sir, very good afternoon. See, this, receivables, it was stuck for a period of time when the new government have formed and before they could position themselves properly, or they did not release any payment and it was stuck. And now, after quite a period of time, it all got resolved, and now it is all free flow. And, it is all happening on time. There is not much of a delay in any receivables as of now, so everything is on track now.

Udit Sehgal: Regarding the, tenders that we are participating in the NHAI or the, state government. How do you see the competition shaping up in their tenders? Like, is it increasing, has it reduced, or how do you see things shaping up?

Prasanna D: Healthy competition is on the rise, sir. Everyone seen, earlier, people were concentrating on Tamil Nadu, state government works. When things got some delay in the starting and all. Everyone wanted to come out of that, and they started coming and bidding in NHAI projects. So people who are bidding in NHAI alone now started bidding in Tamil Nadu State Government also, knowing the fact that it is going to be corrupt-free, and there will not be any much of involvement of the political people, all these things. So, they started bidding. So, people have started coming from there to here and from here to there. So, there is always a competition. Without competition, this field will not be moving. There will be competition always, but it is manageable. So, size of the company, where we are participating and the size of the projects which are participating is…having some good number of competitors and when we are moving ahead, so I am planning much of JV type of work, so that we bid for higher-value projects, wherein the competition will be much lesser than the size of us. So, we are strategically thinking with 2 or 3 JV partners, and we are bidding in JVs for higher value projects, so that this competition and the premium is lesser than what we are undergoing now. So, we will have that edge, in that. So, we are confident about getting those some work which will always have a positive impact on our balance sheet.

Udit Sehgal: And also, sir, it was said that NHAI is getting strict with the bidders because there were earlier quality issues and they are becoming very particular about the credentials. So, do you see anything about that on the ground, or it is as usual?

Prasanna D: Sir, earlier, if you are bidding for a project of around Rs.100 Crores. If you have done a project of around Rs.20 Crores, you will be able to bid that project. 20% of your project cost is eligible. Now they have made it two projects of 25%, or one project of 35%. So, this is all the qualification criteria. Like that they have technically improved in many things, which is very good for a company like us, because there will not be much of competition from small players and as well as there will not be any fancy people who just come bid out of the box, and they do not execute the work, and they will just keep it in their kitty just like that and they will not execute it. There are people who does this. So, the competition from these people will come down and we will be in a better position to have a greater probability of getting the project.

Udit Sehgal: Okay, sir, thank you. That is it from my side.

Prasanna D: Thank you, thank you very much.

Moderator: Thank you. Our next question is from Kiyansh P, an Individual Investor. Kiyansh, could you please, unmute and go ahead with your question?

Kiyansh P: Thank you for the opportunity. My first question is regarding, sir, management has revised the guidance from Rs.700 Crores to Rs.600 Crores, despite that Rs.60 Crores less than last year. So what has happened, sir?

Prasanna D: Very good morning. See this revision is just because, it is because of this approvals delay in the solar segment. So, we have an order book of around Rs.100 Crores in solar, so we are unable to execute that. So, what happened is this new government has not given a guideline about how this ground-mounted solar is going forward and they have not given guideline for how the approvals will go. It has been 6 months after the new government has come in, but we could not get any approvals. It is not just us. All the company, all company in solar, they could not get that approval. So we could not start up with that project unless on the hold. We have identified land everything, everything is ready, but we have an order book also, the people are ready with the customer is ready, and still there are two, three orders in pipeline, which we have not taken, the LOA has not been received, just because of this approval thing. Once this approval is finalized, will be anytime we can start this work and will be executed. Even then, it takes a solid 8 months for this solar turnkey to be completed, so we will not be in a position to complete the entire thing. So, that is the reason for the revision and the top line, which we have given.

Kiyansh P: Okay, sir, got it Sir, for next year we was dreaming for Rs.1000 Crores of top line. Now, again, we have revised it to Rs.600 Crores. So, is it conservative or…

Prasanna D: It is a very conservative figure set next year. I just do not want to give a higher value and come down and do give a reverse guideline. So this is a very conservative figure what we have given, and we always wanted to do more than what we have committed. Till date, we have been doing that only we have not come down. Only this last financial March, we were not able to complete something and that is the reason. So, whatever we have committed for this H1 also, we have did our best in spite of slow receivables, and in spite of drastic market conditions due to the war everything, we have managed to complete about what we have committed. So what we wanted to do is at least stick on to what we do, what we commit. So that is why the guidance, we have done it in that way. Conservative, it is a very conservative guidance. We are very much hopeful of going beyond that.

Kiyansh P: Okay, sir. And, sir, at what level of top line we can maintain our PAT margin, sir?

Prasanna D: So, we were maintaining this PAT 10%, till date sir and we are very much hopeful of maintaining that also, that further beyond this also. So, I do not know how that will go even if it goes beyond the four-figure mark in the top line. It may drop somewhere, very on a meager portion because of the number of projects, which is on the increase on administrative reasons. All these things may have a reduction in PAT, that is also I am mentioning, it may have, it is not confirmed. So, we are not sure whether it will come down, but we are trying our best to maintain that too.

Kiyansh P: Okay, sir management indicated earlier that order inflow for current financial will be in between Rs.500 Crores to Rs.1,000 Crores. So, are we still confident of achieving those figures in the remaining months, sir?

Prasanna D: What is it, sir? I do not understand you.

Kiyansh P: Sir, management indicated earlier that order inflow will be.

Prasanna D: Yes. Order inflow in this H2 will be minimum of Rs.500 Crores and maximum of Rs.1000 Crores. Definitely, definitely it will be there.

Kiyansh P: Okay, sir. So what is the competition outside Tamil Nadu? So, no order? Outside of Tamil Nadu and why it is so in NHAI, I would say, is it due to the aggressive pricing or any technical eligibility conditions that we are facing?

Prasanna D: No, sir. We are very much, see this after our elections are completed. There are not much of projects coming in Tamil Nadu. Just now, it has been, the tendering process has been started, and we are bidding. Outside Tamil Nadu, we are very much conservative in bidding, sir. Outside Tamil Nadu, when we are going into a new market, I just do not want to get the heat on me. We are bidding conservatively. Also, we are bidding in JVs only outside Tamil Nadu as the project size will be higher, because I cannot go and do a Rs.50 Crores or Rs.100 Crores project in other states, which will not be viable for me. The PAT will not be able to, because the PAT will not be maintained in that case. Again, overhead cost will be high. So, when we do a project, at least minimum of size of Rs.300 Crores, or Rs.400 Crores or something, the establishment cost and the overheads will be absorbable, so we are bidding at that size. So, that is the reason we are not in a position to tap any project easily, but we are very much confident that this year we will be getting through that.

Kiyansh P: Sir, last question, I guess which is very important related to our business, working capital and funding requirements. Sir, our business model requests upfront purchase materials in better prices and margin, while government payments generally take around 90 days. So, how much

working capital is required for every, let us say Rs.100 Crores of additional revenue? Do we have sufficient banking limits, to support, let us say a mark of Rs.1000 Crores of revenue? And if we delay the payment of supplier, so what will be the margin pressure we can see in our business side?

Prasanna D: If we are delaying… we actually we are in talks with many suppliers to increase the credit limit and all so we are doing that also. Apart from that, we are in talks with bank, banks are ready to support us, banks are always supporting us, and we have eligibility to go for higher working capital limit also. So we are on that part also. So we did the QIP for that for our DER what you call debt-equity ratio to be increased and this ratio will be supporting us, and we are submitted proposal to big banks for some consolidation. And, our existing bankers, we are also having meetings in the next, after Diwali and we will be going for some enhancement itself. So, banks will be sufficient enough for us to execute the project. So, funds will not be a problem, what we think, because as this working capital cycle is reducing because of the proper inflow of the state government projects. Now, earlier for the first 3-4 months, our payment was stuck. Now it has been released and they are releasing it on phased manner, everything, so we do not have, we do not find any difficulty in managing the working capital. It is a bit stressed, or we are running hand-to-mouth, but it is, our responsibility to manage with what funds we have. It is just like managing a home with what salary you take, so we are trying to do that and we are very much positive in doing that.

Kiyansh P: What is the figure we can manage with this working capital, sir? At what figure we can do the top line with same?

Prasanna D: With what we have, we can go at a top line of Rs.800 Crores and beyond also. So, we are also having some exposure to the limits, which will be available if we get another Rs.40-50 Crores from the banks also, even we can go till Rs.100 Crores also. So that Rs.1000 Crores will be easily managed.

Kiyansh P: Okay, so Rs.1000 Crores we can do with same working capital and PAT margin.

Prasanna D: Yes, if we get bank support or something, we will be able to do that.

Kiyansh P: Okay, all the best, all the best, thanks.

Prasanna D: Thank you.

Moderator: Thank you. We take a next question from Mahesh Gupta of Compounding Advisory. Please go ahead.

Mahesh Gupta: Good morning, sir.

Prasanna D: Yes. Good Morning.

Mahesh Gupta: Yes, my question to you is, recently the company allotted almost 44 lakh shares at Rs.56 in October 2026.

Prasanna D: Sorry, your voice is glitching, I am not able to hear you properly.

Mahesh Gupta: I was asking that recently, company allotted almost 44 lakh shares at Rs.56 in October 2026 and raising approximately Rs.25 Crores in fund proceeds am I right?

Prasanna D: Yes.

Mahesh Gupta: I want to know where these proceeds will go. Will it go in working capital requirements, or will it go for debt reduction, or is there any plans for business expansion? This one will be used?

Prasanna D: It is entirely we are planning to deploy it in the working capital only. Working capital requirement is on the rise for the infra companies, you should be knowing that. Whatever we are getting, we are trying all the ways from left, right and center to deploy it for working capital only. So, working capital is the place we should be strong, so that we are deploying it, everything in the working capital.

Mahesh Gupta: And also, can you quantify what impact will it have on finance cost and return on equity?

Prasanna D: What is it, sir? Can you just repeat, please?

Mahesh Gupta: Can you quantify this proceeds, impact will have on finance cost and return on equity?

Prasanna D: Finance costs will not have much of an impact. When we are in need of working capital, we are just adding this equity amount to support the finance I mean support the working capital cycle. Instead of taking Rs.25 Crores on debt, we are taking this 25, we are taking this as an equity, and which will support us to take another Rs.100 Crores of debt. So, there will not be much impact on the financial cost, there will not be much difference in the financial cost. If we are taking another Rs.100 Crores of debt, our top line will be going up, and at the same time, our debt will be increasing. Just to increase the top line and to increase the EBITDA, we are taking this debt.

Mahesh Gupta: Okay, sir. And I was recently going through your presentation, and you have highlighted that you have strength of 200 equipment units and 3 RMC plants, and 1 blue metal units. So, can you tell me what is the current utilization on this equipment?

Prasanna D: So, we are utilizing everything in our project. These three RMC plants are deployed for the commercial sales, these three RMCs, which is installed in the Coimbatore and Tiruppur districts, they are doing their commercial sales. And apart from that, we have, RMC units, which we are deploying for our captive consumption. And apart from this, these 200 machines, 200 tippers, everything we are utilizing it for our day-to-day work of our infrastructure development. It varies from tippers, dumpers, excavators, everything. So, we are utilizing it at a maximum efficiency. Wherever there will be breakdowns on repairs and maintenance for the vehicle. We are doing it and we are using it. We cannot just quantify what is the production, what is the capacity utilization of that, but that will vary, but anything will be capacity-wise utilization will be over and above 90%.

Mahesh Gupta: And can you quantify what would be the annual maintenance and replacement, capex?

Prasanna D: I will give you that will be in the balance sheet. Priyanka, can I just check on what is the cost of this repairs and maintenance?

Priyanka Singh: So, can we do that after meeting? Can I send you a mail personally for that?

Mahesh Gupta: Sure, madam, no problem. So, does AVP has any cost advantage of owning its own equipment? Is it.

Prasanna D: Definitely, definitely, definitely. Instead of at least a PAT of 2% will be the difference between owning and operating a vehicle, rather than taking it on rent. Aggregator who has some 100 tippers will give us for rent including his margin, which that margin we are cutting down and that depreciation, what he is getting, we are taking the depreciation effect, and everything, we are doing that. So that PAT margin will be definitely at 2%, at least.

Mahesh Gupta: Okay, thank you, thank you so much.

Prasanna D: Thank you.

Moderator: Thank you. Our next question is from Harshil Patel of Strata Capital. Please go ahead.

Harshil Patel: First of all, thank you for giving me this opportunity. My major questions are covered, but I wanted to ask about as you said, sir, that we are planning to do JV and going forward, we can only disproportion the aggregation risk between among **(Inaudible).**

Prasanna D: Harshil, your voice is not clear, your voice is not clear, please, I am sorry.

Harshil Patel: Okay, so, my major questions are covered, but as you said sir, we are going forward, planning to do JV with our partners to distribute the risk between, right. So, how actually we are planning, we are planning to provide the equipment and technical capabilities to them or sharing the EPC role, or how we are planning to?

Prasanna D: Sir, this JV part, we are utilizing the technical capability of our JV partners who are highly qualified than us and who have a higher technical capacity. It is just, like, a name-lending from their side, and we are utilizing their credentials and we are bidding in the projects and whatever work will be carried out 100% on EPC-based basis by us. So, it will be like something they will be having a minority stake in the JV and we will be paying a small royalty to them. Apart from that, we will be utilizing entire thing for us and the credentials will be taken by us, since it will be like, 74% and 26% from the other side. 74% to the company and 26% to the JV partner.

Harshil Patel: Okay, helpful, sir. Another question I wanted to ask about is our return ratios, like as we are scaling, right? So, I can notice, our return ratios dropped significantly as I compared with FY 2024. As we are going forward with higher borrowing costs and additional capex planning that we are planning and higher working capital needs, right? So, how, as an investor, we think about maintaining these ratios or scalability going forward? If you can throw some light on it.

Prasanna D: Normally, all these EPC companies, when compared, they will be having a part of around 6% to 7%, or a maximum of 8%. The PAT, what we are maintaining is, best in the industrial standards and in our industry. And we are planning to at least maintain this PAT. But when we want to increase the top line, we need funds to operate either it should be in the form of equity or in the form of debt. If it is equity, there will not be any financial costs and debt. Obviously, we should manage that. So there will be a slight dent in the bottom line, but we are trying our best ways to cover this. When the quantum of the work we are executing is on the rise, the profitability may be on the rise, may be on the rise a slight portion, which may cover this debt portion, debt cost, or financial cost, as you see. So, we are, planning in such a way, but there are also projects which we are handling, but now there are no such projects where we can get a mobilization advance of around 10% to 15% at zero cost. Zero cost in the sense the funds will be, the project will be backed by Asian Development Bank or World

Bank, wherein they do not charge interest for the mobilization advance. In such cases, we can get interest-free advances of the project. If the project is around Rs.100 Crores, we can get Rs.10 Crores worth of funds in our account, which will be interest-free. But it is very rare to get such projects. We are also working on such projects, we are trying out to get those projects, and this definitely will have a small dent, which we are working to get it cleared or sorted out.

Harshil Patel: Okay sir, and thank you for the insightful presentation, and all the best for the future. Thank you.

Prasanna D: Thank you very much, sir. Thank you.

Moderator: Thank you. We will take a next question from Ketan Patel of Kiman Advisors. Mr. Ketan Patel, please go ahead.

Ketan Patel: Good morning, sir. I wanted to ask that earlier you said that the PAT margins, has been declining, but I can see in the presentation it is contracted by 265 bps from the first half of FY 2026 to the second half of FY 2027. So, is it because of higher procurement or other raw material costs, or the companies having some low margin contracts? Can you throw some light on it?

Prasanna D: Actually, H1 was pretty good when compared to H2 last year, and in the margin part, margins were high and when you compare with H2, the profit margins of H2 and profit margins of H1 this FY 2027, they are intact. And when you compare on FY 2026 and FY 2027 also, the profit will be on the same levels only. Actually, H1 was a bit on the higher side, and we utilize that. And now the escalation parts, all these things have not been applied, because many projects are not completed. So, when we are on the go, the escalation amount will not be released. Once it is completed, and when the final bill has been raised, then only we will be getting the escalation amount to us. That is also a factor, but normal our EBITDA margin, PAT margin is normally maintained at 10%. H1 of FY 2026 was, something over and above what is our normal margin which we are getting.

Ketan Patel: Okay, and the EBITDA margins from FY 2024 has also declined, and so FY 2024 is 22%, and FY 2026 is 19.4%. So, why the EBITDA margin has fallen?

Prasanna D: It includes this finance costs, everything, sir. There was no much of borrowings in FY 2024 and all.

Priyanka Singh: Sorry, it does not include the finance cost. Sir, basically like last March, we were facing some problem because of this war and all. Prices were high. So, this is also in continuation, prices have not gone down to that level also, so that also plays a major factor, sir. Due to inflation, raw materials, what we bought in FY 2024, what we are buying now in FY 2026, prices have gone up in that way also. And also, bitumen prices are obviously included, so that is the reason, FY 2024, we had a little better margins compared to FY 2026. It is all about this inflation and everything.

Ketan Patel: Okay, so what is the minimum EBITDA margin at which the management is willing to execute a new EPC contract?

Priyanka Singh: Sir, we are actually, what we try as a team is that, we do not have to bring down our margins at any level. So, if you ask me, we are hopeful that, within the same parameter and the same margin, we will be maintaining, and we will keep this in order, because, sir, we have in fact even MD, sir, has also mentioned that whenever we go for tender work and participation of any tender, we always see that the value is proper and we are able to maintain the PAT and we are getting that much of profitability. We just do not go and participate in tenders in which our PAT is not there, our margins are very, very less. We do not do that, sir. We do projects with higher value, we do projects which give us a good return. So, as of now, if you ask me, definitely we will try and maintain the PAT, but again, you know, due to unavoidable situation, like what happened in March, something like that happens, sir so that is something which is beyond our control, but other than that, as a team when we go for a tender, this is what we always try to maintain.

Ketan Patel: Okay, and I wanted to know that the receivables has decreased. So, while the cash flow from operating activities is Rs.13.6 Crores negative, can you throw some light on it?

Priyanka Singh: It is basically because of this, major because of this work in progress and unbilled. So if you see in that way, it is positive, but because of this, this is the major reason, sir. We have a lot of billing which we have to, unbilled thing, which we have to bill. And also, sir, in P&L, when we put this work in progress and unbilled value, we put it at cost, we do not put any margins in it. Margins come only when put it in our sales and billing is done. So that is also one of the reasons, sir. The main reason for negative operating cash flow is because of this unbilled revenue.

Ketan Patel: The unbilled revenue is as good as the trade receivables.

Priyanka Singh: No, sir. Unbilled revenue will not include any profit and all. So, basically, what happens, sir, is that until otherwise we do not achieve a milestone, we are not able to bill it, right? So, what

we have to do is, then we have to keep, like in continuation, we keep working. Say, suppose I and you are having that after 10 kilometers, we can do one milestone is achieved. Say, suppose, as on 30th September, even if it is 9 kilometers, we cannot do the billing, because 1km is still pending and all. So, cost, we are incurring raw materials, everything we are incurring cost is there. So, whatever unbilled is coming, sir, it is only the cost value which show, which we show. We cannot show, add in the margin, profit margin to it until otherwise it is not billed. So that is the main reason, sir.

Ketan Patel: Okay, and when we are going to realize this unbilled revenues?

Priyanka Singh: Unbilled revenue, usually till date our company, whatever unbilled is there, it is always between 3 to 4 months we do the billing, sir.

Ketan Patel: Okay, and I want you to know that the borrowings also have increased, so how you are going to utilize these funds, and the company also raised Rs.30 Crores through non-convertible debentures in August 2026. So, how you are going to utilize these funds?

Priyanka Singh: Sir, NCD was taken for Rs.30 Crores, and we actually paid, we have a subsidiary where one land was there, one term loan for land was taken. So, a part of it, around Rs.15 Crores, went towards that. The remaining Rs.15 Crores, if we remove the other expenses which we have to incur during NCD, it was around Rs.12 Crores which we got. is utilizing in working capital only.

Ketan Patel: Okay. Thank you sir.

Priyanka Singh: Thank you, sir.

Prasanna D: Thank you, Priyanka.

Moderator: Thank you. That was the last question. I now hand the call back to Mr. Prasanna to add a few closing comments. Over to you, sir.

Prasanna D: Thank you very much, and thank you, all the investors who have actively participated in this earnings call of H1 FY 2027. To put up a few words, we are always there to answer all your queries. Whatever queries which we could not answer you over call, please feel free to e-mail us or e-mail Atlas Capital. We will provide all the details through the e-mail. And any other questions also, you can reach to us at any time. We are working on what guidance we have provided and we are expecting all your support to move towards that. Thank you very much.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Atlas Capital, that concludes today's call. Thank you for joining us, and you may now click on the leave icon to exit the meeting. Thank you. Goodbye.

Prasanna D: Thank you.