MTTL/SECT/25/2026-27 **Date: August 10, 2026**

The Secretary, Listing Department, **BSE Ltd.,** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. **Scrip Code: 526263**	The Manager, Listing Department, **National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051. **Symbol: MOLDTECH- EQ**

Dear Sir/Madam,

Sub: Transcript of Conference Call for Investors held on August 06, 2026.

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the transcript of the Conference Call for Investors held on August 06, 2026 to discuss Q1FY27 results of the Company.

This is for your kind information and records.

Thanking you,

For Mold-Tek Technologies Limited

PRATEEK KUMAR TIWARI
Digitally signed by PRATEEK KUMAR TIWARI
Date: 2026.08.10 12:10:17 +05'30'

Prateek Kumar Tiwari
Company Secretary and Compliance Officer

Encl: A/a

"Mold-Tek Technologies Limited Q1 FY '27 Earnings Conference Call"

August 06, 2026

MANAGEMENT: **MR. LAKSHMANA RAO JANUMAHANTI – CHAIRMAN AND MANAGING DIRECTOR, MOLD-TEK TECHNOLOGIES LIMITED**

MODERATOR: **MR. ABHISHEK TAPARIA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Mold-Tek Technologies Limited Q1 FY '27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Abhishek Taparia from Emkay Global Financial Services Limited. Thank you and over to you, sir.

Abhishek Taparia: Good afternoon everyone. I would like to welcome Mr. Lakshmana Rao – Chairman and Managing Director and thank him for this opportunity. I shall now hand over the call to him for his opening remarks. Over to you, sir.

Lakshmana Rao: Thank you, Emkay, for arranging this call. Thank you all for participating in our Q1 performance review.

I am very glad to inform you that the company has come out with a stellar performance by increasing the revenues, improving the operational efficiencies and controlling the cost, thereby giving an almost 4x jump over the Q4 profitability and 12x compared to the Q1 last year.

And this is another very important point to note here is this is without Beryl really contributing anything to the bottom line. Maybe on the top line there was some addition, but the process of integration has started because the design team has to be created in India. That is what we are doing in the last six, seven months and now the design team is able to contribute, started executing projects for Florida clients and that will become positive from maybe Q3 onwards. Q2, Q3 will be timeframes when Beryl will start contributing to the bottom line also.

So, I think the future is going to be bright for the company with more automation being used to enhance the productivity, thereby reducing the employee costs or increasing the per-employee revenues. Either ways it is beneficial to the company.

And another positive note is in MES power and distribution due to the data centers happening all over the world. There is a lot of demand for power transmission distribution work and there we are getting, we got into a contract with a number one power distribution company in USA and a team is being formed for them. About 10 people have already started working and the team may grow up to 20, 30 people center for that company in the coming months.

So, in all areas, there is a significant increase in the demand for our services and I hope the future will be much brighter. We can share more information through questions and answers. Over to the operator, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kiran Gadge from Knightstone Capital Management LLP. Please go ahead.

Kiran Gadge: I have two questions. What is the work on hand for MES?

Lakshmana Rao: MES work on hand is just like last year, it is about 1.15 million. Whereas the civil work on hand is 4.4 million as against 2.7 million last year. So, civil continues to have strong traction on demand.

Kiran Gadge: Does the incremental annual revenue of 2 million per barrel include the 1 million purchase order from Hillsburg County?

Lakshmana Rao: Yes. That is where we anticipate going forward in the next 12 months. Their revenue rate will increase because of this Master Purchase Order they received from that county.

And also, they are entering into Georgia now because earlier they restricted themselves to only Florida. Now, with our Atlanta office is being in Georgia, we have initiated their registration in Georgia also. So, thereby they will be able to get the inspection and permits work from Georgia also.

So, this is the second step we have taken and the team creation here also has come to eight members now. That team has to grow up to another 15 to 20 people by at least October, November. And then most of the design work can be handled from India. Thereby, you can see the profitability improvement from Q3.

Kiran Gadge: What was the EBITDA per barrel in Q1?

Lakshmana Rao: Beryl is just around break-even now. So, EBITDA margin per barrel, I will let you know later. We will work out. Any other questions?

Moderator: The next question is from the line of Praneeth from SJ Investments. Please go ahead.

Praneeth: So, I wanted to start with one of the remarks. You mentioned that we have reduced all our other expenses cost. As a result, we were able to grow our profitability. Could you give some insight on to what cost did we reduce and how many of them are sustainable?

Lakshmana Rao: Yes. As mentioned in the previous quarters, we have taken a call on MES division downsizing of the automobile. That is one of the major reasons for the reduction in employee cost and also other expenses like the very expensive software costs and other costs have been now reduced in MES. So, that is one of the reasons why the other expenses dropped.

And there were some MTM losses last quarter. This quarter, there is no loss. So, that is another reason for the reduction in the other expenses.

Praneeth: And you also mentioned a large pipeline as a result of data center build-out. So, are the orders already in place with other design firms? Or do we expect in the next one year to also get more orders in this place? Because there is a lot of capital that has already been done in the country. So, I am wondering how much more capital is going to be there?

Lakshmana Rao: No, I am talking about power distribution for the data centers is happening across USA. So, there will be huge investments on power poles, laying of lines, distribution, transformers and substations where we are the expertise for the last 7-8 years. We have a team of about 50-60 people.

We are doubling that team now in the last couple of months. We are aggressively shifting some of our automobile people into poles and towers design and also substation design. So, all these changes are going to contribute in the coming quarters.

Already some changes have been done in the last two quarters. And some more teams are being added for couple of big distribution companies in USA.

Praneeth: And could you also give, you mentioned that Beryl is expanding to other counties. So, could you explain the synergies, I think we had U.S. offices also, right? So, how are they exactly helping with Beryl? Are we mixing the offices together and employees together? How is it working there?

Lakshmana Rao: No, Beryl has limited its operations to only Florida all these years. They have never gone beyond Florida. Now, we introduced them in Georgia, in Atlanta city. And they have already introduced and getting their name listed as approved engineering service provider for the county. So, that will start giving them work.

Because any citizen anywhere in that particular county or state can approach Beryl for various works they require for the residential buildings, additions, annexures, or permits, insurance claims, anything to do with their residences, they can make use of Beryl also, one of the listed entity.

So, it is listed only in Florida. Now, it is recently getting listed in Georgia. So, one more state work also can start coming in. Probably, it will start as a trickle now. But it will pick up speed by end of this year. So, their number of contracts they received now can double. Instead of from one state, they can get from other state. So, these benefits will accrue in the coming quarters, maybe from the Q3, Q4 onwards.

Praneeth: And what kind of growth do we expect from these other states? Because you might have some assumption and that is how you are building the team, right? So, what kind of expect…

Lakshmana Rao: Yes. We are assuming that till Q2, it may break even in Q2. Beryl may break even in Q2. And from Q3 and Q4 onwards, the numbers should be positive quarter-on-quarter.

So, hopefully, if not this year, next financial year, Beryl will be in a position to add at least $0.5 million to $0.75 million to the bottom line.

Praneeth: And in terms of onboarding more professional engineers, where are we at today? Because we had plans of expanding the number of people we have in PEs, right? So, where are we?

Lakshmana Rao: We have only couple of PEs as of now on our board who are U.S. certified PEs. And we are now in talks to acquire another structural engineering company with mainly PEs on board. Because Beryl is more into residential permitting and government work. It is not much into design. So, a good design company can make this total team well integrated. Because today, Mold-Tek is very strong in detailing and connection design.

Beryl is very strong in government permits and residential work, but not in design. So, we are now talking to a design firm which has both structural steel and residential background with about 7-8 PEs. And if the deal gets through, this combination can be really what makes us a complete civil engineering service provider.

Praneeth: What is the size of the firm we would be acquiring, sir, in terms of revenue and the cost price?

Lakshmana Rao: Yes, we are discussing with them. Today, it may be too early to give the details, please.

Praneeth: But have you seen any inflation in these prices? Because if the CapEx started, they also must be getting more work. Are you noticing any people asking for higher premiums than they used to in the last few months?

Lakshmana Rao: You mean asking for higher PE multiple you mean?

Praneeth: Yes.

Lakshmana Rao: Not really. Not really. It is similar. There is not much change in the valuations.

Praneeth: And one more question regarding MES just to understand the trajectory and what happened over the last few years. Because in your website, you mentioned that in 2022 or 2023, we finally reached profitability in MES, the mechanical division. So, till then, were we accruing any losses in this division till 2023?

Lakshmana Rao: Yes, in the last couple of years, MES has been bleeding. Especially last financial year, MES workflow is very low. It was almost 7-8 crores overall year loss in MES last year.

Because we are holding the people and software, hoping that the EV market will revive. But there seems to be no real turnaround for EV market as of today. So, instead of keeping those people idle, we are shifting some of them into poles and towers design, substation design. And some people we let go.

So, the expensive software for automobile, those costs have come down. And some of the expensive resources who are only suitable for EV robotic design, they have been let go.

So, these are the drains. It was happening last two years. Especially last year, the workflow in EV section was very low.

So, starting this year, we have started with a thin, small team. We want to continue in EV because once it comes back, maybe after 2-3 years, we should not be lagging in knowledge. So, we have kept a team of 50-60 people who are relatively busy now.

But the team was 125-130 people a year ago. So, at that time, they were mostly idling. Some people were shifted to electrical poles and towers and some people were let go. So, now the team is 50 and reasonably occupied.

Praneeth: So, usually, sir, when do these people give you orders? Is it during the erection phase of the plant? Or is that time to time after erection also you guys get orders in terms of design? Just trying to understand the life cycle of design while you are doing mechanical division. Could you explain that?

Lakshmana Rao: In mechanical, see what now currently majority of our mechanical work is coming from poles and towers and substations. Right when they start laying of the line, they decide the route, then they start using our services until the lines are laid.

If it is a substation, they give the substation locations and then we design the structural frames, structural dimensions and detail drawings to them. So, the process will go on from the beginning of the project execution till the end. We will be working with them.

The initial contact will be after the design is completed. Generally, some part of the design they let Indian teams do. The basic design is generally done based on site conditions. Hence, the design team in America will be doing this base design. Then detailed design and detailing will be done from India.

Praneeth: The American team is also, but our team based in the U.S. It is not someone else subcontracted.

Lakshmana Rao: Not really our team. We don't have team in mechanical design there. We have team in structural side.

We don't have a team in mechanical design. Today, mechanical design or even structural design, base design is not done by us. That is why we are still looking for a structural designing company acquisition.

Once we make that acquisition, then the team in U.S. itself will be able to take right from the general contractor the work rather than our taking the work from the erectors and fabricators. Today, our main clients are still erectors and fabricators.

The real general contractor is where we have to target. There we require structural designing capabilities. We have the capabilities, but we need a bigger team in U.S. which can bring the general contractors into the picture. And then that work can be outsourced from India.

So, that benefit is yet to accrue, but our next step will be in that direction. Next acquisition.

Moderator: Sorry to interrupt you, Mr. Praneeth. I would request you to rejoin the queue for a follow-up question. The next question is from the line of Dhruv Bajaj from GrowthSphere Ventures. Please go ahead.

Dhruv Bajaj: Sir, firstly, we did mention in our previous call regarding this Master Service Agreement wherein we would be working with this power plant player. So, has that execution started from this particular quarter or will start coming from?

Lakshmana Rao: Which one?

Dhruv Bajaj: We mentioned that we had some Master Service Arrangements with a client in USA for the next 2-3 years.

Lakshmana Rao: Yes, that is where we started. We started with a team of 10 people now. 5 people are already being billed from July and from August-September 10 and by October-November 20 people will be working. That is the outcome of that agreement.

Dhruv Bajaj: How big can that be on an annualized basis considering this was the very first quarter?

Lakshmana Rao: At this stage, for the next 12 months, that is starting let's say from August, it can be a million dollar per annum activity with very good margins. And with them, taking us into other lines of activity, it can even go in the coming years. Currently, you can factor about a million dollars from this contract.

Dhruv Bajaj: Fair enough, sir. And sir, like you did mention, because of this data center implementation, there is a lot of requirement of this power transmission and power generation projects. So, that we are working already on the U.S. I think this particular order was on that part only.

But incrementally, what type of demand scenario are you seeing on that side? Because based on our understanding, the bottleneck is huge on that side. So, that should give you a multi-year visibility. So, can that be very big?

Lakshmana Rao: See, the problem is, the opportunity is big. I wouldn't say it is a $100 million opportunity. All together, it can be almost $8 million-$10 million opportunity for our part of the business.

But finding people and training people in that line is becoming challenging. We have just now started a team for this new client. And created the content, created the videos, so that our engineers can be trained in the American way of electrical design, the electrical line distribution design. So, that will initiate us to ramp up a little faster in the future.

But I wouldn't call this line a $100 million opportunity. It will still be $5 million to $10 million per annum opportunity but with a good profit margin.

Dhruv Bajaj: And sir, in this particular quarter, we surprised I think everyone in terms of the margin that we clocked in of 19%. Whereas, we guaranteed I think in the previous call that we will be achieving somewhere around 15%.

So, I was just trying to understand, I do understand there was a very decent restructuring exercise which ultimately led to higher margins. But is there some sort of seasonality involved here? Considering Q1 is generally one of our better quarters. Or is there some product or service exchange which is leading to such higher margins versus what we guided? So, if you can help us understand the sustainability on that front.

Lakshmana Rao: Yes. Actually, last Q1 was not so good. Actually, we made only Rs. 78 lakhs profit and a very low EBITDA. So, that way, there is nothing called seasonality. The real seasonality comes in terms of workflow. Like in packaging, we talk about EBITDA per kg.

But here in technologies, what I would look at is what is the work on hand at the end of the quarter. Today, it is 4.5 million in civil as against 3.7 last year. So, we are confident that the next quarter also is going to be good. The work on hand is a very important measure for us. Because if the project flow is coming down, even if you have the team, like in EV case, that is what happened.

In EV, we have created a big team of 150-130 people. But the workflow used to be 100K-50K per month. And the accumulated work at any given time was less than a quarter million. So, that is not a good indicator.

Here in civil now, we have $4.5 million work on hand as on today. That is a good indicator for me to see the next quarter also with a positive optimism.

And one more thing that adds to my optimism is Beryl, which has not contributed in this quarter, rather small losses, would definitely become break-even in this Q2. And from Q3, it will start contributing because our design team will be ready.

Dhruv Bajaj: Makes sense. Sir, ex-Beryl, is it fair to say that we earlier guided for some Rs. 250 crores kind of run rate for FY '27. And given the volumes of order that we are receiving at the moment, is it a fair thing that we will definitely achieve on that trend? I think we already achieved that in this particular period.

Lakshmana Rao: Yes, Rs. 250 crores is possible. 240-250 is possible because we have done around Rs. 61 crores now. And I think this trend in the Q2 also gives me confidence. Similar level of achievement is possible going forward.

Dhruv Bajaj: And sir, on the margin front, do we want to revise as guided from the earlier 15% level or will we stand with that level and hopefully over-deliver? What is your take on that trend?

Lakshmana Rao: I think the trend was, the way it is going on, the EBITDA margins can even reach at least 20% if not 23% what we achieved in the current quarter. So, last year it was around 16% EBITDA. So, it should at least cross 20%-23% level. Sorry, last year it was 11%. So, it should reach at least 20+ in the current year.

Dhruv Bajaj: Sir, historically, we have always done, I think, 20%-25% EBITDA run rate. But due to our struggles in certain segments, we were earlier having all these issues. But now, directionally speaking, how confident are you about this business? Because even in your voice, we could see a lot of optimism versus the previous quarter's con call. So, what are you seeing on the ground that gives you so much confidence in the business?

Lakshmana Rao: Yes, two things. One is the workflow is increasing. The projects are taking off more and more in civil. And second thing is Beryl is going to start contributing from next quarter at least Q2-Q3 onwards. It will certainly start positive contribution.

And the third thing is our power and transmission line business is increasing with a strong leader giving us that MSA and work started for them. So, this will be a very good referral point for us to showcase our abilities in U.S. for the other clients also.

So, with all this, it gives me confidence. And our new productivity drive through automation is improving the output per person. So, without increasing our employee cost proportionately, with a less increase in the employee cost, revenue growth can be better, higher. So, that is what gives me confidence on the overall performance.

Dhruv Bajaj: Makes sense. Just one last question from my end. Sir, we did mention in one of our previous calls that in Beryl, I think the original promoters were also supposed to subscribe some warrants in the business. But due to fall in the share price, they couldn't. Is there any incremental inclusion plan on that front from their end?

Lakshmana Rao: See, it was part of the understanding MoU at the time of the acquisition within a time frame of 6 months. So, the 6-month time lapsed in April. At that time, the 6-months' average price was coming much higher than the current market price.

It is normal for any human being to think, why should I buy a 30% higher price when the share price is 130? He was offered at 165, I think, according to the 6-months' average. So, he didn't show interest and we didn't press up on it.

So, everybody has to make their own investment decisions. We can't push people to, you know, their own money. We cannot push.

Dhruv Bajaj: And there won't be any incremental exclusion from there, right? I was just trying to get on that one because the 6-months period has already lapsed, as you are saying.

Lakshmana Rao: Yes, in the 6 months, they have just a small negative. For the 8 months, what they concluded, some $5,000-$6,000 loss in the 8 months, which is not a big deal. And you can expect, while integration is taking place between Indian and American company, there will be some people who leave the company, and that skill set has to be created.

So, that challenges have been now overcome. And the team is slowly gathering pace. And the communication between Indian team and their American counterparts is pretty good. We just lost 2 out of the 38 people when we acquired. Those 2 both belong to design, unfortunately. So, that is what has given a little setback to them.

But this 6-people team in design, what we created now, are catching up with the domain knowledge. So, now, I think going forward, our support to Beryl in design will be strong enough for them to go aggressively in the market.

Moderator: Mr. Dhruv, I would request you to rejoin the queue for a follow-up question. The next question is from the line of Kaustav Bubna from Kamana Holdings. Please go ahead.

Kaustav Bubna: So, in your press release, you have in the growth opportunities in the civil and structural division business, you said rising investment in data centers, right?

So, I want to understand, right now I don't think the company is doing much in data centers in the civil and structural division. Is there any plans over the next 1-2 years to enter the space and how in the civil and structural division? That is the first question.

Lakshmana Rao: No, we already have done a couple of data center structural work in the last 1-1.5 years. And now with that background and showcasing that, our team is aggressively marketing for more and more data center structural work. We have already done a couple of them.

Kaustav Bubna: So, with this new acquisition that you are talking about, which you are planning to do now, or to add design capabilities, will your value proposition and offerings improve for data centers?

Lakshmana Rao: Not only for data centers, any project, any commercial or residential building, when one company is giving both structural design, detailing, connection design and the whole thing, including permits and all, obviously you can charge not hourly rates, you can charge a percentage of the project cost, which we can't do when you are doing it in bits and pieces.

So, once we have a structural designing company in hand, which is an American company representing by American PEs, and then we talk the fee as the cost of the project. Let's say the cost of the project is 100 million, probably we can charge 3% to 5% for the entire structural design, connection design, drafting. Maybe architecture will be left over.

So, probably together structural and architecture, the general fees are 3% to 5%. So, at least 2% to 3% can be charged as a project cost, on the project cost, which we can do only if we have a strong design team representing the whole company.

Kaustav Bubna: Fair enough. And you had said earlier, on the power side of the business, where substation pools etc. designing we are doing, the opportunity size is 5 million to 10 million. So, is that opportunity size the sector opportunity size or the opportunity size of this company?

Lakshmana Rao: No, no, no. Sector is much more than 200 million-300 million. What we can deliver in that is what I am saying 10 million. So, sector is more than half a billion maybe. It is more than half a billion, but majority of that main design is done in America.

So, substation path design and detailing is what is outsourced. So, out of 0.5 billion or even 1 billion, maybe $100 million may go out of America for substation design and detailing. In that I am hoping 5 million to 10 million for Mold-Tek.

Kaustav Bubna: So, sir, let's say, if you are hoping for 10 million, let’s say, where are we right now? What is the revenues right now from that business? I mean we can get to 10 million, but where are we right now?

Lakshmana Rao: Right now probably we are around 1.2 million. How much is our pool centre? This is 1.5 million and this is about 500. So, about 2 million now.

Kaustav Bubna: So, you are saying it can become 5x in about 3 years?

Lakshmana Rao: Yes, it can at least 3x to 5x in the next 2-3 years.

Kaustav Bubna: And you are saying this is a high margin business?

Lakshmana Rao: It is high margin.

Kaustav Bubna: Okay sir, best of luck. I hope you continue to give this good performance with higher margins and I hope the performance isn't volatile like how it used to be. Best of luck for the future.

Moderator: The next question is from the line of Manish from Swastik Investments. Please go ahead.

Manish: Sir, I had a question. One, will you increase employees in your design team in U.S. since you said they have expanded to one more state or county, which is Georgia?

Lakshmana Rao: There is no need. The design team is being created in India. One or two people there is good enough to take care. One PE is going from India to settle down in Florida from October onwards.

May be October-November once he gets his L1 visa. So, that will be enough with the current another 4 member design team available in Beryl. They will be able to do the front-ending.

And the back-end team what I said now 6-8 people here will be ramped up to 15-20 people as the growth comes in. So, there will not be any much addition of American staff in this domain.

And even if we go with the structural designing company which we are in talks with, we will be expanding the team here in India, not in U.S.

Manish: Yes, I understand that, but the acquisition that you have been talking about, I know we have been talking about it since long and fortunately Beryl happened. But Beryl, like you highlighted sometime back, has not given us the end-to-end expertise, right? May be in the residential segment, yes, but there are few open gaps, which may be one of the acquisition can add.

Now my question was more in the context that you highlighted in the previous call that there are so many counties in the U.S. and the opportunity to expand to those counties is definitely there. So, because you also highlighted that you guys have expanded into Georgia this quarter, so that was the reason as to why I was asking if it makes sense that we increase the design team in U.S. so that we can expand to may be more counties or may be take more work coming our way.

Lakshmana Rao: No, I understood your question now. See, if we expand Beryl's operations further beyond Georgia, yes, we will be needing people there. But currently, this is the first step we have taken to start in Georgia because of our office is there in Atlanta to coordinate and make it easier for Beryl to communicate and take up the work of Atlanta county jobs.

So, once we see merit in that, we will certainly go aggressively across some more states and then we need to add people because the work what they do is more permits and inspections, which require a physical presence. So, design work can be done from anywhere. So, there will be a need for increasing the team there only when we move to other states.

In Atlanta, currently we have a staff of 5-6 people who can help Beryl in executing the work once it starts from the Atlanta county. But I am not looking at that as a permanent immediate goal because immediate goal is to set the Beryl's design team in place and start executing the Beryl's design work which we are losing now.

So, that is the step 1, and step 2 is Georgia county addition to Beryl's operations where our current office people will be enough to take care and once this success comes in, probably it will at least take a year to see some good traction in a new county and then probably we will be looking at expanding the team there also as per the business needs.

Manish: That answers my question and best of luck for the subsequent quarters.

Moderator: The next question is from the line of Preet Shah from Blue Star Capital. Please go ahead.

Preet Shah: First of all, congratulations for a good set of numbers. Sir, as I am new to your company, so, sir, I just want to understand what was the reason for a big jump in the margins and are these margins sustainable? So, could you please help me with that?

Lakshmana Rao: Yes, I was telling the same thing. Two things helped us to improve the margins and will continue to improve. One is our reduction in non-performing division of automobile engineering which we have reduced the manpower and saved the cost.

But more than that, the real contributor is high automation what we brought in our operations and an incentive system which is driving the people towards higher productivity is visible in the last at least 3 to 5 months. So, these two are going to be a long term in nature. They are not one time.

What is the point of indicator of the growth is work on hand at any given time. That looks very solid now around 4.5 million as against 3.5 million last year same time. So, it indicates that things are positive in the project flow. And now execution costs are now brought under control and they will be under control in future also.

So, what is going to further improve is Beryl, which is not contributing to the bottom line, will start breaking even in Q2 and might start making profits from Q3. So, that is why we are confident that the margins are sustainable going forward.

Preet Shah: Sir, as you have given the guidance for FY '27, any sort of guidance for FY '28 what you are looking for? A ballpark figure would be also helpful.

Lakshmana Rao: Yes, I think we should at least do in the same way for the next four quarters is the minimum what I expect.

Preet Shah: No, no, sir. For FY '27 you have set 240 to 250. For FY '28, for next year, what you are expecting?

Lakshmana Rao: Oh, next '27-'28. See, our numbers are dynamic because one thing is sure, we are on a strong wicket of civil engineering and not so strong in MES. And in MES now we found a very good footing in the electrical distribution and substation work which is becoming our forte.

And automobile is there, but it is not a great reliable line for the last several years. It has been going up and down which has now narrowed to a small team. So, going forward, the unduly, I mean, I would say wavering in the performance won't be there, I hope, as long as the civil work on hand is strong.

And going forward, we will be making definitely acquisition in the structural engineering side, which can add numbers beyond annual growth. So, I can't predict next year. Probably at least a Rs. 300-350 crore should be our target for the FY '28 along with an acquisition.

Moderator: The next question is from the line of Praneeth from SJ Investments. Please go ahead.

Praneeth: Thank you for the follow-up. Sir, I wanted to understand, you mentioned the $4.5 million of work in hand, right, sir? How much was the contribution because of Beryl versus our regular course of business in terms of order book?

Lakshmana Rao: No, in this we have not added Beryl number at all. This is a Mold-Tek Inc., work on hand.

Praneeth: So, Beryl, does it have a work on hand basis or is it usually how it goes every month? It just changes?

Lakshmana Rao: Their work on hand is typically small in nature because their work is more of residential in clients. So, each may be $10,000, $5,000 projects or maybe $20,000. Whereas in Mold-Tek Inc., where we do structural steel buildings, there the project sizes are anywhere from $20,000 to $500,000 each.

So, our work on hand is more of a measure for our future. But whereas Beryl's work on hand is immaterial. They keep getting daily orders or weekly orders, which are completed within a week or 10 days. Whereas our projects last for 6 months to 1 year or at least 3 months to 1 year.

So, for us, work on hand is an important measure. For Beryl, being a retail kind of work, that is not a big deal. So, we don't really monitor that.

Praneeth: Is this the highest work on hand we ever had since the company's inception or how is it in terms of size of work on hand?

Lakshmana Rao: The work on hand means this is the number of projects awarded to us which are yet to be executed.

Praneeth: No, I am asking in terms of the size.

Lakshmana Rao: But one good thing in the case of Beryl that happened recently is that they received a $1 million work Master Purchase order from the county which is going to help them to have a steady flow of work from the county. So, that was not there 3 months ago. They got it just last month. That is apart from the regular day-to-day orders they receive from the residences and individuals.

Praneeth: So, one more thing I wanted to understand in terms of PAT margin, sir. You mentioned that a lot of efficiencies that are usually sticking in in terms of reducing costs and all of it, and you also mentioned the productivity efficiency in terms of labor utilization.

So, do you think the margin of PAT can go above the 15% mark in the next 1-2 years or do you think that will still remain the highest level we will probably be able to do?

Lakshmana Rao: I will be glad to maintain this at 15%, but it can move up once Beryl starts contributing a little bit. So, for the time being, we can keep 15%-16% PAT margin as a target.

Praneeth: But sir, is it possible for us to go, let's say, beyond 20% because a standalone business is anyway at that level anyway. So, is it possible in terms of consolidatedly it moving to 20% or is the profit margin there a little lower compared to a standalone Indian business?

Lakshmana Rao: Yes, Beryl cannot have 20% PAT margin. Probably they will at the most reach 10%. But our standalone can reach that. So, let's see how it goes.

Management: With support from India, we can--.

Praneeth: Sir, one more thing in terms of understanding our past. So, you mentioned that mechanical, it's been like for the last 10-15 years, right? So, how many of them were profit-making was non-profit-making for mechanical division over the last decade?

Lakshmana Rao: Two-three years of profitability '22 and '23 I think. '22-23 and '23-24 to some extent. Only two-three years it was profit-making MES.

But for that almost remaining 5-6 years the team was not fully uniformly loaded. There were projects for three months and no projects at all for the next three months. That kind of uncertainty was there in our particular domain for quite some time.

So, that is why the call has been taken to come out of that and keep only a team of 45-50 people who are getting regular work and redundancy has been removed.

Praneeth: Sir, in terms of the work on hand, did we add new customers also or is it more work from our existing customers itself, most of it?

Lakshmana Rao: No, no, both ways. We are getting more work from the existing clients and then also new clients are being added. Now Beryl's BD team is also going to work for our regular core business. They have been trained how to handle the business development for our structural designing and structural detailing operations.

So, one person from Atlanta went and spent a month training them and their contributions also will start coming from maybe next couple of quarters. So, we are making sure that their American presence and their contacts also can be used for our core business.

So, that is another delta that can happen from Q3. They have started now, but for them to get used to the language and properly give a presentation might take a couple of months, but once they do it, they can be much better because an American engineer talking about Mold-Tek will convince the contractors and fabricators to give the work to us. So, that can help our core business also. That also we initiated now.

Praneeth: So, basically, we are training the sales people already there for Beryl to sell our products also?

Lakshmana Rao: Yes, there are already three member team, strong team is there, and they are engineers and they can easily catch up what they are doing work for residences and government projects. So, they have to twist the story and they have to catch the way of presentation of our services. That may be couple of months it will take and then they can also contribute towards our core business.

Praneeth: Sir, one more thing with regards to Structural Design Firm Acquisition. So, when do you think we can close by? Because I think in the past we got some delays because we are not able to identify the right company. So, just wondering when do you think?

Lakshmana Rao: Yes, I think again now also if I give a date and it fails, it will not look good. But there is a close proximity. If it happens, it can happen within this calendar year. So, let's see.

I am travelling in September end. I am going to meet them in September end. Meanwhile, Prasad who is here now currently in India is going back, our CEO, back to U.S. on 16th August. So, from then he will be interacting with them. And I am going there in the 2nd half of September and if things go well, we may either take the deal or drop the deal in October. So, it can happen in this year.

Praneeth: But is it not easy, but can we not build our own PE because we already had Beryl and can we just expand the team further?

Lakshmana Rao: No, building up a PE team in U.S. is next to impossible. Finding PEs who are willing to come and work to an Indian company and with a reputed 10-20 years of experience is very, very difficult. We can find one or two people but not a team.

So, this one what we are looking at is a team of about 15 engineers. Half of them are PEs and SEs. So, that kind of company with more than 20 years of existence, so they will have very deep rooted contacts and many projects to showcase, which you can't get by yourself. It would take another 10 years. So, we want to buy the time.

Praneeth: So, with these kind of fits, are there options to begin with because it seems like not that many companies will be available? So, if this doesn't work out, do we have options or we need to end up waiting for a while after?

Lakshmana Rao: There are always options, but the time, you will be keep losing time. So, let's keep that as a additional bonus, if it happens. I am not concluding that it is already done. It has to happen. We have to find the correct fit people who are willing to stay with us, people who have similar mindset. All that need to be discussed. That is why these acquisitions though small take long time, but there is a good probability. Let's see.

Praneeth: So, in terms of number of PEs, sir, how many do you think there will be in the U.S. combined because you are telling it is impossible to build probably a team by ourselves? Do you think how many are the numbers to begin with in the U.S. in terms of PEs who are certified?

Lakshmana Rao: You mean in the entire USA?

Praneeth: Yes, sir, like the supply-wise, is it going to be a more trend or what are the numbers exactly, just to understand the market?

Lakshmana Rao: There may be thousands of PEs across the USA for structural design. Otherwise, so many structures cannot be designed and stamped. There will be thousands of them, but many of them are huge companies, construction companies, or very few of them practice. It is like our CA and CPAs. Many CAs work and very few CAs start practice.

So, like that, many PEs work in companies, very few PEs start practicing. And even if they practice, if they have only 2-3 people PE team, they can't execute big projects. So, we have to look at a team which is minimum 5 to 10 PEs. So, this is where it will be difficult.

In small, small towns, you will find 3 or 4 people, 2 PEs and 5-6 engineers forming and doing their own work and making their own money and be happy with it. But there are firms which have about 5 to 10 PEs and about another 5-10 engineers, a 20 member team. That is what can add value to a company like us. A small group is again not so much valuable.

We are looking at a sweet spot of 10 to 20 employees, half of them PEs as a guidance. So, that is what we are now talking with. So, let us see how it happens.

Moderator: The next question is from the line of Bharat Sharma from Three Sigma Asset Managers LLP. Please go ahead.

Bharat Sharma: I just wanted to understand your, say, a long-term vision. Where do you see your company in next 10 years? And also wanted to understand that you have been doing so much good work in U.S. Similar kind of developments are happening in Indian market. So, what is your plan for domestic catering?

Lakshmana Rao: First, let me answer your second part. As of today India markets and rates are very, very low compared to what we can get from USA. So, we are not aiming at Indian work unless it is something exotic and needs good value addition.

Coming to your first question, 10 years may be too long a period to envisage, but in the next 5 years, I see that our company becoming a complete civil engineering. Of course mechanical also will be there, but major--

Bharat Sharma: I just wanted to understand in terms of your maybe aspirations, in terms of how big company you want to see yourself in 5 years from current?

Lakshmana Rao: Yes, that is what I am answering. We want to see that we are a complete total solution provider for civil projects either commercial or residential government or funded either ways. And I wish, because you are saying 5 years, not only structural engineering, we also want to have architectural services also in our gamut going forward so that right from project inception till the end, our services are required for a general contractor or a builder.

So, adding architectural will be my next look out. Once the structural engineering has been acquired, the next step what we require is to become an architectural service provider also. That also we want to through acquisition only because again that also calls for reputation, deep experience in American ways of designing architectural design.

So, because you are giving me 5-year time, my aspiration is to have even an architectural firm under our wings so that A to Z for both residential, commercial or even industrial we will be in a position to provide and work on not on hourly dates but on percentage of the project cost. That is what my aspiration.

Bharat Sharma: Sir, I also wanted to understand that your, I will say, gauge of the capability, the design capabilities of people who are available in U.S. versus India and are you going to primarily expand the U.S. piece for sales purpose or you plan to there is a differentiated engineering design, I will say, capabilities also which are there in U.S. which are now there in Indian students?

Lakshmana Rao: See, what I am looking through acquisition is their contacts with the general contractors and the local presence and proven track record. That is time consuming. To achieve that by an Indian firm, we have to set up an office, start practicing. Over a period of 5-10 years, you execute some projects and then your name will be heard around.

So, what the shorter way of doing this is acquiring a firm which has done it before. So, if the company is there for 15-20 years, they would have spread their wings across the state at least so that entire state knows some of the unique projects designed by an architect or a design engineer and that reference gives a long way in getting new projects.

It is like a doctor or a specialist anybody goes by reputation. So, buying a firm gives you a long time advantage and local presence of American PEs and SEs gives them confidence that the work is done from India, there are people who are monitoring and checking in U.S. and ensuring everything falls as per codes of American standards. So, this is a win-win for both sides.

Moderator: The next question is from the line of Samarth Singh from TPF Capital. Please go ahead.

Samarth Singh: Sir, last year, last quarter we had this FX M2M loss. Has there been either loss or a gain in this quarter?

Lakshmana Rao: This quarter there was a gain.

Samarth Singh: Could you quantify that?

Lakshmana Rao: Because the dollar has been more or less stable, rather little rupee has got strengthened a bit. So, there is some gain.

Samarth Singh: Could you give me the amount?

Lakshmana Rao: It is about a crore. Rs. 1-1.2 crores

Samarth Singh: And sir, the second question was on Beryl. This $1 million order that you got with Hillsborough County, is that a recurring order or is it just the one time?

Lakshmana Rao: I don't have much knowledge about it. I have to ask our CEO Prasad, but this is one thing which will be completed within 6 months to 1 year. So, it will be spread across a period of 12 months from July.

Samarth Singh: And in Beryl, I think last time you had mentioned that we need to do about $7 million of revenue. That would get us to about 8% to 10% EBITDA margin. Is that still the number that you hold? And by when do you expect to get that?

Lakshmana Rao: See, last year they did about 5.4 million in Beryl with a profitability of around 8%-9%. So, this year, I think, again, they will be able to sustain similar number because their workflow has impacted little bit because of the disruption in their design team which we are now building up. So, hopefully, this full year, again, they will close somewhere close to 5.5 million with a EBITDA margin of around 8%.

Currently, they are just in the 8 months of our acquisition, they made a marginal loss of $5,000-$10,000. So, that might fill up in the next remaining this current financial year that is remaining 9 months, and hopefully it will go into positive terrain from Q3.

Samarth Singh: So, the Beryl sales issue was an internal issue. It is nothing to do with the fact that Florida residential permits are, I think, down about 10% Y-o-Y.

Lakshmana Rao: Which is 10% down?

Samarth Singh: Florida residential permits. So, it is the residential permits. I am just saying it is not a demand issue as far as Beryl is concerned. It was more of an internal issue which led to the slow sales growth.

Lakshmana Rao: It is a little bit of demand issue to the extent that the government funding has been stopped, if you remember. The American government funding shutdown, government shutdown has happened for 4-5 months in the beginning of the year. So, that has an impact because these guys do more mostly government funded projects. So, they have some impact in the month from Jan to May. I think now it is again open. So, they are expecting the workflow to improve.

Samarth Singh: And last question, there was also a plan to sort of move some of their operations from the U.S. to India to reduce costs. Is that still the plan or we are not, that is no longer?

Lakshmana Rao: No, that is the design part. That is the design part which we are planning to create here. And what is happening now is they are leaving the opportunity soon after the inspections and permits. In fact, the guy who is getting the permit and plan approvals, he can easily seek the design work also, which they are not able to do because of lack of manpower, which we are creating now in India. So, going forward, what they are leaving the work, client at the permit level and approval level, they can continue to provide design level also once our team is in place. So, going forward, we are positive about Beryl's contribution. It might take another year.

Samarth Singh: So, the 10% margin that you had put in as the ceiling, that would be just on what kind of work that is doing today, but once we start providing the design services as well, you expect that could go up.

Lakshmana Rao: Once the design services start in a big way, that can improve. The 10% can slowly move upwards, but currently, why I am saying is majority of their revenues even today are from approvals, permits and inspections. Nothing from design. Nothing means insignificant. So, \$20,000 \$30,000 a month which can go up to \$200,000 \$300,000 \$500,000 also per month once the team is in place because they have the contact.

A guy who is going to ask them for a permit approval and inspections and insurance claims and all that, he will also be happy to get the design done in case they have the capability, which they don't have. So, that is what we have to fill in now. Once we fill it in, then their numbers will start growing up.

Samarth Singh: And that team is in place already or they will be still working out?

Lakshmana Rao: Yes, we have 7 people now here in India and 3 there in USA, but they lost 2 strong hands in the end of November. So, we are now filling up that gap from Indians and local outside work. So, when you pay local outsiders, you don't make any money because their costs are the same. So, until a team from India starts executing, you will not see the cost arbitrage.

Samarth Singh: Right. And you expect that to start from next year onwards.

Lakshmana Rao: Yes, definitely.

Samarth Singh: That's it from my side.

Moderator: Thank you. Due to time constraints, we take that as the last question. I now hand the conference over to management for closing comments.

Lakshmana Rao: I thank Emkay Global and also all the participants who shown interest in our company's quarterly performance. As we discussed, the future looks bright, and I hope things will fall in place as per our plans and company is definitely working towards improved efficiencies and improving output of per employee through automation and other tools that are available and definitely keep up the performance in the coming quarters. I hope so, and I wish you all a great evening. Bye.

Moderator: On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.