

Date: 12th November 2025

Listing Compliance Department

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400001 Scrip Code: 544198	The National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: DEEDEV
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Sub: Submission of Transcript of Earnings Conference Call for the Quarter ended 30th September, 2025

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed the transcript of Earnings Conference Call with investors/analysts held on Friday, 7th November, 2025 to discuss the Unaudited Financial Results of the Company for the Quarter ended 30th September, 2025.

The above information is also available on the website of the Company at www.deepiping.com.

This is for your information and record please.

Yours faithfully,

For DEE Development Engineers Limited

Ranjan Kumar Sarangi
Company Secretary and Compliance Officer
Membership No.: F8604
Address: Unit 1, Prithla - Tatarpur Road, Village Tatarpur
Dist. Palwal, Faridabad, Haryana – 121 102

DEE DEVELOPMENT ENGINEERS LIMITED

Regd. Office: Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Haryana- 121102, India

Works: Unit 1, 2 & 3, Village Tatarpur, Dist. Palwal, Haryana- 121102, India

T: +91 1275 248200, **F:** +91 1275 248314, **E:** info@deepiping.com, **W:** www.deepiping.com

CIN: L74140HR1988PLC030225 **GST Registration No.** 06AACCD0207H1ZA



“DEE Development Engineers Limited Q2 FY-26 Earnings Conference Call”

November 07, 2025



MANAGEMENT: **MR. KRISHAN LALIT BANSAL – CHAIRMAN & MANAGING DIRECTOR, DEE DEVELOPMENT ENGINEERS LIMITED**
MR. SAMEER AGARWAL – CHIEF FINANCIAL OFFICER, DEE DEVELOPMENT ENGINEERS LIMITED
MR. PANKAJ AGARWAL – CHIEF OPERATING OFFICER, DEE DEVELOPMENT ENGINEERS LIMITED
MR. SANJEEV SANCHETI – UIRTUS ADVISORS, IR TO THE COMPANY

MODERATOR: **MR. VAIBHAV SHAH – EQUIRUS SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Development Engineers Limited 2Q FY26 Earnings Conference Call hosted by Equirus Securities Private Limited.

As a reminder all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Shah. Thank you and over to you, sir.

Vaibhav Shah: Hi, good afternoon, everyone. Thank you very much for joining into the second quarter of the 2nd Quarter FY26 Earnings Conference Call of DEE Development Engineers Limited.

From the Management side, we have with us Mr. Krishan Lalit Bansal – Chairman & Managing Director, Mr. Sameer Agarwal – Chief Financial Officer, Mr. Pankaj Agarwal – Chief Operating Officer and Mr. Sanjeev Sancheti – Uirtus Advisors, IR to the company.

Without taking much time, I will now hand over the call to Mr. Sanjeev Sancheti and thereafter to Mr. Krishan for his opening remarks. Thank you and over to you, sir.

Sanjeev Sancheti: Thank you, Vaibhav and good afternoon to everyone. A very warm welcome to DEE Development Engineers Limited Q2 & H1 '26 Earnings Call.

Before we begin, I would like to draw your attention to the Safe Harbor Statement contained in our Earnings Update Presentation, available on the website of both BSE and NSE, as well as on the company's website. With this, I now invite the Chairman and Managing Director, Mr. Krishan Lalit Bansal, to share his opening remarks. Over to you, Mr. Bansal.

Krishan Lalit Bansal: Thank you so much, Mr. Sancheti ji and good afternoon, everyone. A very warm welcome to all the participants joining us on the Q2 and H1 FY26 Earnings Call of DEE Development Engineers Limited. We truly appreciate your continued engagement and support.

I am pleased to share that the company delivered robust performance during Q2 and H1 FY26, marked by strong revenue growth, improved operational execution and strategic capacity expansion. Revenue from operations for Q2 FY26 stood at 2,700 million, representing a 39.2% year-on-year growth, while operating EBITDA grew 47.9% year-on-year to 441 million, with margins expanding to 16.3%.

On the order front, the company continues to maintain a healthy order book of 1,308 crores as of September 30th, 2025, supported by robust traction across power, oil and gas and process industries. During the quarter, we also secured 170 crores of new order from leading thermal power player, reaffirming our leadership in the sector. The company successfully commissioned the balanced 15,000 metric tons of process piping solutions capacity at our Anjar facility in September, 2025. This brings the total installed capacity at Anjar to 30,000 metric tons per

annum, effectively doubling our production capabilities in a short period. This expansion has enhanced our ability to cater to both domestic and international clients with greater efficiency.

Additionally, our 7,000 metric ton seamless pipeline is progressing as planned and is expected to commence commercial production by January, 2026. This will strengthen our backward integration, enhance cost efficiency and expand our product mix. With world-class infrastructure, a diversified sectoral presence and a healthy order pipeline, DEE remains firmly positioned to drive sustainable growth and profitability.

With this, I would now like to request our CFO, Mr. Sameer Agarwal, to take you through the detailed financial performance and balance sheet highlights. Over to you, Sameer.

Sameer Agarwal:

Thank you, Bansal sir and good afternoon, everyone.

I will now take you through the Financial Analysis and Key Operating Metrics for the Quarter and Half Year Ended September 30th, 2025:

During Q2 FY26, revenue from operations stood at 2,700 million, growing by 39.2% year-on-year. Operating EBITDA increases by 47.9% year-on-year to 441 million, with a margin of 16.3%, expanding 96 basis points over Q2 FY25, underscoring efficiency gains and better fixed cost absorption following the ramp-up at Anjar.

Q2 FY26 PAT stood at 179 million, with a margin of 6.5%. The year-on-year fall in PAT was primarily attributable to an exceptionally higher-than-income of 160 million in Q2 FY25, arising from non-recurring items. Adjusting for this, the normalized operating process before tax for Q2 FY25 would have been 102 million, as against 172 million in Q2 FY26, reflecting a growth of 69% in underlying operational profitability.

For H1 '26:

Revenue from operations rose 30.3% year-on-year to 4,938 million and operating EBITDA increased by 46.4% to 799 million, with margins improving by 179 basis points to 16.2%. In spite of the increased finance costs resulting from commissioning of enhanced capacity, PAT grew at a healthy 22.1% year-on-year to Rs. 311 million.

Moving to the balance sheet and key ratios:

The company's return ratio continued to strengthen, reflecting improved profitability and asset utilization. Return on net worth stood at 7.7% and return on capital employed improved to 9.4% as of September, 2025. On the working capital front, the cash conversion cycle stood at 243 days, compared to 247 days in the previous quarter, driven by receivable days of 104 and inventory days of 223, as previously communicated during investor interactions, the relatively high conversion cycle is inherent to the nature of our business.

As you are aware, we had passed an enabling resolution in September, 2025 for a potential equity fund raise aimed at meeting working capital requirements arising from earlier than anticipated orders in the thermal power sector. These orders are now progressing largely in line with our original expectations, with only minor delays. Our cash inflows have strengthened and with new sanctioned credit limits from our banking partners, we do not anticipate any challenges in meeting our working capital needs in the short to medium term. Accordingly, we have decided to suspend the proposed equity fund raise for the time being. Should the need arise in the future to raise funds for growth, we will seek specific approval from the Board of Directors.

Meanwhile, we continue to witness strong momentum in the oil and gas sector, as well as in thermal power projects for export markets. Keeping us well on track to deliver against our overall guidance although the revised tariff for biomass power plants have had some impact on our revenue and profitability margin, we remain confident of achieving revenue growth of 40% to 45% over the fiscal 25 base, with an operating EBITDA margin in the range of 16% to 18%.

With the Anjar facility now fully operational and the seamless pipeline made completion, the company expects stronger internal accruals, gradual deleveraging and improved cash generation in the periods ahead, supported by enhanced capacity, greater cost efficiency and a robust order book. The company remains well positioned to deliver sustained growth and long-term value for all stakeholders.

With that, I conclude my remarks. Now I open the floor for questions.

- Moderator:** Thank you very much. We will now begin the question-answer session. The first question is from the line of Vaibhav Shah from Equirus. Please go ahead.
- Vaibhav Shah:** Thank you very much for the opportunity. My question is related to power sector. While you have already won one of the order from the power sector side, how are you seeing the potential pipeline for FY26 and FY27 for the power sector?
- Krishan Lalit Bansal:** Pankaj will respond to this question, please.
- Pankaj Agarwal:** What I was telling that we have a good pipeline available with us from power sector. We are under advanced discussion with many customers and good order book will be there from power sector in FY26-27 and same will be continued for years together.
- Vaibhav Shah:** Thank you, sir.
- Moderator:** The next question is from the line of Tanay Bheda from Kotak. Please go ahead.
- Tanay Bheda:** Thank you for the opportunity and appreciate the monthly updates that we are getting for the revenue numbers. My question is regarding the order inflows within the two segments. So, for the power segment, we have seen this 200 crores order coming for us. Now, for the next half, so the next 6 months, how much should we expect in the power segment and also for oil and gas,

what are we anticipating in the next 6 months? Because in the first 6 months, we have not seen very large orders from oil and gas. So, overall for the next 6 months, what is your estimate of the order inflows that we are looking at and what would be the closing order book position at the end of FY26?

Krishan Lalit Bansal: First of all, I will answer and then figures, Pankaj will give you. I just wanted to reaffirm and reconfirm to all of you that as we have been telling time and again that the initial phase of design and ordering of long lead items take sometimes more than the expected time and our number will come. Our number means the order when the order for critical piping can be decided comes a little later. But now that stage has come wherein people have rigorously started floating the enquiries, getting our offers and even including discussions with many prospective customers on face-to-face basis at the top management level. It was just saying that why there was some delay or something like that in getting the traction out of this particular sector. So, now I will request Pankaj to give the figures that what is the expectation in this financial year, what is the expectation in coming financial years from the power as well as oil and gas business.

Pankaj Agarwal: On a broader perspective, we are expecting around 500 Cr from power sector in this coming 5 months' time till March. And then subsequently we are expecting around 650-700 crores order again in FY26-27 from power sector. And as far as oil and gas is concerned, we are expecting around 100 Cr in next 5 months' time. And then next financial year, we are having a very good hope from various oil and gas companies from India and abroad, maybe around to the tune of around 700 crores.

Tanay Bheda: So, we would go probably from just 100 crores for the next 6 months to 700 crores for the next FY. So, next 5 months not very large orders in oil and gas?

Pankaj Agarwal: No, not very large order from oil and gas, but from power definitely, yes.

Tanay Bheda: But next year we are confident of substantially large orders in oil and gas?

Pankaj Agarwal: Yes, absolutely.

Tanay Bheda: Thank you.

Moderator: Thank you. The next question is from the line of Anmol Mittal from SMC Private Wealth. Please go ahead.

Anmol Mittal: First of all, congratulations, sir, for a great set of numbers. Secondly, if you can guide me related to change in power tariff and what will be the future outlook regarding that? What will be the second half EBITDA margin outlook? And if you can also guide about the EBITDA margin possible?

Sameer Agarwal: Anmolji, as far as our true potential of the business in terms of earning EBITDA margin, that lies somewhere between 18% to 20%. Since there is some downwards trend in power tariffs,

therefore there is a slight dip in terms of EBITDA margins. So, this year we shall be keeping a range of 16% to 18% EBITDA margin from the overall revenue of the organization. Supposing we get a decent amount of revision and tariff, then probably we shall be lying back to the normal EBITDA margin, which shall be 18% to 20%. So, since the matter is sub judice and we do not have any clarity in terms of the exact tariff which we are going to get in future, the accuracy cannot come in terms of the overall margin. But the best I can assure, 16% to 18% EBITDA margin we'll definitely reach.

Anmol Mittal: And on the revenue front, you had guided 15% revenue growth for the full year. And in the second quarter, we got around 40% growth, which is slightly 7% less than the order executed guidance which is shared on month-on-month basis from the last 3 months. So, can you guide me about the full year revenue guidance potential?

Sameer Agarwal: So, as far as our pending order book is concerned, that is enough amount of orders we are having in hand. And we are absolutely on track in terms of guidance given in past to fall in place. But due to some reduction in power tariff, there may be some reduction in terms of overall top line and bottom line. And that we have already guided in our Q1 earning call as well.

Krishan Lalit Bansal: One more thing I will just like to point out that historically our Q1 is leanest, then Q2, then Q3, then Q4. So, we are practically following the same trajectory. And moreover, since we are in project business, somewhere some stop definitely occurs. And, the numbers can exactly not go as per the given plan. But we are again assuring that by the end of the year, we are definitely bound to achieve the guidance which has been provided.

Anmol Mittal: Thank you.

Moderator: Thank you. The next question is from the line of Prince from Lotus Wealth. Please go ahead.

Prince: So, my question is regarding our business with Engineers India and the direct and indirect procurement and the market share there. Can you just provide some color here?

Krishan Lalit Bansal: Can you repeat your question, sorry, I couldn't get your first line.

Prince: My question is regarding our business with Engineers India and the direct....

Krishan Lalit Bansal: So, first of all, let me clarify that Engineers India Limited is the PMC in most of the contracts. They do not award the job directly under EL's name. So, whatever enquiries we are submitting, like last time we got a very big order from GAIL and it was in that PMC was Engineers India Limited. But now we are having a lot of discussions with many other power, oil and gas companies where EL is the consultant. And even today morning also we had a meeting in Bombay and just returning from that meeting only. And we see huge potential in those. So, again, as Pankaj told in coming after 6 months' time in, let us say, Q1 and Q2 of next financial year, we are expecting huge traction from domestic sector as far as the oil and gas sector is concerned.

- Prince:** And the direct and indirect procurement and market share there?
- Krishan Lalit Bansal:** I still again couldn't get what is the meaning of indirect and direct market share? The procurement.
- Krishan Lalit Bansal:** Sameer, can you answer because I am not able to understand.
- Sameer Agarwal:** So, are you asking in terms of raw material?
- Prince:** Yes.
- Sameer Agarwal:** So, as we all know, there are certain geopolitical situations which had arrived and there is some difficulty in securing the material from outside India, particularly China. But as far as the future is concerned, we are totally hopeful and confident that whatever material which is not available in India, we would be allowed to get it imported from outside India. So, the government is very clear and they are not going to stop us in terms of overall production and overall infrastructural development of the country.
- Prince:** Can you just give me a colour around the market share?
- Krishan Lalit Bansal:** Our market share remains as it is. There is no change in that, but it's very difficult for me to right now say how much percentage is with us and how much percentage is with the other people. But our position remains steady. There is no downgrade or I will say that there is no upgrade also right now. So, its status quo is there and whatever we can do with our existing capacities, we are fully booked and we shall continue to remain fully booked. At least we have the clear visibility for the next 3 years. So, there shouldn't be any issue in that.
- Prince:** Thank you.
- Moderator:** Thank you. The next question is from the line of Kashish Anjani, an individual investor. Please go ahead.
- Kashish Anjani:** Very good afternoon, sir and thank you for the opportunity. So, my question is how the demand or inquiry pipeline is there for our heavy fabrication business? I understand that it mainly gets us power sector demand for tower fabrication, but I just wanted to know what kind of business we can expect over the next 2-3 years or maybe can it become sizable?
- Krishan Lalit Bansal:** As just mentioned in our earlier question, answer to our earlier questions. So, the pipeline is extremely strong and heavy as a matter of fact and we are expecting that in this next 6 months or 4 months or 5 months of this financial year, we shall be able to book around 600 crores of power sector business and in the next financial year also almost of the same amount. But in this remaining financial year for oil and gas, we may be booking just around 100 crores, but next year in the first half, we shall be booking more than around 600 crores worth of business. And the same is expected to continue for the second half also, because by that time there will be more

maturity from the power sector jobs also, more enquiries will come. I would just like to give you the numbers which are, I will say, mind boggling. BHEL has around 53 units of almost 800 or 660 megawatts and L&T has an order of almost 23 units of these bigger units. So, none of these people have that much capacity. We are preparing a paper and we may circulate it shortly on the opportunities available on this particular sector in detail, so that you can be rest assured that whatever we are talking makes sense.

Kashish Anjani: On the margin side, while we have posted very high margin for the heavy fabrication segments for the current quarter, so what's the reason behind the quarterly volatility and what kind of would be the sustainable margins?

Krishan Lalit Bansal: Actually, in that heavy fabrication unit sometimes the product mix is getting some shift in that. Earlier, most of the times you are usually doing purely fabrication job. Now, we are doing fabrication with some supplies involved into that, which is giving us some reasonably good numbers. And in the coming quarters also, there may be still more shift that we may be asked to supply raw material also. So, it may add to the top line as well as a little bit on the bottom line also. So, there is a lot of shift going on as far as the methodology of the auto execution is concerned, particularly in that heavy fabrication unit. So, that is why you are seeing a little bit bumps in that particular segment.

Kashish Anjani: And sir, just last question if may I ask, was there any change in product mix in terms of metallurgy or was there any imports of raw material? Because if I see the gross margin has declined substantially. Can you, can you please give color on that?

Krishan Lalit Bansal: Heavy fabrication, there is no change in metallurgy. It remains the same. The only thing changes is the scope mix, whether we are just doing fabrication that means we are just doing 100% job work basis or if we are adding some value added with some our material and on which we get the margins. So, that is the only reason. Otherwise, there is no metallurgy. Metallurgy does not play any role because it is all carbon steel and all standard same items, except that the sizes will change, the diameters will change, the thicknesses will change. That is the only change which happens.

Kashish Anjani: My idea was more from the company level. This is now gross margin is now 60% which used to be 65% last couple of quarters. So, on that level also.

Krishan Lalit Bansal: So, on company level, definitely we are going to have a drastic shift. I mean, from next year onwards, when we shall be doing major portion as high alloy steel material and much less carbon steel material, it will practically the percentage will all together reverse that we shall be doing very high value-added items in the coming year. And the low value-added items will reduce drastically from coming year onwards. This year, we had switched mostly from carbon steel to stainless steel. And in the next year, we are going to shift majorly from carbon steel, stainless steel to alloy steel, stainless steel and then I will say that it will be alloy steel, then carbon steel

and then stainless steel, and that will be the ratio of the percentages which will happen in the coming year.

Kashish Anjani: That is it. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Yash from Mavira AMC. Please go ahead.

Yash: Congratulations on commissioning of the entire Anjar unit and thank you for the opportunity. My question is firstly, around the pilot plant for hydrogen that we were supposed to commission at the Anjar facility and any enquiry is relating to the hydrogen EPC that we were talking about on the last call?

Sameer Agarwal: So, just wanted to let you know that we have made an understanding with an international player for the supply of the entire hydrogen unit. In one hydrogen unit, there are three aspects. One is the electrolysis, second is the separator and third is the hydrogen purification system. So, we have a proprietary through our subsidiary Molsieve Designs Limited, in which we have a proprietary of manufacturing of hydrogen purification unit, which can purify hydrogen to an extent of 99.9999%, which is a very decent amount of purification. So, as far as the opportunity of business in this segment is concerned, some little enquiries are there, but till now, we have not got any conversion in this segment. Since this is altogether a new stream and it is an upcoming sector, people are quite upbeat and at the same time, people are basically in the state of dilemma with whom they want to go. So, this sector may take little time, but I am sure with the passage of time, we shall be growing at a very good pace in this segment.

Krishan Lalit Bansal: Just to add to Sameer's explanation, let me make some correction as a matter of fact. You were saying that we had said that we shall be putting up this plant in Anjar. Actually, we had said in our last call that this is an alternative available to us for putting this hydrogen plant in our Malwa plant where the tariff has been downgraded drastically as an alternative measure. But at the same time, we also told that we are going to have a pilot plant over there that will be our first preference. And this will be our second preference. So, we are just moving ahead as per that. And we hope to commission our pilot plant very shortly within the next 3 months' time and based upon its success and again based upon the tariff order, which comes from the government, we shall take a further call on hydrogen plant to be commissioned in Malwa.

Yash: Understood. So, my second question is with regard to the oil and gas segment. So, now we are seeing that India is on the path of becoming self-reliant and reducing the imports of oil and gas. So, are we seeing any further traction from whatever existing order book that we had? So, is there any additional movement that we are seeing from the industry?

Pankaj Agarwal: We are seeing a lot of traction from oil and gas. If you are aware that there is a new refinery which is coming up in Andhra Pradesh from BPCL side. Good expansion is going on in Bina refinery, good expansion is going on in Kochi refinery from BPCL. So, a lot of enquiries are there. If you are monitoring a lot of EPC tenders have been finalized recently to you to Toyo,

Technip, to L&T. So, we have bid to all of them as a budgetary part and now they got the order. So, we have a good chance of winning those orders.

Yash: Just one thing. So, what is the general timeline of execution of an order from the oil and gas? Obviously, it will depend on the size and scale.

Pankaj Agarwal: 6 to 18 months are required because initial 5-6 months are required to procure the raw material itself and then the exhibition will start at the shop floor.

Yash: Understood. That is it from my side. Thank you, sir.

Pankaj Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Binod Modi from Incred. Please go ahead.

Binod Modi: My first question basically pertains to your order inflow. Last time you had guided order inflow for the fiscal around 1,500 odd crores. And if I look at your closing order for first half and then opening order, it appears you have got around 500 crores kind of inflow in first half. And as you are saying, you would be adding 500 crores from power and across 100 crores from oil and gas. So, 1,100-1,200 crores kind of order inflow it looks like. So, there will be shortfall around 300-400 crores. Am I connecting the dots, sir?

Krishan Lalit Bansal: The little difference is in the power sector. Little difference is in the power sector only. So, that is the only difference. But what we are saying is that these are very approximate figures which we are trying to give it to you. We are still hopeful that when we open the next year, we shall have an order book of around

Pankaj Agarwal 1100-1250 Cr order book will be there on 1st April, 2026. So, we are purely secured from the execution point. At least 9 months, (three quarters) are fully secured. And again, as I said that we have a good pipeline available for 2026-2027. Our expectation to book order to the tune of around 1,800 crores further

Binod Modi: 1,800 crores for 2027?

Pankaj Agarwal Yes. So, if you see 2026-2027 and 1st April 2027, if you see 1.5 years after that, we shall be having the order book of around 1,600 crores. This is what we are targeting.

Binod Modi: And this year will be around 200 crores. Got it, sir. And my second question basically pertains to your execution. Of course, you executed quite well first half. But still, given the fact, our order inflow has been a little bit slower. And despite that, we are maintaining 40%-45% kind of growth for the fiscal. So, to achieve this, I think second half, I think we need to report a growth of 50%-52% kind of growth. So, that basically calls for a rate of 350 plus sort of revenue. So, are we on track to achieve that kind of growth? Because I feel 40% kind of, there might be some sort of downside risk.

- Krishan Lalit Bansal:** As I just told, starting from Q1 to Q4, there is a linear graph, upward linear graph is there in that. We are quite hopeful and we have the numbers supporting us, we have the order book supporting us and we have the material supporting us. Again, I will like to say that whatever numbers we have given, there may be a slight downturn because of the pullback which will happen in terms of power sector orders. But we are not expecting any other major deviation from that. There may be little deviation, I do not say that 100%, but very little deviation may be there. But whatever deviation will come, it will come primarily from the downtrend of the power tariff which we have declared right in the first quarter.
- Binod Modi:** Thank you in all the best.
- Moderator:** Thank you. The next question is from the line of Kamlesh Bagmar from Lotus Asset Management. Please go ahead.
- Kamlesh Bagmar:** Thanks for the opportunity, sir. Just needed one clarification. We were talking that at the beginning of next year, like say 1st April 2026, we would be having 1,500 crores of orders in hand. So now are we lowering it down? Now we are talking about 1,200 odd crores order book opening for the financial year FY27.
- Krishan Lalit Bansal:** You can put it like that, but ultimately what we have to think is that what is our capacity and how we are going to move ahead further on that. We are telling that in power sector jobs; we were definitely expecting much more order in this particular year. Then the flow has actually happened. But now since in the first question I told that that the traction has started coming now in full speed. Earlier the speed was very minimal. People were concentrating more on their engineering, more on ordering the long lead items and sorting out the differences which have come because of time. Earlier they were practically disorganized. They took time in organizing themselves. But now the things have been streamlined with everybody, with BHEL also and with L&T also. We had a very large discussion with one of the customers last week. So, where we are talking of sort of a collaboration sort of a thing that ultimately, we have to share the capacities. People do not have the capacities. In one of the earlier questions again I told that we are making a paper on that, that what is the likely load and how it will be distributed. We shall share it with all of you as soon as possible through stock exchanges, which will really tell you very transparently where we are and how we are trying to move ahead.
- Kamlesh Bagmar:** Very much appreciate that. I am looking forward to that. Secondly, on the power, like the way we have articulated in our opening remarks, it seems that you are not that bullish that the upcoming order or whatever the case which is pending or under jurisdiction with, under dispute with the High Court of Haryana and Punjab. So, it sounds to me that you are not that hopeful that it will come in your favor. So, like how is the thought process there?
- Krishan Lalit Bansal:** We are not saying that we are not hopeful. We are saying that it's a government machinery and in government machinery there is a lot of leg pulling by one department and on the other department. So that's why we are saying that it may take some time. But again, I will say that

even if there is no resolution, even if let us say in a worst scenario they do not revise our tariff of Malwa, we told you last time also that we have already started putting up another plant with very minimal investment, which is called Biomass Pellets Plant and for which the raw material will be the same. We shall be using the power produced by the same fuel and we shall be selling those biomass pellets in the market, which shall give us substantially high revenue, which we were getting earlier by sale of power and almost at the same margins also. Margins may be a little bit less, but practically we shall be achieving those numbers. So that's why we are saying that if it happens, it's well. If it doesn't have to happen, we have the plan B in place. Then again I am saying if absolutely government says that no, we are not interested in your power. We will go for our hydrogen plant in the same location. Some more CAPEX, but it is equally lucrative business in that.

- Kamlesh Bagmar:** And lastly, it's more of a bookkeeping. So, if I see the segmental margin, that the question is more to the Sameer ji that if I see your segmental margin for the piping, it is 14.1 for this quarter as compared to 15.8 last year. And even if I see quarter-over-quarter, despite such a sharp move in your order execution, margins have improved quarter-over-quarter hardly by around 40 bps. And for year over year, the margins are literally down. So, what is the thing there? So, is it primarily because of the higher depreciation or what is the issue there?
- Sameer Agarwal** So overall, if you see the beta margin percentage last time was.
- Kamlesh Bagmar:** No, no, I am referring to EBIT margins.
- Sameer Agarwal :** So, EBIT margin is very clear. If you see Q2 fiscal 25, there was other income. So other income was to the tune of 16 crores, whereas in this H1 '26, the other income is only 6-7 crores. So that is that is the major difference. In my opening remark, I have already told you that this amount of 10 crores is causing that and that is why you are witnessing to that number.
- Kamlesh Bagmar:** No, I am saying for quarter-over-quarter.
- Sameer Agarwal :** Quarter on quarter also, I am saying in Q2 fiscal '25, the other income was 16 crores.
- Kamlesh Bagmar:** I am comparing with Q2 FY26 with Q1 FY26 sequentially, not year-over-year.
- Sameer Agarwal :** You are saying quarter-on-quarter?
- Kamlesh Bagmar:** Yes.
- Sameer Agarwal :** So, quarter-on-quarter also our operational EBITDA, that of 16 %.
- Kamlesh Bagmar:** So that is there is an increase of 30 basis points. I was asking more about the EBIT margin of the pricing.
- Sameer Agarwal :** EBIT margin is 12 %, now EBIT margin is 13.1 %.

- Kamlesh Bagmar:** 14.1 % versus 13.7 %, despite the fact that you had such a sharp jump quarter-on-quarter in terms of execution. So, your revenues are up 25 % quarter-on-quarter. And given the fact that you had such a big operating leverage and your margins are up 30 bps quarter-on-quarter.
- Sameer Agarwal :** So, this operating leverage shall also come last in last quarter. If you see in 1 month, we had in our power sector business, power generation business, the revenue we booked at 8.50. And in Q2, 3 months, we booked revenue at Rs. 3.5 per unit. So that is the major difference. So, the difference from power generation business is actually contributing this low margin upside. So, there was one month margin was coming from the power generation business, whereas the downward trend was witnessing for 2 months only in Q1, whereas in Q2, the downward trend is for the entire period of 3 months.
- Kamlesh Bagmar:** Bansal sir, what margins we can expect now? Second half, you are saying like it will be 16% to 18 %. But next year when you will be executing a lot of power orders, what margins do we see next year? Because this year is almost done. First half is over; second half you have very strong execution. So, for next year, when you have the entire seamless capacity operating, this Anjar facility operating in, then your power projects would be on the execution, would be on the full roll. So, what margins do we see in FY27?
- Krishan Lalit Bansal:** 18% to 20%.
- Kamlesh Bagmar:** And looking forward to your paper on that power sector.
- Krishan Lalit Bansal:** We are preparing it. I have already requested Pankaj to prepare that and once it is finalized, we will share it.
- Kamlesh Bagmar:** Thank you, sir.
- Moderator:** Thank you. The next question has come from the line of Paarth, an individual investor. Please go ahead.
- Paarth:** Congratulations, on commissioning the Anjar plant. And I have only one question. If you could give some light on your JV for green hydrogen plants. You spoke about Molsieve design, but the other JV which you had signed and if there is any visibility for any orders to get materialized in the coming year?
- Sameer Agarwal:** Paarth ji, this is Sameer. I have already answered this question in one of the earlier questions. So just to let you know that we have entered into a joint venture with the international cleantech partner for setting up of a complete hydrogen plant. And in complete hydrogen part, there are three parts. One is electrolysis, second is separator and third is the hydrogen purification system. Through Molsieve Designs limited, we have a proprietary for producing the hydrogen purification systems. So, at present scenario, since the clarity is not there, there are so many ifs and buts, people are in dilemma. So, there are certain set of enquiries which are very at an elementary level. We don't see them converting in the in the upcoming days. But we are quite

hopeful 6 months down the line, we will have some good amount of traction under this domain. So, this is how we are set up for this domain. Anything else if you want to clarify?

Paarth: No, sir. That's about it. That was the only question. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-answer session. I would now like to hand the conference over to management for closing remarks.

Krishan Lalit Bansal: I would like to thank you, thank everybody, every stakeholder, every investor that who have been continuously supporting us, believing in our story and on our results. Thank you once again. And we reassure you that we shall continue to do our best to give value to this, our stakeholders, our shareholders. Thank you so much.

Sanjeev Sancheti: Thanks a lot.

Vaibhav Shah: Thank you.

Moderator: On the behalf of Equirus Security Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.