



October 09, 2026

To,

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Code: 544917

Symbol: KARAMTARA

Sub: Disclosure under Regulation 30 of the SEBI (LODR) Regulations, 2015–Transcript of earnings conference call:

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on October 7, 2026, regarding the Unaudited Financial Results of the Company for the quarter ended June 30, 2026.

The above intimation is also available on the website of the Company at www.karamtara.com and on the website of BSE Limited and National Stock Exchange of India Limited.

You are requested to kindly take the above information on record.

Thanking you,

For Karamtara Engineering Limited

(Formerly known as Karamtara Engineering Pvt. Ltd.)

MANOJ
KUMAR
SRIVASTAVA

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Manoj Kumar Srivastava

Vice President - legal

Company Secretary & Compliance Officer

FCS-7460

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(Formerly known as Karamtara Engineering Pvt. Ltd.)

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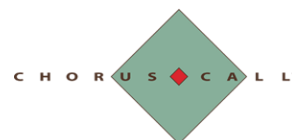
CIN - U45207MH1996PLC099333

www.karamtara.com



“Karamtara Engineering Limited
Q1 FY27 Earnings Conference Call”

October 07, 2026



MANAGEMENT: **MR. RAJIV SINGH – JOINT MANAGING DIRECTOR –
KARAMTARA ENGINEERING LIMITED**
**MR. SUNIL RUSTAGI –WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER – KARAMTARA
ENGINEERING LIMITED**

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**



*Karamtara Engineering Limited
October 07, 2026*

Moderator:

Ladies and gentlemen, good day, and welcome to Karamtara Engineering Limited Q1 FY27 Earnings Conference Call, hosted by ICICI Securities Limited.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities Limited. Thank you, and over to you, Mr. Kumar.

Mohit Kumar:

Thanks, Renju. Good morning to all. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 Earnings Call of Karamtara Engineering Limited. Today, we have with us from the management, Mr. Rajiv Singh, Joint Managing Director; Mr. Sunil Rustagi, Whole-Time Director and CEO.

We will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Rajiv Singh:

Thank you. Good morning, everyone. My name is Rajiv Singh, and a very warm welcome to the first earnings conference call of Karamtara Engineering Limited as a listed company. Our results and investor presentation have been uploaded to the stock exchange and are available on our website.

At the outset, on behalf of the Karamtara family, I would like to thank every investor who has participated in our fundraising journey and placed their trust in us. Our listing on the stock exchange is an important milestone in our journey that started almost three decades ago. And we see it as the beginning of a long-term relationship with our shareholders.

We have delivered a strong quarterly performance in Q1 FY27 in terms of both revenue and profit, making a strong start to our journey as a listed company. Since this is our first interaction with many of you, I will like to introduce Karamtara and our ecosystem to you.

Karamtara was incorporated in 1996 and was built on a strong foundation in power transmission, with deep expertise in the manufacturing of lattice towers and renewable steel structures. Over the years, we continue to strengthen these core capabilities, expand our product portfolio, and build scale with establishing ourselves as a trusted partner across the renewable and transmission ecosystem globally.

Today, we are very strongly present in all the four major geographies outside of China, namely India, U.S., Saudi Arabia, and Europe, with 12 different products in our portfolio. Today, Karamtara is a backward-integrated manufacturer of products for the sectors we operate in. Currently, we operate 13 manufacturing facilities: eight in Maharashtra, of which seven at Boisar and one at Nagpur; four in Gujarat, at Bhachau; and one in Italy.

We, further, have two new facilities coming up at our complex in Bhachau: one new rolling mill to support our transmission tower business and solar tracker piles, and one for PEB focused on data centers. We also have one solar stamped part facility coming up in Boisar. In addition, a multiproduct facility coming up in Saudi Arabia for transmission line and solar products.

As of the current quarter end, our aggregated installed capacity stood at 889,200 metric tons per annum, excluding rolling and galvanizing capacity, which are utilized for captive consumption. Let me briefly explain our product offerings.

For our solar business, we manufacture structural components required to install and support solar panels. This includes structures for both fixed-tilt and tracker-based plants. Our product portfolio includes cold-rolled module mounting structures, tracker piles, torque tubes, couplers, purlins, and stamp parts.

Since we manufacture components for both types of solar plants, customers can source most of their structural requirements from us. This is what allows us to offer customers a one-stop-shop solution for their solar structural requirements.

Moving to wind energy. We manufacture both tubular and hybrid lattice towers used to support wind turbines. In the manufacturing line vertical, we provide infrastructure that enables electricity generation at source to reach its end customers. The lattice transmission towers are for lines up to 1,200 kV, along with transmission hardware such as insulator fittings, suspension clamps, and vibration dampers.

Within the fasteners, we have products such as bolts, nuts, studs, washers, and specialized industrial fasteners. These are used for solar, wind, transmission, bridges, and railways. So in simple terms, Karamtara provides the structural backbone and critical across the renewable energy and power transmission value chain. While its fasteners business provides additional exposure to several industrial sectors.

During the past two years, we have expanded our installed capacity substantially by debottlenecking our existing facilities. We have commissioned new facilities in Boisar, Maharashtra, and at Bhachau, Gujarat. The new Bhachau cluster is strategically located near major renewable energy hubs such as Khavda, Rahpar, and Jamnagar, support supporting efficient access to key markets domestically.

For international markets, the facility is connected to the close-by Mundra and Kandla port. As mentioned previously, we are also setting up one multiproduct facility coming up in Saudi



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Arabia for transmission line and solar products. As we continue to expand our manufacturing footprint in India and international markets, we believe our backward-integrated business model will remain a key competitive advantage, strengthening our execution capabilities, supply chain resilience, and ability to deliver high-quality solutions to customers.

Karamtara believes in manufacturing products in India for India and global markets, also strengthening its global footprint by manufacturing in key growth markets and their domestic consumption and further export to other countries.

With that, I will hand over to Mr. Sunil Rustagi, who is our CEO, to continue.

Sunil Rustagi:

Thank you, Rajiv, and good morning, everyone. Yes, of course, very encouraging. India is a very compelling market for the renewable energy sector. The country has significant solar energy potential, and solar capacity has expanded rapidly in recent years. India has set ambitious renewable energy targets for 2035, with solar expected to account for a substantial portion of this capacity.

The increasing share of nonfossil sources in India's installed power capacity, together with the several government initiatives, including Production-Linked Incentives, Renewable Purchase Obligations, and green energy open access regulations continues to support the development of solar ecosystem. The recent green energy corridor Phase 3 scheme with a projected outlay of 1.86 lakh crores, is a testament to this.

We believe the continued growth of utility scale solar, trackers, and associated infrastructure will create sustained demand across the solar value chain. Alongside solar, wind energy is becoming an increasingly important pillar for India's renewable energy transition. India is already among the leading wind power markets globally and has substantially untapped wind potential.

The industry is being supported by increasing tender activity, Renewable Purchase Obligations, and the government's long-term renewable energy objectives. The growth in renewable generation also makes transmission infrastructure critical to the energy transition.

For Karamtara, these industry trends directly translate into business opportunity. Solar requires mounting structures and trackers. Wind requires towers, and renewable projects require transmission infrastructure. Our presence across all three segments allows us to participate across the broader energy transition opportunities. As India expands renewable capacity and strengthens its power grid, we see multiple structural growth drivers supporting Karamtara's long-term growth.

In fact, currently, we are witnessing a market where demand continues to outpace supply, creating a favorable environment for us. Our large installed capacities give us flexibility to accept orders, which is the parameters that align with our strategic objectives while maintaining discipline on commercial terms.

Karamtara has built a strong global delivery platform with exports across more than 50 countries where we work with several leading OEM, EPC, and IPP companies. Europe is emerging as a growing opportunity as well for us. In Q1 FY27, the international businesses accounted for 66% of the revenue.

Our domestic business is also very strong. We see opportunity to participate in India's accelerating renewable energy sector growth story while continuing to serve stable international markets, providing diversification and multiple avenues for sustainable growth.

Our customer relationships remain at the center of our growth. Our broad product portfolio and are positioned us a one-stop partner for our customers, allowing us to serve multiple requirements and increase our share over time.

Further, our backward-integrated manufacturing capability enables us to commit to larger volumes and tighter timelines. While our track record of timely execution gives customers the confidence to return to us with repeat orders. Our ability to retain and deepen these relationships is built on three key strengths: the quality of our products, the capacity we have built, and our ability to deliver.

Now, I will walk you through the consolidated quarterly financial performance of Q1 FY27. So revenue from operations stood at INR1,581 crores, registering a growth of 72% year-on-year basis. From a revenue mix perspective, renewal products continued to be the key revenue driver, contributing 82% of Q1 FY27 revenues. EBITDA for the quarter stood at INR174 crores, reflecting a 45% growth on year-on-year basis.

Profit after tax stood at INR87 crores, registering a growth of 45% on year-on-year basis. Given the unique nature of our sector, it would be more meaningful to evaluate the company's performance on an annual basis rather than on solely on the quarterly basis. Talking about our annual performance, for FY27, we endeavor to grow our revenues by 60% to 65% over the last year.

With that, we conclude our opening remarks. I would now like to hand the call back to the moderator to open the floor for questions. Thank you very much.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question comes from the line of Abhinav Nalawade with ICICI Securities Limited. Please go ahead.

Abhinav Nalawade:

Yes. Hi, sir. Thanks for the opportunity. And congrats on a strong result post-listing, meeting our expectations. And thanks for the exhaustive opening remark and the detailed presentation as well. I think most of the queries have been answered. Just a couple of questions. One, can you comment on your near- to medium-term strategy on the mix of the business?

Currently, solar forms a significant chunk, greater than 80%. Any plans of increasing the share of transmission, given the strong outlook and the bidding has been very strong for the past couple

of years? And maybe the pricing will be favorable as well. So can you throw some light on the supply-demand dynamics for the lattice towers and do you see the mix changing going forward?

Rajiv Singh:

Hi. Thank you for the question. So basically, in our history, we've been traditionally transmission line tower manufacturers. And, as the opportunity in the solar sector grew, we pivoted ourselves into solar and its products, and then into wind. And now, transmission, which is going to be a key growth driver for us, we have just put up a very large facility in in Bhuj, in Bhachau, which has started manufacturing recently.

And, we also have, for in our wind, which is a fungible capacity, where we do angular wind towers, which are hybrid towers, where we can also manufacture transmission line towers from. Also, we are investing very large amount in Saudi Arabia, where we're putting a very large transmission line tower capacity. And, we feel the demand is very strong there.

So yes, transmission is going to be a very, very large growth driver for us. And, how we built in the last five years the solar business, we would love to build and we will we are keen to build a very large transmission tower portfolio. We have the management bandwidth. We are continuing to recruit the best people in the industry. And we believe that it will really -- this sector will really grow and do well for us.

Abhinav Nalawade:

Thank you. So my second question will be on any color on how the Q2 has panned out. Any guidance for FY27 on the revenue growth, EBITDA margins?

Rajiv Singh:

So I'll just answer half the question, and then I'll leave it to Rustagi sahab to answer. Yes, Q2 has been good for us. And as he mentioned in his opening remarks, that we endeavor to grow by about 60% to 65% on a year-on-year basis. So in line of that, we have done reasonably well.

As a business, as a sector, we normally have 40% to 42% of the revenue that comes in, in the first six months, and then 58% to 60% of the revenue that comes in the last six months. That's been the trajectory of the company over the last few years. So if you keep that in mind, you will see that where the company could go to.

Sunil Rustagi:

Yes. Thank you, Rajiv. On the part of EBITDA margin, yes, of course, we earned EBITDA of about 11% in quarter one. And definitely, as the revenue grows in subsequent quarters, there would be an improvement in the EBITDA margin in line with our expectation. Because we'll be utilizing -- we'll be sweating our assets, and utilization of resources would be on higher side. So definitely, the margin there would be some release in the margin in the utilization of all these resources.

Abhinav Nalawade:

Thank you, sir.

Moderator:

Thank you. Next question comes from the line of Jimit Mehta, an Individual Investor. Please go ahead.

Jimit Mehta: Yes, Sir, first of all, many congratulations for such a strong result. Sir, I just have one question, actually. So how are your contracts structured with customers? Like are they primarily cost-plus, or fixed-price, or a combination of both?

Rajiv Singh: Yes, thank you for the question. So, in solar for the India business, normally, our contracts are about 4 to 5 months. We generally get the orders, and we have to deliver the material in 4 to 5 months. And in that what happens is that once we get the order, we book the raw material based on the orders. And normally, the mills give us about 90-odd days to pick up that material. And that's how we cover the steel and zinc for those domestic contracts.

For international contracts, we have contracts for about, let's say, 8, 9 months. And for that, we -- for all our export contracts, we import the raw material. And that's how we cover those contracts by. So we are able to not take any major risk on any of the commodity prices if the supply chain, of course, is met correctly. And in war times, it could get disrupted a little bit. But otherwise, generally, all material for all orders, the way they are structured, we have a pass-through.

In some cases, where the orders are long term, even in transmission, in domestic markets where we are supplying, we have a Price Variation Clause with the clients. And in some international contracts, also, which are longer than one year, we have price variation contracts with them. Some much larger contracts, which are there for transmission line overseas, in some of them, we have on FOB basis, and the shipping is also a pass-through.

Jimit Mehta: Okay. Thank you for such a detailed explanation, sir. And wishing the company to continue with this strong growth trajectory. Thank you.

Rajiv Singh: Thank you.

Moderator: Thank you. Next question comes from the line of Mihir Manohar with TRUST Mutual Fund. Please go ahead.

Mihir Manohar: Yes. Hi. Thanks for giving me the opportunity. And congratulations on a great set of numbers. Sir, I wanted to have an understanding around the US business. You know, now with this possibility of tariffs emerging and trade talks also getting on, if there are tariffs which are imposed, just wanted to get an understanding of the cost-competitiveness that we have for exporting to US versus, let's say, those EPC contractors, where are they purchasing from on a comparative basis and what can be the cost difference which is existing as of now there?

Rajiv Singh: So, thank you for the question. Yes. So tariffs, when are for steel and aluminum, we come under Section 232, which is globally tariffed at 50%. And if you see the last time around, when India got tariffed at 25%, and then there was an oil tariff of 25% put on that, that did not stack up on top of our existing 232 tariff. When that Russian oil tariff got removed, and India came back to 25%, and then it was lowered again, we still remained at 50%.

So for us, globally, the tariff on steel and aluminum products to the US remains at 50%. So for a for any tariff that comes on top doesn't apply to our products. Even let's say, they're talking of tariff on forced labor, etc. This 232 stays at 50%. Also, in the US, for our kind of products, there is not that much of domestic supply.

And hence, when the tariff went from 0 to 25, and from 25 to 50, it fully got absorbed by the by the buyers. And, so it was a full pass-through for us. We didn't get hit by the by the impact of the 50% tariff at all, because all the material that was yet to sail or was in the water or had reached US customs, we got all got a change of law, and all the money was paid to us.

Mihir Manohar:

Sure, understood. Sure. Which are the other geographies, key geographies who are exporting to US, and which are the 2, 3 other companies, key companies which are standing out as competition for us? And what could be the cost difference for a US customer for procuring from us versus a competition or a competing geography?

Rajiv Singh:

So, we are quite wide in US with all our clients and EPC contractors. And, there are some people who are US companies who come to India and buy from Indian manufacturers. And, they import the material into the US. They are aggregators that they are doing it. So as of now, we don't see any major real competition coming in our kind of products from any Indian company as of at this at this point.

And, sorry, the second part of your question was that the difference in price, you said, between India and the US. The price in the US market, because steel is in short supply and in terms of deliveries, it could take 6 to 8 months to get any material which has to be pre-ordered. So the prices are very, very high. They're about 30% to 40% higher than what they're able to buy from India if they buy locally.

Mihir Manohar:

Sure, understood. That's it from my side. Thanks.

Rajiv Singh:

Thank you.

Moderator:

Thank you. Next question comes from the line of Gaurav U. with Mirae Asset. Please go ahead.

Gaurav K.:

Hi, sir. Good morning. Thank you for the opportunity and congratulations on good set of numbers. Sir, just wanted to understand a bit more on the margins. We are earlier in like 10% range or 11% range in terms of EBITDA margin. Going forward, margins would be more of a lever from a gross margin levels where we'll see that certain products would contribute more or capacity expansion in Saudi Arabia would contribute more to the gross margins, or margin expansion would largely be led by operating leverage?

How do we see that, because I think if you look at the industry as a whole, price or realization though per metric ton generally remains in a similar range? And we don't see any material escalation in terms of realization within the industry which we are operating. So what are your thoughts on that?

Rajiv Singh:

So, thank you for your question. In terms of EBITDA margins in this quarter, we've had 11%. We would have had a better realization on our margins, but we were the shipping costs these days and the local costs, let's say, in Europe or supplying into the Middle East today, where the trucking costs are at all-time high.

So that has hit us a little bit at our margins, otherwise, our margins would have been far better than what we have been able to do. And we feel that over a period of time, once this subsides, these margins will come back and all new contracts that are negotiated, when they are negotiated, they will have these additional costs paid to us.

In terms of the expansion of margins due to production, you see what is happening is that because we have put up so many new facilities, and we are continuously doing capex, last year, we did INR900 crores of capex, and we continue to invest this year. There are so many large facilities coming in.

The management teams and the employees that are required for these businesses are already there, and we're already holding those costs attributed to those businesses, which are not giving us the revenue once we start today. But once we start sweating all these assets to it's to their potentials, definitely, there will be a change in the margins because of the utilization of the assets. And, you know, with the fixed cost already there, the margins will definitely improve.

As far as Saudi and other countries are concerned, wherever we are manufacturing as a local content, because you're not able to export from India or from China or from any other country into that country, the margins are definitely much, much better. So as we know, we start producing in Saudi Arabia, we feel that the margin percentage will be far better than, you know, what you have seen this far.

Gaurav U.:

Got it, sir. And similarly, sir, the new capacity which we are putting for transmission lattice tower for, say, for in India and Saudi Arabia, when do we expect this to run on full capacity or optimum capacity of -- what historical we have seen of 60%, 70%?

Rajiv Singh:

So Saudi, the capacity, we will start doing, hopefully, some trials in December, and by February, or latest by March, we hope that our galvanizing plant will come online. Once that happens, there the you will start seeing the utilization of the capacity.

And it will take about 12 to 18 months for us to be able to hit, you know, good numbers in that capacity over a period of time. Yes, there will be revenue next year that will come. It won't be at, let's say, 90% or 100% capacity, but it would be substantial. But yes, it will take about 12-odd months for it to start hitting closer to the numbers that we are internally projecting.

As far as India is concerned, the facility in Bhuj has started. By this quarter, also, we've had reasonable tonnages, but we feel, by the next 6 to 9 months, we should be hitting peak capacity in that facility also.

As I've said previously, that transmission is a major growth area for us. And, you know, we're being entrenched in this market. Globally, we have supplied material to over 50 countries worldwide, so we have our network. We are qualified everywhere, so we will scale up. We hope to scale up very quickly.

Gaurav U.:

Got it, sir. And sir, last question is largely on the capacity utilization. Historically, we have seen that it is largely remained in the range of 55% to 60%. But and generally, first half is 40% of the revenue for the company and 60% come on the later half for the year. So do we think that capacity utilization would almost require like more than 75% utilization to achieve revenue numbers, what we are targeting here of 70, more than INR7,000 crores of revenue?

So what are our thoughts? Like are we do will be able to do more than 75% capacity utilization or largely, it remains in the same range, because historically, I think 55%, 60% is the optimum range, what we have seen in capacity utilization?

Rajiv Singh:

So, great question. If you look at the enhancement of capacities, and as we have gone on adding capacities, and by the time they come online, it takes a little time to ramp up all those capacities. And since we continue to go on deploying capital and increasing our capacities, you know, they are trying to keep pace with the growth.

So capacity utilization, what you saw last year was because a lot of the facilities came online towards the last quarter. And this quarter, also, there has been ramp-up. That's why you see that between the last quarter and this quarter, also, there has been a difference, there has been an increase in revenue, which in this quarter, also, we feel there will be.

And when you -- when these -- we have, let's say, 40% of the revenue, 40% to 42% revenue coming in the first six months, and 58% to 60% coming in the last six months, so definitely, the utilization of capacity continues to grow.

And then, you know, that gets mirrored into the first quarter and the second quarter of last year. If you see what we did in the first quarter of FY26 and what we did in the last quarter, and from the last quarter of '26 to the first quarter of FY27, also, the revenue has grown substantially.

So as we go on sweating these assets that we have added, and these assets will yield higher revenue not only this year, but the year going forward. So let's say transmission will hit x percentage this year, and then by next year, it would have ramped up to a large extent. And then same is with Saudi, you will see some revenue coming next year. And then the year after that, a large part of the revenue will come.

Same is, let's say, we've added in PEB, the facility should be ready, let's say, by the beginning of next financial year, we should be starting. So you'll see some revenue coming in the next financial year, but the year after that, once we start sweating those assets to a large extent we're able to ramp up really quickly. So that's how this works, that as capacities keep coming up, we keep adding more, and by the time these get filled, then new keep coming up.

- Gaurav U.:** Great, sir. Thank you, sir. Thank you for answering the questions.
- Rajiv Singh:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Suyash Kela with Singularity AMC. Please go ahead.
- Suyash Kela:** Thank you so much, and congratulations on the listing. It's a big milestone for the company. Rajiv ji, Sunil ji, if you can help us understand, how are you looking at capital allocation beyond solar and transmission and the broader renewables segment? I think you just mentioned in the last answer the mention of PEB, but as promoters, how are you looking at capital allocation in these segments? How do you evaluate the size, scale the gross margins and EBITDA margins that could be possible in these newer segments? That would be wonderful. Thank you.
- Rajiv Singh:** Thanks, Suyash. We -- for us, we build businesses, and then we look at all the products around in those businesses. So if you look at what we did in solar and how we allocated capital, we moved a lot of We reduced our transmission capacity. We shut down one rolling mill in Nagpur. We moved our fastener facility there. So we tend to use our capital quite efficiently. And we do it in businesses that give us maximum margin.
- A lot of our facilities are fungible. We are able to move from one sector to the other. So if you look at what we did in solar, let's say, in FY21, we were INR20 crores in solar, and this year, we let's say, we do INR5,000 crores, INR5,500 crores of revenue in that. So we are able to scale up in sectors that give us good margins.
- When we look at our business, we look at, let's say, in the generation side, we'll have solar, we'll have wind, and then we have power transmission. And beyond that, then we'll have PEB, and then we are going to be manufacturing solar and transmission products in Saudi. So that's how we look at it, and we continue to expand. All these sectors have a lot of tailwind. So we continue to allocate capital to these sectors and build on these.
- So I think our journey in our second innings in transmission has just started. We will have substantial growth from last year to this year. And then I think we will ramp up really quickly in the next two, three years and try to mirror what we have done in the growth that we've had in solar in transmission and in PEB, in India and globally.
- Also, if you see that, as we have scaled up, the utilization of the working capital requirements or on a percentage basis has come down substantially. And I'll just allow Mr. Rustagi to give you a little bit of flavor on how that works is in terms of our receivable days and in terms of our cost, interest cost.
- It's come down from -- although revenue has gone up, but the entire cost has come down from our last quarter of FY26, though we've done a lot of capex, and because of that, the term loan

cost -- the interest cost on that has increased, but generally, the working capital cycles have become much better for us.

Sunil Rustagi:

Yes. So thank you, Rajiv, and thank you, Suyash, for asking that question. So, of course, yes, we are very mindful of the capital allocation in all our all of our products. So as rightly pointed out by Rajiv. So in terms of the numbers, yes, working capital cycle is going down because we are achieving the scale.

So from 67 days, it has come down to 43 days. And now further in this quarter, it has come down to 36 days. So we are controlling our working capital cycle very tightly and not allowing it to really ramp up. And also in terms of interest cost, what Rajiv has pointed out is the fact that it has come down to 2.6% of our revenue, which is also gives a signal that we are controlling our working capital very tightly.

Of course, there is some portion of term loan which has been taken for our capex. And once we deploy the money which we have pulled it from the IPO market, definitely, the interest cost will further go down.

Moderator:

Mr. Kela, are you done with your question?

Suyash Kela:

Yes. Yes, please. Thank you.

Sunil Rustagi:

Thank you.

Rajiv Singh:

Thank you.

Moderator:

Thank you. Next question comes from the line of Subhanu Bangal with Three X Capital. Please go ahead.

Subhanu Bangal:

Yes. Thank you for the opportunity. Good morning, sir. I have just two questions. First, on the delivery cost, are you seeing same kind of elevated delivery cost in recent days?

Rajiv Singh:

Sorry, I was not able to hear you. Can you just repeat the question, delivery cost?

Subhanu Bangal:

Yes. Export market delivery cost, are you seeing same kind of elevated delivery cost in recent days?

Rajiv Singh:

Yes. So what's happening globally, because of fuel costs have gone up world over, and local costs of fuel, even in countries that are oil-producing, like the Middle East, like Saudi and the UAE, and US, which is a large producer of oil, the domestic cost itself of fuel cost oil has gone up. That has increased the shipment cost and the delivery costs globally. It's a global phenomenon. It has it has gone up everywhere.

Subhanu Bangal:

That means can I assume in H1 or H2 FY27, can I assume this 11% of EBITDA margin is sustainable or it will go down further?

- Rajiv Singh:** So yes, I don't want to comment on our -- although we've already done with our Q2, and the margins, I'll just leave it at that, that the margins are far better even with the elevated cost of the oil. We've done our revenue has increased, and so will you see a decent increase in the EBITDA margins.
- Subhanu Bangal:** Great. And my last question on our revenue mix, as per our Q1 FY27, our around 30% revenue comes from transmission segment. Going forward, suppose next 2 to 5 -- 2 to 3 years, what kind of revenue mix are you targeting from transmission segment?
- Rajiv Singh:** So transmission for us is, as I said, is a growing sector. We've done that our entire -- the company's history. And if what I spoke about previously that we have scaled up so much in solar, where we were about 20 crores, and we are going to be close to the number which I already spoke about, we would like to mirror that. And you will -- we would like to have the similar kind of growth and similar kind of numbers in our transmission business and our PEB business, globally.
- Subhanu Bangal:** Okay. Next, 3 to 5 years, what kind of EBITDA margin are you targeting? Can we assume we can expect, going forward, our EBITDA margin will close to touch 13%, 14% or further more?
- Rajiv Singh:** Sorry, you said 30%, 40%? I didn't hear that, 13?
- Subhanu Bangal:** 13%, 14%.
- Rajiv Singh:** 13%, 14%.
- Sunil Rustagi:** So, see, Shubhna, it's with due respect we are not able to really comment on the percentage, but definitely, as we said that once we sweat all our assets, we have already created, fixed overheads in our books of account. And once we increase our revenue, sweat all our assets, utilize our resources better, definitely, there would be a better EBITDA margin.
- Rajiv Singh:** So let me answer this a little differently from what Rustagi sahab was saying, that if you look at our Q1 numbers of FY26, and you see the margins there, we were at 13% EBITDA there. And with that revenue and as the revenue grows, and we sweat all our assets, and things on the freight either with the war situation normalizing or with -- when the new freight rates kick in, I think you should do the math and see where this could land.
- Subhanu Bangal:** Okay, great. Best wishes for future. And thank you for answers.
- Rajiv Singh:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Arvind Arora with A-Square Capital. Please go ahead.

Arvind Arora:

Hi, thank you for the opportunity and congratulations. Good set of number and fantastic listing. Sir, my question is more on the PEB facility. So continue with the previous participant. Sir how we are different than the existing player in the market in PEB sector? How our PEB solution would be different than our peers? So if you can explain that.

And I think, sir, margin profile if you can take it, will this increase our margin, is it like a credit for company because currently, I can see it's 5.5% PAT margin. So how this will improve? So if you can throw some light on that part.

Rajiv Singh:

So thank you for the question. I think we proud ourselves with people who buy a lot of raw material at really good prices, a, because of our scale and because we are buying all our material globally. So I think any product we do because of our ability to buy, we feel we are able to squeeze out some extra margin.

As far as the business model is concerned, basically, there is so much of demand coming today in data centers and other businesses, where today, there are not many scale players in this industry that are able to deliver product on time, quality product.

So I think there is for us, it was an allied business, where it was where we are able to procure similar material, and there is a lot of, let's say, technical manufacturing with welding and all is there. Where, we are today qualified to do work globally, we are doing we are qualified in the Nordics and other countries.

So we felt that this was a natural fit for us. Our existing clients, a lot of the large ones today that are getting into this business have been encouraging us over the last six, nine months to get into it, to be able to support them in the quick turnaround for these plants of theirs. So that was one major reason why we looked at it, because our existing buyers have been asking us that why we do not support them in that.

That's why we look we are in this sector. And we believe that the margin profile is similar to what we are able to do in our other businesses.

Arvind Arora:

So is it like in the range of 11% to 13% EBITDA margin?

Rajiv Singh:

I do not want to qualify that. We are just getting into it, but we are very hopeful that the margins should be really, really good. That's why we are investing in this.

Arvind Arora:

Understood. Fair enough, sir. And sir, your guidance, can you please repeat for FY27, '28?

Rajiv Singh:

So as Mr. Rustagi sahab said in his opening statement that we are looking at a growth of 60% to 65%. We will obviously, internally, hope to beat that. But that we hope to grow at 60% to 65% this year. And so that is what we are hoping to do and have good EBITDA margins. So and normally, if you see that the first 6 months is 40%, 42%, and the last 6 months is 58% to 60%. So if you do the math, you will be able to...

- Arvind Arora:** And what about '28, FY28? Any color on that, sir?
- Rajiv Singh:** So we will continue to grow. We do not want to give today the that -- where we would land up in FY28. But yes, we have done a lot of capex, as I said, that Saudi will start next year and partial revenue will come next year, and the major part of the revenue of what we are invested -- already invested in will come the year after that. Same is with PEB. Same is with the transmission, where we said that we are expecting a lot of growth.
- So based on that, yes, we should have a strong growth. But on a number today, we do not want to give, we would not like to give the guidance as of today. And I think, as we pan out during the year, we will speak more about it.
- Arvind Arora:** Sure, sir. So this growth that you are talking 60% to 65%, so this comes predominantly from renewable sector or nonrenewable? If you can like highlight that.
- Rajiv Singh:** So all of it, we are sweating all our renewable assets, we are sweating our wind asset, we are transmission is going to grow. So all businesses are going to grow and grow at rapid pace. So it's going to come from all of them. It is coming from solar, it's coming from wind, it's coming from transmission, all three and fasteners. We are doing fair amount of capex there also, so that will also grow.
- Arvind Arora:** Understood, sir. Thank you. Thank you so much, sir, and all the best.
- Rajiv Singh:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Sanjay Parekh with Sohum Asset Managers Private Limited. Please go ahead.
- Sanjay Parekh:** Yes. Congratulations, Rajiv ji and Rustagi ji. Amazing result and amazing clarification as well. My one question was, we are growing at a very good pace. The return ratios are very good today, as I see, EBITDA margins and asset turn is leading to ROCEs being at 25%, 26%, 27%. Of course, it depends on where our EBITDA margin lands at. So this character of the business, which is very strong of great growth and great return ratios, as we scale up, that would continue, right? That is the question.
- Rajiv Singh:** Thank you, Sanjay bhai, for the question. Yes, we would hope that this trajectory continues. If you see the way we model the business is that -- we manufacture in India for India and global markets. And we go to areas, countries like we have gone to Kingdom of Saudi Arabia, where you require everything to be made locally.
- And our endeavor would be that the products that we look at, we are able to sell it at scale and because of already the absorbed cost at the corporate level and because of the management of our working capital and our fixed assets, whatever we borrow for is quite strong.

Our cost on all those areas are maintained quite strong. So as we go on adding more revenue and more products, I think the efficiency of the business, of the money, and the capacities should become better and better.

Sanjay Parekh:

Yes. And I think one thing assuring during our earlier meetings was that we are clearly a product company and not EPC company, and hence there are no major working capital cycle issues, which is quite assuring.

Rajiv Singh:

Yes, Sanjay bhai, thank you for asking that. So if you look at our working capital days and where they were at today, in the first quarter from last year, we have come down to 36 days our working capital cycle. Last year, we had an EBITDA close to about INR500 crores, and our cash conversion was about INR675 crores.

And so we will do a little bit of services as and when is required to protect our margin, but that would be 3% to 5% of our revenue. We are not really looking at doing that those kind of businesses where working capital cycles become longer and longer and that then the cash flows and all get stuck. We are predominantly a product company and we would like to stay that way. That's the character of the company that we are building.

Sanjay Parekh:

Yes, thank you very much. The last one, while we are predominantly exporting to US, but any plans further to have some setup there, and also Europe? A little bit your thoughts would help, because opportunities are pretty large. So just some thoughts on that, and thanks a lot.

Rajiv Singh:

Thank you.

Management:

So Sanjay bhai, we are always -- this is the first time the company has raised money. So we are very, very careful where our capital is concerned. And we are very good as a company to build assets and scale up very quickly what we have demonstrated in in solar and what now we are doing in transmission and our other products.

So unless we see real value at for the asset, and then how we can expand in and around that region, or do more products with it, when it makes sense, we will definitely look at that.

We are looking everywhere, wherever we can get a good opportunity. We have very good management bandwidth. We are adding a lot of bench strength. We believe in investing in human capital. If you see our teams people have stayed with us, from the time me and my brother had started working.

And, normally people, when they come in, they like to get associated with the company. So yes, we will look at every opportunity that is available, and to build the business and continue to grow at the rate that we are growing at.

Sanjay Parekh:

Perfect. Thank you very much, and best wishes.

Rajiv Singh: Thank you, sir.

Moderator: Thank you. Next question comes from the line of Pankaj Saraf, an Individual Investor. Please go ahead.

Pankaj Saraf: Hi. My call actually got dropped earlier, so if you've answered the question, please feel free just to say that you've answered it and I'll listen to the call. But my question is in the last quarter, how much of the revenue came from tariffs? And adjusted for tariffs, how do we think about revenue this quarter versus last quarter and the same quarter previous year?

Rajiv Singh: So I'll allow Rustagi sahab to answer the percentages, the total revenue that came from tariffs. But from that -- I'll just say that the last quarter and the first quarter, the tariff has remained at 50%. So there has been no change in the percentage of tariff. So whatever we were paying in terms of percentages in, let's say, Q2 or Q3 or Q4 of last year has continued in this financial year also. Over to you, Sunil.

Sunil Rustagi: So yes. So as rightly mentioned by Rajiv sir, basically the tariff and the freight, actually, the cost is almost to some extent the tariff was of INR250 crores and odd figure, which is a part of our Q1's revenue. But as mentioned earlier by Rajiv sir, that everything is passed on to our customers, so it doesn't impact our profitability.

Pankaj Saraf: Right. No, understood. I was just focused on the top line. So you said in Q1, the tariff was INR250 crores. And if I'm to compare this to previous quarter and the same quarter last year, would you have the numbers handy, by any chance? So, I could actually What I'm interested is basically figuring out revenue ex-tariff on a comparable basis.

Sunil Rustagi: Yes, I understand that. Okay, that was about INR113 crores, 113.

Pankaj Saraf: This is previous quarter, Q4?

Sunil Rustagi: Yes, Q1 '26, I'm talking about.

Pankaj Saraf: Sorry, Q1 '26 was INR113?

Sunil Rustagi: Yes, and before, it was about INR196 crores.

Pankaj Saraf: Okay. So Q1 tariff this -- sorry, this is Q1 of this year, FY27?

Sunil Rustagi: Q1 of this year is INR250.

Pankaj Saraf: INR250, got it.

Sunil Rustagi: Yes, on year-on-year basis, Q1 '26 was INR113.

Pankaj Saraf: Got it.



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Sunil Rustagi: Yes.

Pankaj Saraf: Understood. Okay. Thank you, that's helpful.

Moderator: Thank you. Next question comes from the line of Rishabh Jain with ICICI Securities Limited. Please go ahead.

Rishabh Jain: Hello. Thank you for the opportunity. My question is, what are the sales in million tons for the current quarter?

Sunil Rustagi: Can you be a little bit louder, can't hear you?

Rishabh Jain: Yes, am I audible now?

Sunil Rustagi: Yes.

Rishabh Jain: Yes. So I just wanted to know that what are the sales in million tons for the current quarter?

Sunil Rustagi: Sales in?

Rishabh Jain: Million tons.

Sunil Rustagi: Sales in million tons? Okay.

Rishabh Jain: Yes.

Sunil Rustagi: So, see, generally a couple of products, we don't measure sales in million tons, but yes, all put together, we have done about 135,000 tons this quarter.

Rishabh Jain: Okay. And my next question is, how do you see the UAE contribution in this fiscal and next fiscal? And do you think that there will be any slowdown due to ongoing conflicts?

Sunil Rustagi: So UAE, means you means Saudi Arabia?

Rishabh Jain: Yes.

Sunil Rustagi: The Saudi Arabia facility is under construction. We haven't started manufacturing there as of now. As mentioned by Rajiv sir last in his speech that the trial production would happen before somewhere around December, and then commercial production would start maybe by the end of the year or early next year.

Rishabh Jain: Okay. And that any slowdown due to ongoing conflicts, what are your thoughts around that?

Rajiv Singh: No, we believe that the long-term plan for the kingdom and its neighboring countries where North Africa and other countries that we could look at potentially supplying from there is quite

strong. Their renewable plan for the next 10 years is very, very strong. And then because of that, the transmission grids required would be substantial.

They are working towards like UAE had Expo 2020, Saudi's is going to have 2030, and then they have the World Cup in '34. So because of that, there is a huge investment in the country, and that is on continuous basis. Because these two events are bound to happen in the country. So that is why we feel that the progress will continue.

Rishabh Jain: Okay. And my last question, sir, is that in the current quarter, the other expenses are nearly very high, it's around INR500 crores. So, what is the reason for that?

Sunil Rustagi: So that tariff and the freight cost is a part of other expenses. And therefore, as you must have heard our earlier conversation, where we have said that, okay, the tariff is about INR250 crores, and also the freight cost, which has come, which has impacted some of the EBITDA margin in the last quarter. So that forms a part of other expenses. Otherwise, other than trade and US tariffs, the other expenses are well in control.

Rishabh Jain: Okay. Thank you. Thank you for the opportunity.

Sunil Rustagi: Thank you.

Moderator: Thank you. Next question comes from the line of Rahul Shah with Accelpru. Please go ahead.

Rahul Shah: Yes, my question has been answered. Thank you.

Rajiv Singh: Thank you.

Moderator: Mr. Shah, please go ahead.

Rahul Shah: Question has been answered.

Moderator: Thank you. A reminder to all the participants Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Rajiv Singh: Yes, hi. Thank you so much for joining in our first conference call for our results. And we've had a great quarter. We're looking forward to -- we've had a good second quarter, and we look forward to having a good year based on what the guidance that we have given earlier on.

Just one or two clarifications I just wanted to give in terms of margins that when we feel that the revenue for Q3 and Q4 is as per projected, the guidance on the margins also will move in accordance to the growth in the revenue. So, the once the utilization of the assets happens and we're able to sweat our assets fully, and the fixed costs of those are absorbed, in those numbers will definitely improve.



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Thank you. Thank you very much.

Moderator:

Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect.